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Programme
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de Alimentos

**Executive Board
Second Regular Session**

Rome, 9–13 November 2009

REPORTS OF THE EXECUTIVE DIRECTOR ON OPERATIONAL MATTERS

Agenda item 10

*For information**



Distribution: GENERAL
WFP/EB.2/2009/10-A
2 October 2009
ORIGINAL: ENGLISH

DEVELOPMENT ACTIVITIES APPROVED BY THE EXECUTIVE DIRECTOR (1 JANUARY–30 JUNE 2009) — UGANDA 107920

Turning High Food Prices into Opportunities for Uganda's Subsistence Farmers

Number of beneficiaries	78,450
Duration of project	13 months (1 February 2009–28 February 2010)
WFP food tonnage	1,492 mt (food) and equivalent of 1,289 mt (cash/vouchers)
Cost (United States dollars)	
WFP food and cash/voucher cost	868,140 (food) 706,615 (cash/vouchers)
Total cost to WFP	4,968,150

* In accordance with the Executive Board's decisions on governance, approved at the Annual and Third Regular Sessions, 2000, items for information should not be discussed unless a Board member specifically requests it, well in advance of the meeting, and the Chair accepts the request on the grounds that it is a proper use of the Board's time.

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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for information.

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

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Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact Ms C. Panlilio, Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).



ABSTRACT

1. In Uganda, the prices of staple foods such as maize and beans have increased by 50 percent since the beginning of 2008 as a result of greater demand in neighbouring countries, higher fuel costs and poor harvests in some parts of the country.
2. The rising food prices and increased regional demand offer an opportunity for Ugandan small farmers to move from subsistence farming to a more commercial approach. Given an improved market infrastructure and increased productivity, small farmers have the potential to increase production and sell surpluses, for example to WFP through Purchase for Progress.
3. But if smallholders remain net buyers the rising prices will affect the amount of income that they spend on food. As a result they may not have the resources to invest to increase production and may consume less food of poorer quality, which would in turn reduce their capacity to produce food.
4. Development project (DEV) 107920 addresses the impact of high food prices in Uganda. It aims to improve incomes and quality of life for vulnerable smallholders through a safety net that: i) creates assets that will improve their connections with markets and provide post-harvest support with a view to enabling them to benefit from high food prices, in line with Strategic Objective 3; and ii) helps to address immediate food and nutrition gaps resulting from high food prices, in line with Strategic Objective 4.
5. DEV 107920 focuses on improving market infrastructure and increasing productivity to remove constraints and enable small farmers and traders to sell more high-quality food at market prices. The activities aim to integrate smallholders into a growing market, leading to increased incomes and improved quality of life. Providing cash or food concurrently will allow households to meet their nutritional needs during this period of high food prices.
6. The project is in line with the Government's Plan for the Modernization of Agriculture and the United Nations Development Assistance Framework (2006–2010). It supports WFP's Enabling Development Objectives 2 and 3, Strategic Objectives 3 and 4, and Millennium Development Goal 1.