

Towards a common agenda  
on Aid for Trade and Agriculture for  
Sustainable Land Management:  
The experience of Uganda

uganda



# Acronyms

AfT	Aid for Trade
ARD	Agriculture and Rural Development
CAADP	Comprehensive Africa Agriculture Development Programme
DTIS	Diagnostic Trade Integration Study
EC	European Commission
EIF	Enhanced Integrated Framework
EPA	Economic Partnership Agreement
GDP	Gross domestic product
GDPRD	Global Donor Platform for Rural Development
GHG	Greenhouse gas
GM	Global Mechanism
OIE	World Organization for Animal Health
LDC	Least developed country
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MDTF-TD	World Bank's Multi-Donor Trust Fund for Trade and Development
MTTI	Ministry of Tourism Trade and Industry
NWFP	Non-wood forest product
ODA	Overseas development assistance
SLM	Sustainable land management
SPS	Sanitary and Phytosanitary
STDF	Standards and Trade Development Facility
TAPSS	Trade and Private Sector Support Programme
TRA	Trade-Related Assistance
TRACE	Trade Capacity Enhancement Project
UBOS	Uganda Bureau of Statistics
UNCCD	United Nations Convention to Combat Desertification
U-SLM SIF	Uganda Strategic Investment Framework on Sustainable Land Management

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# Foreword

The objective of this document is to share Uganda's experience in harmonizing its trade priorities with those of the different productive sectors involved in sustainable land management (SLM) processes in the country, with a view to promote coherent trade investments that can contribute to improve agriculture, SLM and poverty reduction. This experience provides useful insights to countries engaged in similar processes on how to approach the harmonisation and alignment of sectoral processes that usually run in parallel but that can be mutually supportive if coordination is achieved.

The document was produced by the Ministry of Tourism, Trade and Industry and the Ministry of Agriculture, Animal Industry and Fisheries with the support of the Global Mechanism as a specialized agency on finance for SLM. We are grateful to the European Commission representation in Uganda, acting as Donor Facilitator for the Enhanced Integrated Framework, for their constructive feedback in the write-up process.

## The partners

### **Ministry of Tourism, Trade and Industry**

This Ministry is mandated to oversee the policy formulation and implementation functions of tourism, trade, cooperatives and industry. The Trade Department is responsible for internal and external trade, and is the national focal point for the EIF. The Trade Sector Development Plan (2008/9 – 2012/13) prioritizes the preparation of an AfT country strategy, to engage in and shape the direction of the AfT Initiative. The EIF Unit has been the main interface between the Ministry and the SLM platform in MAAIF, and also hosts the Trade & SLM Advisor.

### **Ministry of Agriculture, Animal Industry and Fisheries**

This Ministry is responsible for crop, livestock and fish production for local consumption, and food security. The Ministry is the national focal point on desertification and SLM in the country, and has been instrumental in formulating the Uganda SLM Strategic Investment Framework (U-SLM SIF), and in coordinating the participation and input of the five sectors, including trade.

### **The Global Mechanism**

The Global Mechanism (GM) specializes in providing advisory services to country parties of the United Nations Convention to Combat Desertification (UNCCD) on upscaling finance for SLM. The GM has been supporting Uganda in the development of the country investment framework for SLM, and especially in the identification of financial resources for its implementation. These include trade resources. The GM aims to promote AfT investment in agriculture in general and in SLM in particular, with a view to contribute to promote the development of trade activities that will also benefit agriculture, the environment and food security. The GM has been supporting the Trade & SLM Advisor in engaging MTTI in the U-SLM SIF and in facilitating all the activities which are described in the document.

# 1. Trade, agriculture and sustainable land management: a global overview

## 1.1 Trade and agriculture: balancing food security, natural resource management and export competitiveness

In developing countries, particularly the least developed countries (LDCs), agriculture is the main source of food and income for the majority of the population. On average, over 85 per cent of the population is rural-based and the agricultural sector generates 29 per cent of the gross domestic product (GDP); it employs 65 per cent of the population and represents up to 80 per cent of export earnings.<sup>1</sup> Therefore, for many countries the agriculture sector remains the mainstay and national focus for plans and strategies for economic growth and poverty reduction.

Trade is what allows the producers to capitalize on the economic potential of their production. By selling their products to the market, rural producers are able to turn their agricultural production into revenue. However, trade development in agriculture-led economies is often associated with agricultural exports, which in the case of developing countries mainly consist of low value-added commodities with low compliance to standards and regulations in terms of sanitary and phytosanitary (SPS) measures. This situation has negatively affected the competitiveness of exports from developing countries, and still represents a major concern in terms of poverty reduction and food security.

Limited opportunities for value addition and diversification result in low profits for the producers. Therefore the only way for poor rural producers to generate additional income is by focusing on the quantity produced, rather than on the value of such production. This may lead to: i) inefficient and wasteful use of land, forest and water resource (e.g. charcoal production); ii) inappropriate crop intensification and use of agronomic practices not suitable for local soil and water conditions; iii) expansion of agriculture to marginal lands which are not capable of sustaining food production; and iv) land conversion to meet cultivation needs (e.g. depletion of wood and bush lands).

As degradation occurs, a fundamental and irreplaceable part of the production chain (land) is damaged, thus reducing economic opportunities for the future. The global economic losses from desertification and land degradation amount to approximately USD 42 billion each year.<sup>2</sup> Yet these costs are not accounted for in the productive chains, or subsequently in the calculation of the profits generated through trade. The negative externalities<sup>3</sup> of trade are borne by other sectors, such as agriculture or the environment, which nevertheless are part of the same system to which all sectors ultimately contribute: the overall country economy. In order to be able to make an assessment of trade's contribution to a country's economy, all externalities produced both positive and negative, need to be considered and budgeted.

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<sup>1</sup> WB, World Development report: Agriculture for Development, 2008.

<sup>2</sup> The costs of land degradation and desertification are generally measured in terms of productivity, i.e. reduced crop yields or grazing intensities. Secondary costs include loss of ecosystem services and indirect costs are those associated with mitigating desertification. ICTSD, Trade and Sustainable Land Management in Drylands, 2007

<sup>3</sup> In economics, an externality or spillover of an economic transaction is an impact on a party that is not directly involved in the transaction. An advantageous impact is called an external benefit or positive externality, while a detrimental impact is called an external cost or negative externality.

## BOX 1

### Land degradation, sustainable land management and sustainable production

In general terms, land degradation means impoverishment of the land by human activities (such as industrial agriculture/monocropping, deforestation/logging, and overgrazing) and by natural causes (due to wind, water and climate). Land is considered "degraded" when its productivity is diminished.<sup>1</sup>

The direct consequence of land degradation is the decline of its productive capacity, eventually reducing yields. In turn, this results in economic losses and socio-political consequences such as migrations, exacerbated poverty and food insecurity. Therefore, land degradation refers to a broad range of issues affecting productivity, from depletion of resources to the damage caused by disease and pests. The main option to prevent, reduce and revert the negative impacts of land degradation is sustainable land management.

**Sustainable land management (SLM)** can be defined as *the use of land resources such as soils, water, animals and plants for the production of goods – to meet changing human needs – while assuring the long-term productive potential of these resources, and the maintenance of their environmental functions.*<sup>2</sup>

SLM cuts across various economic sectors and sub-sectors, and cannot be confined to a purely environmental dimension. SLM clearly depends on progress in improving the sustainability of agriculture, as well as associated soil conservation efforts; responsible water management; accountable livestock management; and reduced impact logging practices.<sup>3</sup> SLM also depends on animal and plant health and on the implementation of necessary sanitary and phytosanitary measures for that purpose.<sup>4</sup>

Therefore SLM is the foundation of sustainable production in agriculture and a strategic component of sustainable development and poverty alleviation.

1 Patricia S. Muir, Human Impact on Ecosystems module, Oregon State University

2 WB, GTZ, CDE, 1999

3 WB, Sustainable Land Management, challenges, opportunities and trade offs, 2006.

4 Sanitary and Phytosanitary measures are taken to protect against risks linked to food safety, animal health and plant protection or to prevent or limit damage within the territory [...] from the entry, establishment and spread of pests. WTO/OECD, Doha Development Agenda Database

The high dependence of developing countries on commodity export has long been debated not only in terms of competitiveness and sustainability, but also in terms of food security due to the recurrent fluctuation of commodity prices. This debate has been recently revamped following the sharp increase in the prices of food commodities in 2007 and 2008, which reversed a long-term decline in real prices.

In the past, the depressed food prices were useful in securing cheap sources of food for a large number of smallholders<sup>4</sup>. Since the largest numbers of the poor are net food buyers,<sup>5</sup> and in some countries they spend between 50 and 80 per cent of their income on food,<sup>6</sup> the impact of the rise of food prices on poor people has been very significant. It is difficult to predict whether the decline in food prices will resume. Evidence suggests that prices are likely to remain high in the short to medium term.<sup>7</sup>

4 ITC, Trade, What if? New challenges in Export Development

5 WB, World Development Report: Agriculture for Development, Overview, 2008

6 OXFAM, Food Prices: media lines, Q&A, facts and case studies, April 2008

7 ITC, Trade, What if? New challenges in Export Development

In order to help improve food security, particularly in countries at earlier stages of agricultural commercialization, it is becoming increasingly important to focus on “import substitution” – on producing food commodities that compete with imports and contribute to make cheaper food crops available in domestic markets. Such an approach is not incompatible with the development of export agriculture based on traditional commodities. On the contrary, the generation of income and expenditure in local markets is necessary to build the scale of activity required for the development of broad-based export agriculture in which smallholder producers can more fully participate. A balanced and appropriately phased combination of support to the production of basic food commodities and of traditional export commodities could contribute significantly to greater levels of food security both in times of crisis and over the medium to longer term.

## 1.2 The Aid for Trade initiative

Aid for Trade (AfT) is a global initiative aimed at strengthening the capacity of developing countries to better participate in and benefit from the global trade system by making trade a means to achieve sustainable development and poverty reduction. In line with the founding principles of the Paris Declaration on Aid Effectiveness, AfT provides a global framework in which donors, partner countries and development institutions work together to articulate a broad range of development activities within a comprehensive, cross-sectoral, global trade development strategy. Essentially, AfT is about strengthening developing countries’ productive capacity and tackling their supply-side constraints and their needs in trade-related infrastructure.

Implementation/funding of AfT programmes relies on regular overseas development assistance (ODA) and on its traditional modalities, therefore encompassing a diverse range of delivery mechanisms which depend on the aid modalities of the development partner organizations. (bilateral donors, international financial institutions and multilateral agencies). There is no such thing as a global Aid for Trade Fund. In addition, a growing number of mechanisms are being used to promote coordination and partnerships, and which are also associated to financing instruments to fund specific AfT priorities. These mechanisms include the Enhanced Integrated Framework (EIF) and the Standards and Trade Development Facility (STDF).

The EIF is the overarching framework for AfT implementation in LDCs. It is a mechanism for coordinating the delivery of AfT technical assistance and the channelling of AfT funds. The EIF assists LDCs in mainstreaming their trade-related needs into national development strategies, thereby strengthening country-level donor coordination and the dialogue with their development partners.<sup>8</sup> The EIF identifies the countries’ trade development needs through a diagnostic tool called the Diagnostic Trade Integration Study (DTIS). The DTIS is complemented by an Action Matrix which defines in more detail the trade investment priorities. The EIF is implemented through a national structure (common to all LDCs) that includes: i) a national Implementation Unit hosted by the Ministry of Trade and coordinated by the EIF Focal Point; ii) a Donor Facilitator; and iii) a National (high-level) Steering Committee. The EIF supports the implementation of the DTIS and of the Action Matrix by providing catalytic funds through the EIF Trust Fund and also by helping mobilize AfT financing from bilateral and multilateral donors.

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<sup>8</sup> Integrated Framework, The Enhanced Integrated Framework: supporting LDCs to develop trade, December 2009

The STDF is a programme and global partnership of WTO, FAO, the World Bank, WHO and the World Organization for Animal Health (OIE). The STDF assists developing countries in enhancing their expertise and capacity to analyse and implement international SPS standards, improving their human, animal and plant health situation, and hence their ability to gain and maintain market access for their food and agricultural products. This is achieved by implementing projects and by assisting developing countries in articulating their SPS needs through project preparation grants. Other core activities of the STDF include: i) raising awareness among policy- and decision-makers about the importance of SPS capacity building and making investments in this area; ii) facilitating coordination among technical cooperation providers, iii) assisting in the mobilization of funds; and iv) promoting the exchange of experience and dissemination of good practice in relation to SPS assistance.

Trust Funds especially focused on AfT priorities also exist, such as the World Bank's Multi-Donor Trust Fund for Trade and Development (MDTF-TD). The MDTF-TD supports trade-related activities that contribute to growth and poverty reduction at the country, regional and global levels. The Fund has four contributing donors: Finland, Norway, Sweden, and the United Kingdom. The MDTF-TD supports work on a wide range of trade topics, including trade policy and agreements, export competitiveness, trade facilitation, behind-the-border constraints on international trade, and distributional effects of trade and trade policy reform. The Fund seeks to ensure that trade-related activities at the country level draw on cross-sectoral expertise, bridging gaps between economic policy, infrastructure, private-sector development and rural development, as well as cross-cutting issues such as climate change and gender. The Fund also finances diagnostics, capacity building and project preparation activities needed to make investment projects funded through the EIF and AfT initiative more effective.

AfT financing is diverse and articulated; it is up to the beneficiary countries to capitalize on the different options by integrating trade issues in their national development plans and relevant sectors strategies. In this regard, the EIF is particularly useful.

### **1.3 Towards convergent agendas on AfT and agriculture**

Since AfT was launched in 2005, the trade sector has started to move away from merely focusing on export development and economic impact measured in terms of shares of GDP. As its potential contribution to poverty reduction is acknowledged, trade is increasingly affirming itself as an integral part of partner countries' national development plans and sector strategies, including agriculture.

This innovative approach to trade development brought forward by AfT is paving the way toward a new, innovative development model in which sectors have more opportunities to interact, leverage synergies and strengthen their complementary roles: agriculture provides the expertise to optimize production and productivity and therefore to determine the quantity and the quality of the supply side; trade provides the market access and business development expertise, and therefore determines the linkages with the demand side. In such a context, there is no difference between 'aid for trade' and 'aid for agriculture and rural development', as they both involve the same beneficiary countries and usually the same donors, and strive to reach the same wider objectives of economic growth, sustainable development and poverty reduction. Nevertheless, so far coordination across trade-related sectors has proved challenging. At country level, the negotiation and implementation of trade policy is usually centralized at the level of trade ministries, and rarely involves other sectors. At the same time, many trade-related issues come within the regulatory responsibility of other ministries (e.g. transport, agriculture), and

trade ministries do not usually participate in the consultations where partner countries inform donors of their development priorities. Thus, the sectoral divide remains the main challenge to make trade an engine for sustainable development and poverty reduction.

Cross-sectoral coordination between AfT and Agriculture and Rural Development (ARD) was at the centre of debate at the AfT session held at the Annual General Assembly of the Global Donor Platform for Rural Development (GDPRD), hosted by the GM and IFAD on 26-27 January 2010. The Assembly provided a breakthrough in terms of initiating a dialogue between the GDPRD members and the AfT community. The Assembly also identified opportunities to bridge the gaps between the ARD and AfT development agendas. These include: building synergies between related country structures such as those of the Comprehensive Africa Agriculture Development Programme (CAADP) and the EIF; and strengthening the capacity of ARD stakeholders to engage in the implementation of the AfT country structures.

Participants in the Assembly stressed the need to undertake joint collaborative endeavours from which to develop country case studies. Indeed country-level initiatives are fundamental to substantiate the policy dialogue and to share lessons learned with the wider donor community, thereby increasing donor communication and cross-sectoral value addition. AfT and ARD stakeholders also stressed the need for donors to make dedicated efforts and devote resources to support actions and initiatives that facilitate cross-sectoral coordination within existing governmental structures at country level, while aligning them to existing coordination mechanisms such as poverty reduction strategies.

## 2. Setting the context for trade, agriculture and sustainable land management in Uganda

### 2.1 Agriculture, rural development and sustainable land management<sup>9</sup>

Land degradation is undermining the future productivity growth in the agriculture and forestry sectors in Uganda. This is especially serious because of the limited scope for bringing additional land resources into production, in particular in most of the identified land degradation hotspots such as the Cattle Corridor, Uganda's highlands, Eastern and Northern Uganda, and the Lake Victoria Crescent/Basin. The only viable option in these areas is sustainable intensification, i.e. increasing the productivity of land and genetic resources in ways that do not compromise the quality and future productive capacity of those resources, and also reducing land use conversion. The urgently needed productivity revolution in Uganda must be based on a technology change that systematically integrates SLM.

#### BOX 2

##### Land degradation in Uganda

In Uganda, 73 per cent of the population is engaged in agricultural production, which in turn represents 21.8 per cent of the National GDP (UBOS 2009). Agriculture is also a major productive sector for trade, through export of agro-commodities and as input supply for agro-processing industries, providing direct employment to 65 per cent in the industrial sector. Ugandan agriculture is characterized by low yields and low input use; fertilizer use is at an average of 1 kg of nutrients per hectare per year – one of the lowest levels in the world. It is also important to note that 92 per cent of Uganda's source of energy is fuel wood.

Uganda's natural forest cover has declined drastically, from 54 per cent (approx. 13.2 million hectares) of the country's total land area in the 1950s to approximately 20 per cent (4.9 million hectares) (ENR-SIP, 2007; NEMA, 2004/05). A large proportion of the rural population depends on forest resources for basic needs, and forestry provides a range of environmental services and biodiversity values, such as greenhouse gas (GHG) mitigation, watershed regulation, climate regulation, soil and water conservation, and nutrient cycling. The forestry sector contributes about 6 per cent to Uganda's GDP and creates about 850,000 jobs; about 100,000 in the formal sector and the majority in fuel wood and charcoal production. The gross economic output attributable to biodiversity use is estimated to be USD 546.6 million per year while indirect benefits from ecosystem services and functions that support and maintain production are estimated to be a further USD 200 million per year (Uganda National Biodiversity Strategy and Action Plan, 2002).

Despite the value of Uganda's natural resources to its economy, the environment is severely strained. The stress has been attributed to deforestation, population growth and human encroachment. The problem is particularly acute outside of protected areas, on forested private and public/communal lands that are not regulated or managed by the government. Communities living in these non-regulated forest lands depend on forest resources for firewood, building materials and medicinal plants, as well as for more immediate livelihood needs, prompting over-exploitation. The deforestation rate is estimated to be 55,000 hectares per year, based on habitat change from 1990-1995. Other estimates push the figure higher, to between 1.1 and 3.15 per cent per year. Today, while only 15 per cent of forest reserves are degraded, 50 per cent of all the tropical high forest on private land is degraded.

<sup>9</sup> This entire paragraph is adapted from the Uganda Country Strategic Framework for Sustainable Land Management (U-SLM SIF).

The adoption of SLM practices in Uganda is low, yet SLM can considerably contribute to reduce the variability of agricultural production (for example, through soil/water conservation and organic improvement practices that enhance soil moisture holding capacity, or through integrated pest management practices that reduce vulnerability to pests), to diversify agricultural income (for example, through agroforestry practices with non-timber forest products or crop rotations) and to combat the different manifestations of climate change. Many SLM practices can simultaneously achieve both adaptation and mitigation goals, especially those that increase soil organic carbon. SLM represents a preventive approach to climate change that can reduce the need for costly ex post coping measures, like changing crops and livelihoods, clearing new lands for agriculture and migration. The predicted negative yield impacts of climate change are often dwarfed by proven positive yield impacts of improved land management.

## 2.2 Trade

Trade remains the main driver for the country's economy through exports and imports. In 2008, USD 1.7 billion was registered as total exports for goods and services, while the total import bill in the same year as USD 4.5 billion, representing a trade deficit of USD 2.8 billion.<sup>10</sup> A number of factors could be associated to the negative trade balance, including the shrinking world market for the country's traditional exports (e.g. coffee, tea, cotton), continued export of unprocessed and low-value agro-commodities, and imports of "consumables" – such as food, vehicles, beverages, petroleum products – that do not feed into the national industrial process and therefore do not generate sufficient value for the national economy.

Export diversification has been a key component of the trade policy reforms. Non-traditional products such as fish and fish products, and horticultural products having a higher market value compared to the traditional export commodities, have contributed substantially to the country's export earnings. Other promising products include natural ingredients in the non-wood forest products (NWFPs) category, which are acknowledged in the National Export Strategy 2008-2012 as having a great trade development potential and may work as an incentive for reducing deforestation and promoting sustainable forest management. World demand for essential oils used for therapeutic and aromatic purposes was USD 755 million in 2006, with a growth rate of 7 per cent between 2002 and 2006. The world demand for gum arabic stood at USD 278 million in 2006 and grew by 30 per cent in 2002 and 2006; traded volumes increased by 3 per cent in the same period. Other promising natural products include honey and wild fruits and nuts.

According to OECD's statistics,<sup>11</sup> in 2007 Uganda received USD 151.9 million in AfT, of which about 60 per cent was spent on building trade productive capacity, 32 per cent on trade infrastructure and the remaining on trade policy and regulations and trade-related adjustments. The European Commission (EC) is the main AfT donor (in terms of disbursement). The main AfT beneficiary has been the energy sector (72.2%), followed by the agriculture, forestry and fishing sectors (11.8%).

Uganda is also a beneficiary of the EIF, and its trade programmes and plans are guided by the DTIS recommendations and the resultant Action Matrix. The Ministry of Tourism Trade and Industry (MTTI) is the national focal point for the EIF, and is also the lead implementing agency for the Trade Capacity Enhancement Project (TRACE II), whose overall objective is to coordinate

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<sup>10</sup> Uganda Bureau of Statistics, 2009

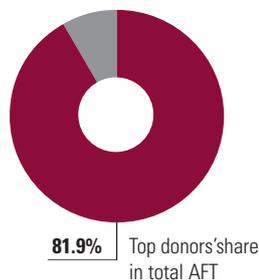
<sup>11</sup> See Aid for Trade at a Glance 2009, Country Fact Sheets, Uganda - <http://www.oecd.org/dataoecd/3/21/43196281.pdf>

**Figure 1. Aid for Trade flows in Uganda**

**TOP DONORS** (USD m, 2006 constant)

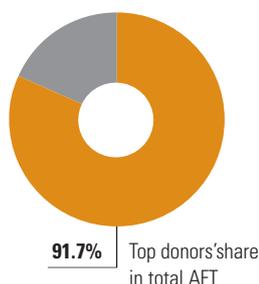
**Commitments 2006-07 (avg)**

World Bank	201.4
AfDb	58.0
EC	31.3
Japan	28.7
United States	11.8
Norway	11.3

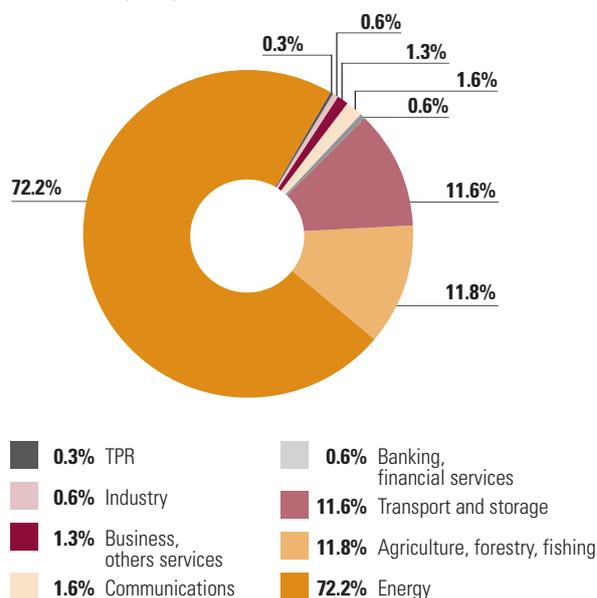


**Disbursements 2006-07 (avg)**

EC	44.8
United States	19.0
Norway	13.4
Denmark	11.5
United Kingdom	10.7
Sweden	9.5



**BY SECTOR** (2007)



the mainstreaming of trade in national development processes. The TRACE II project builds on the accomplishments of TRACE I,<sup>12</sup> and aims to update and revise the DTIS to mainstream trade policy reforms such as the National Export Strategy, and to accommodate emerging and potential sectors such as NWFP. The DTIS review process is also expected to take stock of the externalities that have affected trade development, such as land degradation, climate change and migration.

One of the main challenges for trade sector development has been weak coordination with the productive sectors, in particular with the agricultural sector.

### 2.3 Towards a common agenda on trade, agriculture and sustainable land management

Despite some land and water management successes, past efforts have been insufficient in addressing land degradation concerns, as these preferred project-specific or single-sector approaches to the complex challenges of rural land use and land use change. This did not permit capturing the cross-sectoral nature of land management. The poor coordination and collaboration across sectors, themes, stakeholders and partners has had a negative impact on investment performance.<sup>13</sup>

<sup>12</sup> The TRACE I project focused on the establishment of the EIF Secretariat in MTTI and on strengthening the national implementation arrangements of the IF.

<sup>13</sup> Uganda Country Strategic Framework for Sustainable Land Management

<sup>14</sup> TerrAfrica is a partnership that aims to address land degradation by scaling up harmonized support for effective and efficient country-driven Sustainable Land Management (SLM) practices in Sub-Saharan African countries. Currently, TerrAfrica partners include African governments, NEPAD, regional and sub-regional organizations, the UNCCD Secretariat, the UNCCD Global Mechanism (GM), the World Bank, GEF, IFAD, FAO, UNDP, UNEP, AfDB as well as multilateral organizations including the European Commission, bilateral donors, civil society and scientific organizations including FARA and CGIAR centres

### **BOX 3**

#### **Examples of SLM value addition to trade**

SLM value addition to trade may include, but is not limited to, product diversification, supply stability/predictability resulting from sustained land productivity, waste reduction, optimal use of resources (e.g. promoting sustainable production of NWFPs such as fruits, nuts, and resins, as opposed to charcoal production which is a cause of tree mortality and deforestation) and improved product quality.

SLM can also be a powerful marketing instrument through eco-labelling and certification processes. The success of the organic market is a typical example of the increasing demand for sustainably traded products, as private companies realize that environmentally friendly practices are opportunities for innovation, product diversification and improved brand image.

A multi-sector platform was initiated by the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) in 2007 to develop a Strategic Investment Framework on Sustainable Land Management (U-SLM SIF). This was developed under the TerrAfrica Partnership<sup>14</sup> to address land degradation by promoting SLM in the country. Initially the U-SLM SIF involved four sectors: agriculture, energy, water and environment, and lands. Trade was co-opted as the fifth sector in 2008 in light of the cross-cutting nature of trade issues in land management and of the potential to leverage trade resources for agriculture and rural development. The platform members also realized the importance of engaging beyond the production-related aspects of land degradation to achieve poverty reduction and improved livelihoods through the active engagement of the trade sector.

The U-SLM SIF points out the different sector priorities in regard to SLM, and each of the sectors involved is responsible for advancing and implementing the priorities identified.

The SLM multi-sectoral platform (U-SLM SIF) is an opportunity to further enhance cross-sectoral coordination and collaboration between the trade and the productive sectors. The MTTI/EIF Unit may use the platform to reach out simultaneously to all the productive sectors involved in the use of land resources, with a view to increase the capacity of the trade sector to promote sustainable production and therefore sustainable trade. On the other side, it is also an opportunity for the productive sectors to make a link with the trade institutions, which would help them to increase their capacity to match production/supply with market demand, thus generating economic opportunities for rural producers.

### 3. The Uganda experience

The objective of the Uganda experience is to share the country's approach to harmonizing its trade priorities with those of the different productive sectors involved in the U-SLM SIF, with a view to promote coherent trade investments that can contribute to improving SLM and poverty reduction.

Uganda's approach focuses on two critical aspects of the harmonization process:

- Identifying trade development priorities across the U-SLM SIF sectors that would help to promote SLM
- Identifying the financial sources for cross-sectoral priorities.

The lead national institutions on trade and SLM are the MTTI and MAAIF, which are presenting the Uganda experience with the support of the Global Mechanism as a specialized agency on finance for SLM.

A "Trade & SLM Advisor" was hired to facilitate the process. The Advisor is based in MTTI and is part of a Memorandum of Understanding between MTTI and MAAIF on the U-SLM SIF preparation and implementation.

#### 3.1 Identifying trade development priorities: The AfT and SLM Priority Matrix

One of the main achievements of the cooperation between the five U-SLM SIF sectors is the development of the AfT and SLM Priority Matrix. The Matrix resulted from a High-Level AfT Workshop on "Linking AfT and Agriculture to Achieve Sustainable Development and Poverty Reduction in Uganda" held in Kampala on 10-11 November 2009. AfT priorities of common interest to the five sectors were identified with a view to inform the U-SLM SIF itself, as well as to contribute to the update of the DTIS scheduled for 2010. The workshop was organized by MTTI and MAAIF, with GM facilitation, and participation included SLM stakeholders from civil society, the private sector and the donor community.

The **AfT and SLM Priority Matrix** is the result of a "matching exercise", in which the stakeholders take into consideration the trade development priorities of their sector and assess which of them match with or complement the trade priorities identified in the DTIS. In other words, the Matrix is derived from the DTIS/Action Matrix recommendations and also takes into consideration the sectoral priorities of the U-SLM SIF, whose objective is to reduce land degradation through sectoral interventions in trade, agriculture, environment, lands, water and energy.

The Matrix lists possible trade interventions with cross-sectoral linkages to agriculture, water and environment, energy, and lands. In this sense **the Matrix is to be considered as a key reference for the development of AfT projects contributing to SLM**. Table 1 below provides examples of the projects being formulated drawing on this Matrix.

The significance of the AfT and SLM Priority Matrix to national development processes can be summarized in the points below. The AfT and SLM Priority Matrix:

- i. Links trade to the development agenda of the agriculture, water and environment, energy, and land sectors.
- ii. Helps the productive sectors and the trade sector to coordinate their investments, thus helping to match supply and demand.
- iii. Provides a framework for the development of AfT projects based on sustainable production principles and providing targeted support to rural development and SLM.

**BOX 4****Uganda AfT and SLM Priority Matrix**

Trade-Related Assistance (TRA)	
AfT Category	AfT and SLM Priorities
Trade Policy and Regulations	<ul style="list-style-type: none"> <li>• Enhance coordination on the development and implementation of agriculture and trade sector development policies and plans (e.g. Environment and Natural Resources, Sector-Wide Approaches, Agriculture Investment Plan, Trade Development Policies);</li> <li>• Develop policies which heavily regulate those sub-sectors which have major negative impacts on SLM (e.g. floriculture, charcoal);</li> <li>• Build capacity and facilitate standardization, packaging, labelling and certification of sub-sectors which do not increase the pressure on land (e.g. pineapples, vanilla, NWFPs such as gum arabic, aloe, shea nuts) and of non-traditional sub-sectors (e.g. livestock);</li> <li>• Align national standards with international standards on sustainable environmental management;</li> <li>• Simplify the language and procedures of national standards, make them more user friendly and improve information flow;</li> <li>• Support development and implementation of species management plans for NWFPs;</li> <li>• Develop integrated and multi-sectoral sub-sector strategies for each relevant sub-sector/value chain (which may lower the pressure on land or increase food security);</li> <li>• Develop an M&amp;E system to assess the impact of trade activities on SLM (e.g. building on the EIF M&amp;E system).</li> </ul>
Trade Development	<ul style="list-style-type: none"> <li>• Promote Fair Trade and organic production of agricultural products (including commodities and non-commodities);</li> <li>• Carry out marketing and feasibility studies to provide evidence of the market potential of non-commodity value chains which help to lower pressure on land (e.g. pineapples and NWFPs);</li> <li>• Set up a monitoring system on market trends, demand and supply of relevant staple crops which could be traded at regional level (e.g. maize, beans, cassava) and carry out marketing studies in the region;</li> <li>• Collect statistical data and develop information systems which would help market development for non-commodity value chains that are good for SLM;</li> <li>• Develop studies providing evidence of the economic returns of value chains embedding SLM production practices (taking into consideration the opportunity costs);</li> <li>• Increase support to value chains which do not increase the pressure on land (e.g. pineapples, vanilla, NWFPs);</li> <li>• Increase support value chains which may contribute to increase food security (e.g. maize, beans, cassava - staple foods).</li> <li>• Promote trade in non-traditional sectors (e.g. livestock and related products)</li> <li>• Support sustainable trade in services ( e.g. eco-tourism);</li> <li>• Identify successful cases and promote the sharing of knowledge to showcase SLM embedded in value chains.</li> </ul>
Wider AfT Agenda	
Building Productive Capacity	<ul style="list-style-type: none"> <li>• Link value chains to climate change financing mechanisms;</li> <li>• Conduct studies on improving value chain resilience to climate change;</li> <li>• Promote the import of technologies for SLM practices which will contribute to climate change adaptation;</li> <li>• Promote the use of SLM practices within the major export commodity chains identified as priorities in the DTIS (e.g. coffee, cotton, tea) including adaptation practices which could make these value chains more resilient to climate impacts.</li> <li>• Establish disease-controlled zones for livestock;</li> <li>• Develop pests- and disease-resistant SLM crops and animals with market potential.</li> </ul>

The AfT and SLM Priority Matrix may also serve as a preliminary step towards the formulation of a national strategy on AfT. The Uganda Trade Sector Development Plan (2008/09-2012/13) mentions the development of a national framework on AfT, and the matrix is a valuable input to this process.

The Matrix will also be a valuable input to embed a number of sustainability concerns in the DTIS review in 2010. Meanwhile the U-SLM SIF has already incorporated the Matrix as part of its main components including trade. Once the revised DTIS is finalized, the two processes will be fully aligned.

### 3.2 Identifying financial sources: donors' financing framework for AfT and SLM

In addition to identifying cross-sectoral trade interventions through the AfT and SLM Priority Matrix, another result from the High-Level AfT Workshop was the development of a Donors' Financing Framework for AfT and SLM (see Annex 1). The Framework outlines a broad range of trade-related donor-funded programmes already addressing cross-sectoral issues, and those that could potentially represent financing sources for the priorities identified in the Matrix. By comparing the AfT and SLM Priority Matrix with the Donors' Framework it is also possible to identify any gaps in terms of donors' AfT support to SLM. Based on the donors' planning cycle (which is reflected in the duration of the donor-funded programmes) the U-SLM SIF sectors can also use the Matrix to negotiate specific and targeted assistance programmes to fill these gaps.

The Donors' Financing Framework can be considered as the basis for the mobilization of AfT resources for SLM.

Additional funds for AfT cross-sectoral priorities can also be mobilized through AfT financing instruments focusing on specific trade issues, such as those related to SPS measures. In this case, the country may also benefit from dedicated funds and technical assistance, such as those provided by the STDF. Projects related to trade and climate change adaptation may receive funding through relevant funds such as the World Bank's Multi-donor Trust Fund for Trade Development and/or climate change related adaptation funds.

The significance of the Donors' Financing Framework to national development processes can be summarized in the points below. The Donors' Financing Framework:

- i. Provides the government with a list of donor-supported programmes which already focus on cross-sectoral trade priorities and which could therefore represent potential financing for the AfT projects resulting from the AfT and SLM Priority Matrix.

**Table 1: Projects being formulated drawing on the AfT and SLM Priority Matrix**

Title	Overall Objective	Sector
Market linkages and sustainable trade development for dryland products (gum Arabic, aloes and honey value chains)	To build local capacity to carry out and facilitate sustainable trade in dryland products for improved livelihoods and the sustainable management of the natural resource in Karamoja	Trade and Environment
Developing integrated sub-sector strategies for coffee, cotton and horticulture sectors	To facilitate the development of integrated sub-sector strategies to improve productivity, promote SLM, and provide opportunities for diversified income for the producers	Trade
Access to conservation agriculture inputs and output markets to promote SLM and increase production	To increase adoption of conservation agriculture for SLM, increase productivity and production, focusing on two value chains – cereals and legumes – in the category of annual crops, with a geographic focus on East and Northern Uganda	Agriculture and Trade

- ii. Provides an indication of the donors' planning cycle and therefore of the entry points to start negotiating with donors on financial support for AfT projects addressing rural development and SLM.
- iii. Provides an indication of the financing already available from ongoing ODA to Uganda to support the implementation of specific cross-sectoral priorities, and therefore can be used to improve harmonization and coordination of ODA across sectors.

### 3.3 Main achievements to date

#### Strengthening trade and SLM cross-sectoral linkages

- MTTI joined the U-SLM SIF and engaged in aligning the EIF and the SIF trade priorities.
- Information sharing between the U-SLM SIF group and the EIF Unit was facilitated at all times.
- Regular consultations were organized between the SLM and the EIF teams to work towards the development of a joint agenda.
- A national workshop on Linking AfT and Agriculture to Achieve Sustainable Development and Poverty Reduction (Kampala, 10-22 November 2009) was organized to validate the results of the cross-sectoral consultations.
- MTTI nominated a trade officer to take on the facilitative role of the GM Advisor, and also ensure sustainability of the process from the side of the trade sector.

#### Developing a joint agenda for AfT and SLM

- The EIF provided technical inputs to the U-SLM SIF development process to align the trade component with the EIF/DTIS-Action Matrix trade priorities.
- The productive sectors in the U-SLM SIF provided technical inputs to the EIF process to integrate SLM issues in the DTIS, as well as in ongoing trade projects such as TRACE II.
- From these cross-sector processes, an AfT and SLM Priority Matrix was developed and embedded in the U-SLM SIF, and will be used as an input to the DTIS update process.

#### Supporting the design of integrated project proposals

- An integrated trade project proposal is being designed under the SLM platform to support trade development in the Karamoja region, with focus on viable value chains such as gum arabic aloe, and honey.
- As part of the interactive sector process through the SLM SIF Platform, trade inputs are provided to the review of planned SLM projects to integrate trade issues (e.g. the UNDP/GEF project on Enabling environment for SLM to overcome land degradation in the Uganda Cattle Corridor Districts; the UNDP/Drylands Development Centre project on Mainstreaming SLM activities in Cattle Corridor Districts in Uganda).
- Inputs are also provided to the design and formulation of programmes of relevance to SLM and trade (e.g. the EC's Karamoja Livelihoods Improvement Programme).
- Joint field missions are undertaken, including government representatives of the different sectors (e.g. MAAIF, MTTI), the private sector and value chain actors (e.g. buyers of gum arabic).
- Multi-sector meetings are held to address trade development issues (e.g. sustainable trade in acacia gums).

#### Improving trade policy environment for cross-sectoral cooperation

- A background paper for the inclusion of the NWFPs is being developed within the framework of the SLM SIF for MTTI consideration in the DTIS revision process.
- Entry points have been identified to integrate SLM in key policy processes such as the negotiations of the Economic Partnership Agreements (EPAs).

Engaging donors in the development of the trade and SLM agenda

- The EC is supporting mainstreaming trade in the development process as the EIF Donor Facilitator and also lead AfT donor for Uganda. The planned EC trade project EPA Trade and Private Sector Support Programme (EPA TAPSS) will also help to create a trade and agriculture sector working group to enhance cross-sectoral cooperation.
- Through the national SLM platform, other sector donors have been approached with a view to engage them in supporting the trade and SLM agenda.
- A stock-taking of ongoing donor-funded development projects/programmes has been carried out to identify the entry points for financing the priorities identified in the AfT and SLM Priority Matrix.

Contributing to the process of EIF implementation

- The ongoing experience in Uganda is contributing to strengthening the EIF process by:
  - ensuring effectiveness, complementarity and harmonization of trade interventions
  - exploring possibilities for joint funding arrangements for implementation of the DTIS Action Matrix
  - assisting in creating knowledge and understanding of the EIF process in the country and across the different sectors
  - mainstreaming trade into development partner programming

### 3.4 Upscaling and strengthening the Uganda experience

Through the process described above, Uganda is making considerable progress towards cross-sectoral cooperation and harmonization of donors' investments around sectors' and national development plans. However, additional efforts are still needed to upscale and strengthen the process and to ensure its long-term sustainability as well as its impact on food security, natural resource management and export competitiveness. Potential areas for upscaling are described below.

**Strengthen the capacity of government, across the sectors, to design integrated projects** to support the implementation of the AfT and SLM Priority Matrix. In order to leverage donors' finance, the Matrix must be translated into bankable projects that concretely address the priorities identified. This is the most urgent priority for the government in the near future. Therefore the government would benefit from increased support to capacity development in terms of human resources, capabilities to design good-quality projects eligible for funding, and financial support to fund the human resources and/or the training needed.

**Expand the financial basket** by including the national budget, other specific AfT financing instruments and complementary sources of finance, including private sector-funding, climate change related financing instruments and mechanisms, and others.

**Engage new donors** in the development and implementation of the AfT and SLM Priority Matrix. The EIF Donor Facilitator will play a key role in ensuring a continuous flow of donor support to Matrix implementation, possibly engaging new donors and making sure that financing needs are taken up every time a donor starts a new planning/funding cycle.

**Strengthen monitoring and evaluation** in order to be able to assess the actual impacts (quantitative and qualitative) of the projects funded under the AfT and SLM Priority Matrix on SLM.

**Engage other processes (e.g. CAADP)** in the implementation of the AfT and SLM Priority Matrix. Uganda launched its "Compact" under CAADP in March 2010. The Matrix may provide useful inputs for the development and implementation of CAADP Pillar II on trade and markets. This would contribute to the coordination of processes related to agriculture and trade, not only at the country level, but also at the regional level.

Continue to encourage cross-sectoral collaboration as a means to meet the objectives of the specific sectors' and of the national development agendas. Increased support to projects which promote cross-sectoral linkages and collaboration are instrumental to change the rigid sectoral attitude prevailing within the different government departments.

### 3.5 Conclusions

Harmonizing priorities across economic sectors requires dedicated efforts. While sectoral processes do foresee the cross-sectoral collaboration and coordination, and often see them as key elements of success, this remains a challenge in terms of practical implementation. The longstanding culture of working in restrictive sector boundaries is a major barrier to overcome and has often resulted in sectoral processes which are not known outside the sector itself.

For example, the EIF in Uganda was little known by the non-trade sectors before MTTI joined the U-SLM SIF. The process described above has contributed, and continues to contribute, to enhancing knowledge of the EIF by other sectors and understanding how the EIF process could contribute to meeting the development goals of the other sectors. Such interaction has also helped the EIF and the trade stakeholders to link up with other development sectors and to start embedding production concerns which are crucial for trade to achieve poverty reduction goals. MTTI's continued participation in the U-SLM SIF process is important, and opportunities should be sought to further advance the trade agenda through this framework.

The AfT and SLM Priority Matrix is a "living" document. The AfT priorities identified, as well as the list of donor support programmes, need to be regularly updated. The five U-SLM SIF sectors, with the support of the EIF donor facilitator, should use the Matrix to align donor support on trade-related issues. By highlighting the financing priorities and gaps, donor coordination is fostered without creating a complex mechanism, but simply by mapping out and sharing the investment framework.

The achievement of the very important results described above has required a significant commitment in terms of human resources dedicated to facilitating dialogue, cooperation and coordination. Adequate resources need to be invested for this to take place and to support the harmonization of the planning processes across sectors. The very positive results achieved in Uganda through the alignment of the AfT/DTIS and the U-SLM-SIF show that there is considerable value addition in investing in cross-sectoral coordination and planning.

As policy agendas are aligned, a further challenge that needs to be addressed is that of enhancing developing countries' capacity to design cross-sectoral projects whose implementation can be funded through the sources identified in the AfT and SLM Priority Matrix. Project design is a key step in operationalizing the priorities identified. As for cross-sectoral coordination, this is a field where dedicated funding, technical assistance and capacity building will be extremely helpful to achieve increased AfT investment in rural development and SLM.

While every country situation is different, useful lessons for countries undergoing similar processes in terms of trade development can be learned from the Uganda experience. Annex II schematizes the process for cross-sectoral coordination in Uganda in a way that other countries may easily assess whether similar conditions exist, and which steps in the process they may wish to pursue and/or adapt to their conditions to facilitate the coordination process. It is important to underline again the fact that in Uganda these steps were supported by a dedicated resource person (the Trade & SLM Advisor). The presence of an Advisor with a similar mandate would certainly facilitate the coordination process in other countries.

## Annex I: Summary of externally funded projects in the areas of trade, rural development and sustainable land management

Institution	Programmes	Duration	Programme priorities	Programme value (USD Millions)	Sector/ Sub-sector	Partner Institution
African Development Bank (AfDB)	Markets and Agricultural Trade Improvement Project – I	Planned	Market infrastructural development, capacity building for vendors, and support to value addition technologies	Total Budget USD 55	Infrastructure/ Trade	Ministry of Local Government -
AfDB and Nordic Development Fund (NDF)	Farm Income Enhancement and Forest Conservation Project (FIEFOC)	2005-2010	Improving farm incomes, rural livelihood and food security through sustainable natural resources management and agricultural enterprises development	Total Budget USD 62.93	Agriculture/ Environment	MAAIF, MWLE
DANIDA	Agriculture Sector Programme Support (ASPSII)	2004-2010	Increasing productivity income share of marketed production for economically active low income small farmers	Total Budget USD 1.096	Agriculture/ Trade	MAAIF
Denmark, Sweden, Belgium and EC	U-Growth Project	2010-2013	<ol style="list-style-type: none"> <li>Public Sector Agriculture Support</li> <li>Rural Transport Infrastructure</li> <li>The Agribusiness Initiative (aBi) with focus on strengthening competitiveness of agriculture and the agro sector, enterprise development, and market and product diversification with emphasis on organic farming</li> </ol> <p><b>Abi intervention areas:</b></p> <ul style="list-style-type: none"> <li>Development of value chains (<i>coffee, maize, oil seeds, pulses and export horticultural products</i>)</li> <li>Financial services supporting agribusiness</li> <li>Trade-related SPS measures and quality management</li> </ul>	Total Budget 440 MI DDK <i>Equiv. USD 77.3 (est)</i>	Infrastructure/ Trade/ Agriculture/ Financial sectors	The Royal Embassy of Denmark
EC	EPA Related Trade & Private Sector Support Programme (EPA TAPSS)	2009-2013	<ol style="list-style-type: none"> <li>Institutional strengthening of MTTI and strengthening linkages between production and trade/domestic trade development</li> <li>Regulatory and institutional reforms to streamline the trading process</li> <li>Effective management of the trade negotiations process</li> <li>Trade facilitation – producing trade-related information and making it accessible to users</li> <li>Improvement of quality standards and compliance with SPS requirements</li> </ol>	Total Budget USD 7.85	Trade	MTTI
EC	Karamoja Livelihood Improvement Programme (KALIP)	Planned	<ol style="list-style-type: none"> <li>Strengthening local governments</li> <li>Agriculture</li> <li>Agriculture, pastoralism and water</li> <li>Identifying technologies for replication</li> </ol>	Total Budget €15 MI <i>Equiv. USD 19.5 (est)</i>	Infrastructure/A griculture	Office of the Prime Minister
EIF	Trade Capacity Enhancement II (TRACEII) Project	2010-2013	<ol style="list-style-type: none"> <li>Institutional support to the NIU</li> <li>Trade mainstreaming</li> <li>Coordinated delivery of AfT</li> </ol>	Total Budget USD 1.92	Trade	MTTI

Institution	Programmes	Duration	Programme priorities	Programme value (USD Millions)	Sector/ Sub-sector	Partner Institution
GEF	Enabling Environment for SLM to Overcome Land Degradation in the Uganda Cattle Corridor Districts	Planned	<ol style="list-style-type: none"> <li>1. Enabling policy, regulatory and institutional environment for SLM</li> <li>2. Capacity development for land use planning</li> <li>3. Local economic development through increased access to financing</li> </ol>	Total Budget USD 1.83	Agriculture/ Trade	MAAIF
Netherlands	Support to Market Access for Floriculture and other Commodities	Ending Dec 2011	Provision of funding to support market development for Uganda's floriculture sector and to support key smallholder commodities	Total Budget USD 3.2	Trade	USAID/ APEP, UNFA, HPOU
Norway / Drylands Development Centre	Mainstreaming SLM Activities in Six Cattle Corridor Districts of Uganda	2010-2012	<ol style="list-style-type: none"> <li>1. Integrating SLM in district planning and budgeting processes</li> <li>2. SLM priority interventions identified and implemented by local communities</li> <li>3. Capacity development of UNCCD/NAP Focal Point</li> </ol>	Total Budget USD 2	Agriculture	MAAIF
Norway	Nortura Beef Project		Developing the beef value chain for export to the EU and Middle East	Total Budget USD 25	Agriculture/ Trade	Nortura /MAAIF
United Nations Capital Development Fund, UNDP	District Development Programme III (DDP III)	2008-2012	<p>Local Economic Development (LED) component:</p> <ol style="list-style-type: none"> <li>1. Develop local economic governance</li> <li>2. Enhance local business environment</li> <li>3. Enterprise development</li> <li>4. Enhance LED at national level</li> <li>5. Strengthen gender equity in LED</li> <li>6. Strengthen access to justice system at the local level</li> </ol>	Total Budget USD 10.3	Trade	Ministry of Local Govt.
SIDA	Quality Infrastructure and Standards Programme (QUISP)	2009-10 – 2013-14	<ol style="list-style-type: none"> <li>1. Standards and Quality Policy and Strategy</li> <li>2. Legal &amp; Regulatory framework review</li> <li>3. Coordination of standardization stakeholders</li> <li>4. Capacity development of services providers</li> <li>5. Awareness raising and implementation support</li> </ol>	Total Budget €9 MI <i>Equiv. USD 11.7 (est)</i>	Trade	MTTI
IFAD	Community Agricultural Infrastructure Improvement Programme (CAIIP-1)	Planned	Enhancing farmers' access to markets as well as attracting competitive prices and increased incomes through improvement in rural infrastructure	Total Budget USD 15	Agriculture/ Trade	MAAIF
USAID	Livelihood & Enterprises for Agric. Development (LEAD) Project	2008-2013	Increasing rural productivity, trade capacity and competitiveness	Total Budget USD 35	Agriculture/ Trade	LEAD Project
WFP	Agric. Marketing and Support Project	2002-2010	Enabling poor farmers to increase their income and food security	Total Budget USD 4.77	Agriculture	MAAIF

Ministry of Agriculture, Animal Industries and Fisheries (MAAIF)  
Ministry of Water Lands and Environment (MWLE)  
Ministry of Tourism, Trade and Industry (MTTI)

Source: Adapted from MFPED Sortable Donor Interventions Matrix 2009.

## Annex II: Learning from the Uganda experience on fostering cross-sectoral coordination on trade and SLM: a step-by-step process

Existing situation	Action required
A multi-sectoral platform exists under the Aft/EIF or UNCCD implementation process	Co-opt the trade, agriculture, environment and any other SLM-relevant sectors (depending on the country) if not already included in the platform
Separate coordinating structures exist within single sectors	The structures have to be harmonized to form a cross-sectoral platform
There is no multi-sectoral platform	Initiate one cross-sectoral platform involving trade, agriculture, environment and any other SLM-relevant sectors (depending on the country)

1. **Analyse the institutional environment** and identify existing multi-sectoral platforms. Possible situations include:
2. **Review the trade sector development plans** (e.g. DTIS, National Trade Sector Development Plan, National Trade Policy) for cross-sectoral issues related to SLM and to the use of land resources as a basis for production.
3. **Review relevant sectors' development plans** for trade-related priorities. The review in Uganda focused on the agriculture and environment sectors, but can be extended to any other additional SLM-relevant sectors, depending on the country.
4. **Identify the Aft-related priorities across the sectors** involved (based on the review described in steps 2 and 3) that meet sector and national development objectives. Such priorities should draw on the six Aft categories<sup>15</sup> and be identified through a participatory consultation process involving representatives from all sectors. The result will be the Aft and SLM Priority Matrix
5. **Identify existing funding possibilities for the shared priorities** by carrying out a mapping of donor-funded trade-related support programmes, either under negotiation or already committed/available. The programmes matching the priorities identified in the Aft and SLM Priority Matrix can be included in the Matrix as an indication of the potential finance available for project implementation and/or for negotiating additional investments in the Matrix priorities at the next programming cycle of the relevant donors.
6. **Design projects which focus on the shared priorities** in the Aft and SLM Priority Matrix, drawing on the funding available under the related donor programmes. The actual funding of the implemented projects will provide an indication of the actual finance mobilized for the different sectors. Where there is no funding available for certain identified priorities, a gap exists which needs to be taken into account when negotiating future support by donor partners.

<sup>15</sup> Aft was given a fairly broad definition based on six categories, which are divided into two groups:

1. Trade-related assistance (TRA)
  - Trade Policy and Regulations: training trade officials, helping governments implement trade agreements, and complying with rules and standards;
  - Trade Development: providing support services for business, promoting finance and investment, and conducting market analysis and e-commerce.
2. Wider Aid for Trade Agenda
  - Trade-related Infrastructure: building roads and ports;
  - Building Productive Capacity: improving the capacity of a country to produce goods and services;
  - Trade-related Adjustment: financial assistance to meet adjustment costs from trade policy reform, including balance of payment problems resulting from lost tariff revenues or from the erosion of preferential market access;
  - Other Trade-related Needs.



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