UGANDA’S 2023/2024 BUDGET: GOV’T, PRIORITISE A JUST TRANSITION TO RENEWABLE ENERGY

A woman with a bundle of firewood. Uganda’s budget should support women and other citizens to access clean energy

In this newsletter:

- Powering darkness? An analysis of Uganda’s 2023/2024 budget
- Pictorial of our activities
- Lobbying
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Dear reader, welcome to our February 2023 newsletter.

On February 17, 2023, Africa Institute for Energy Governance (AFIEGO) in partnership with our Inclusive Green Economy Network- East Africa (IGEN-EA) partners held a radio talkshow in the Bunyoro sub-region. We discussed the 2023/2024 national budget allocations to the green economic sectors.

The discussions centred on allocations made to the renewable energy, natural resources, agriculture and tourism sectors as contained in the 2023/2024 National Budget Framework Paper. We particularly sought community views on what the priorities of the 2023/2024 national budget ought to be.

During the interactive radio talkshow, one caller observed that while agriculture is the backbone of the country, low budget allocations to the sector are made.

Another noted that while the agricultural sector is supporting other sectors such as manufacturing, prices for agricultural products are low compared to the processed products. He gave an example of maize and maize flour and said that the disparities in prices demotivate farmers.

Yet another listener pointed out that tourist attractions such as Bugoma forest are being destroyed, which is a loss for the country.

Another caller noted that climate change had affected agricultural productivity.

The above community views are important and we are sharing them in this newsletter for policymakers’ attention and action.

In this newsletter, we also discuss another important matter: that of whether the 2023/2024 national budget that was passed by parliament this month is responsive to the clean energy needs of Ugandans. Currently, Ugandans are faced with crises such as high electricity costs, expensive clean energy cooking options, scarcity of cooking energy, and others.

In our Word from the CEO and Partners, we analyse whether the allocations that were proposed for the electricity and renewable energy votes will address the above challenges.

We also look at whether the budget, with its allocations to the renewable energy vis-à-vis the oil and gas sector, will promote a just energy transition or regression. We make recommendations to address the gaps in the budget.

In this newsletter, we also bring you our pictorial section. In the section, we share the activities that we and our partners implemented this month. For instance, we held meetings with Bugoma forest host communities to strengthen their participation in the Bugoma forest restoration activities.

We also participated in a meeting with Ugandan government officials and members of the European Union
(EU) delegation to Uganda to discuss signing of a forest partnership for the promotion of forest conservation.

In addition, we held two meetings with oil-affected communities that sued the Ugandan government to defend their right to prompt, fair and adequate compensation. We discussed strategies for fasttracking hearing of the people’s cases.

Furthermore, we supported the oil refinery-affected people to travel to the Hoima High Court for hearing of their court case. The case wasn’t heard however because the judge was unavailable.

In addition, we held two meetings with communities whose land is being acquired for the Tilenga and East African Crude Oil Pipeline (EACOP) projects to empower them to defend their rights.

We also supported EACOP-affected communities to participate in media interviews and meetings with other stakeholders to mobilise public pressure for the restoration of the people’s land, livelihood and other rights. We share this and much more in our pictorial.

In our lobbying section, we bring you some of the lobbying and advocacy products that we disseminated this month. For instance, with our partners, we shared a civil society organisations’ (CSO) communique following the launch of the drilling rig for the Kingfisher oil project.

Furthermore, we shared a letter to the chairperson of Uganda’s Ramsar committee calling on him to prevent the degradation of Ramsar wetlands in Uganda due to oil activities.

We also supported the oil refinery-affected people to issue press statements before and after their court case hearing.

In addition, we supported the Tilenga-affected community to write to the Deputy Chief Justice to request for fasttracking of their court case.

Finally, in in the media section, we bring you the newspaper articles written by our staff and partners that were published in the leading newspapers in February.

We hope you will enjoy the newsletter.

Editorial team:
Diana Nabiruma
Patrick Edema
Balach Bakundane
An energy crisis is brewing in the Bunyoro sub-region. Sadly, the crisis was partly birthed by Uganda’s aspirations to produce another form of energy: oil and gas.

To produce the country’s fossil fuels, the Ugandan government together with its joint venture partners including TotalEnergies and China National Offshore Oil Corporation (CNOOC) are setting up infrastructure such as an international airport, roads, central processing facilities, well pads and others.

The above has necessitated the clearance of shrubs and trees that women and girls traditionally relied on to get cooking energy in the form of firewood. Firewood has become scarce so much so that women neighbouring the Hoima International Airport, which is under construction, report that they have to walk for as many as 6km to get the aforementioned cooking energy. This is a huge burden.

Of course, firewood and charcoal are a bad form of energy as citizens' reliance on this biomass has led to massive forest degradation. Reliance on biomass also affects women's health.

Despite this, 94% of Uganda’s population relies on biomass to meet their cooking energy needs. As earlier mentioned however, access has become difficult. Access to clean energy options such as electricity, clean energy-saving cookstoves and others is also limited.

Is the Ugandan government engaged in sufficient efforts to improve citizens’ access to clean energy?

**ANALYSIS OF 2023/2024 BUDGET**

In February 2023, Uganda’s parliament approved the National Budget Framework (NBF) Paper with proposals of a Shs49.98 trillion budget for the Financial Year 2023/2024. Passing of the NBF Paper is in line with the requirement of the Public Finance Management Act that sets February 1st as the deadline for parliament to approve it.

However, are the budget proposals that were approved by parliament responsive to the clean energy needs of Ugandans? Do they also respond to global efforts to promote a just energy transition away from fossil fuels such as coal, oil and gas to clean energy?

AFIEGO and our partners analysed the 2023/2024 NBF Paper and we share our insights below.

(a) **Sustainable energy development:**
Over Shs. 1.2 trillion was proposed for the sustainable energy development (electricity) vote. Unfortunately, over 90% of these funds, or over Shs. 1.14 trillion, will go to funding electricity transmission and distribution initiatives.

Rural electrification and extension of power to industrial parks are some of the key planned activities under this vote. While the extension and distribution of power is important, there is little to show for the huge investments made in the grid todate. Available information shows that though nearly Shs. 10 trillion has, since 2013, been borrowed and invested in expansion of the grid including to rural areas, only 27% of
Ugandans have access to grid power. To continue making huge investments in extending the grid at the expense of cheaper and more accessible off-grid options for which the Ugandan population has shown immense interest is misguided.

It should be noted that despite low public investment in the off-grid sector, \textit{38\%} of Uganda’s population has access to off-grid power. This demonstrates the appetite for off-grid options.

(b) Renewable energy allocations: The 2023/2024 NBF Paper notes that under the renewable energy vote, focus will be put on enhancing solar street lighting, enabling farmers’ access to solar powered water pumps, awareness raising on energy-efficient cooking solutions and others.

While these are commendable initiatives, more needs to be done to support off-grid electrification for households, support access to finances for women and youth start-ups on clean energy cooking and others. Shs. 5.4 billion and Shs. 4.5 billion were allocated to the renewable energy and energy efficiency votes respectively. These funds are too little to support the above initiatives.

(c) Expansion of oil exploitation: At a time when countries have set energy transition goals including phasing down of fossil fuel-powered cars, increasing the share of renewable energy in their energy mix and others, Uganda is looking to expand her fossil fuel sector.

Accordingly, budget allocations were made to the petroleum vote. Over Shs. 539.2 billion was proposed for the vote. Among others, government will focus on fasttracking activities aimed at enabling construction of the East African Crude Oil Pipeline (EACOP) and an oil refinery. Government will also focus on completing land acquisition for the finished petroleum products pipeline right of way, concluding data acquisition for the Moroto-Kadam basin and commencing data acquisition for the Kyoga basin.

At a time when the International Energy Agency (IEA) has \textit{warned} that the market share of oil will level off in the mid-2030s, the Ugandan government is making allocations for the oil sector! Yet votes such as renewable energy are under-funded. This is misguided.

(d) Low allocations to NEMA: The Ugandan government has vigorously defended its oil exploitation efforts, arguing that the efforts are being undertaken in a sustainable manner.

Entities such as Uganda’s National Environment Management Authority (NEMA) are key to ensuring that the oil and gas exploitation activities are monitored for the protection of the environment. Oil extraction activities are set to take place in national parks and lakes; infrastructure for these activities is already being set up.
Oil roads, pipelines and others are also supposed to be or have been constructed through national parks, forests, rivers, wetlands and other ecosensitive areas. NEMA’s monitoring role amidst these activities cannot be over-emphasized therefore.

However, an analysis of the 2023/2024 NBF Paper shows that no money for petroleum activities had been spent by NEMA by the end September 2022.

Could NEMA have used its meagre resources to monitor oil activities in 2022 yet the authority complains of under-funding? In addition, only Shs. 500 million has been allocated to NEMA under the 2023/2024 petroleum vote.

This money is insufficient and cannot enable NEMA to independently monitor oil activities to promote environmental conservation.

However, Uganda’s 2023/2024 NBF Paper does not indicate the number of renewable energy jobs that the country intends to create in the coming financial year.

However, those for the oil sector including 5,000 indirect and 1,000 professional jobs for Ugandans are indicated. This is perhaps indicative of the Ugandan government’s over-emphasis of the petroleum sector when the renewable one has potential to create more jobs.

**CONCLUSION & RECOMMENDATIONS**

It is imperative for the Ugandan government to make budget allocations that meet the clean energy needs of Ugandans. Accordingly, AFIEGO and our partners make the following recommendations:

(i) Place emphasis on increasing off-grid electrification by providing more resources for renewable energy.

(ii) Increase budget allocations for interventions aimed at increasing citizens’ access to clean cooking options.

(iii) Stop the expansion of oil exploitation efforts to save Ugandans the risk of stranded assets amidst increasing debts incurred for the oil sector.

(iv) Set performance targets in relation to the number of renewable energy jobs that should be created in 2023/2024 and beyond.

(v) Finally, increase allocations to the natural resources, environment and climate change vote to make Ugandans resilient to the climate crisis.

By CEO and Partners
AFIEGO ENGAGES OIL REFINERY-AFFECTED COMMUNITIES ON THEIR COURT CASE

On February 10, 2023, AFIEGO organised a meeting with the oil refinery project-affected communities in Kyakaboga village, Hoima district (top photo).

During the meeting, the affected people and AFIEGO prepared for the people’s case that was to be heard in February.

However, the hearing did not take place due to the absence of the judge.

A meeting in Hoima district was held on February 11, 2023 after the failed hearing (bottom photo). The meeting discussed strategies to fasttrack hearing of the people’s case, which was filed in March 2014.

AFIEGO AND TILENGA OIL PROJECT-AFFECTED COMMUNITIES DISCUSS RIGHTS PROTECTION

On February 10, 2023, AFIEGO held a meeting with community observers in Buliisa district.

During the meeting, AFIEGO and the observers discussed ways in which the Tilenga oil project-affected communities’ rights can be protected.

The meeting also agreed on the strategies that should be employed to compel the judiciary to fasttrack hearing of a court case that was filed by nine Tilenga-affected families in 2021.

The court case is aimed at protecting the people’s land rights.

AFIEGO IN MEETING WITH GOVERNMENT AND EU TO DISCUSS FOREST PARTNERSHIP

On February 8, 2023, AFIEGO participated in a meeting between the EU and Uganda’s Ministry of Water and Environment.

The meeting discussed a forest partnership between Uganda and the EU.

AFIEGO and our Save Bugoma Forest Campaign (SBFC) partners made input into the partnership’s Memorandum of Understanding (MoU) to promote forest conservation in Uganda.
AFIEGO AND COMMUNITIES IN RADIO TALKSHOW ON NEED TO RESTORE DEGRADED BUGOMA FOREST

On February 9, 2023, AFIEGO supported the SBFC local taskforce to participate in a radio talkshow to discuss NEMA’s Bugoma forest restoration order to Hoima Sugar Ltd.

The talkshow was organised after a meeting was held with communities on the same subject.

During the meeting, communities laid strategies through which they could compel Hoima Sugar Ltd to act on NEMA’s restoration order.

AFIEGO AND PARTNERS IN EXCHANGE LEARNING VISITS TO STRENGTHEN GENDER

In January 2023, AFIEGO and our Green Livelihoods Alliance (GLA) Uganda partners organised exchange learning visits to gather lessons on how we can strengthen gender in implementation of our programme.

AFIEGO supported our GLA partners to visit some forest and oil host communities that we work with.
In February 2023, AFIEGO and our partners issued a communiqué following the launch of the drilling rig for the Kingfisher oil project. In addition, with our partners, we wrote to the chairperson of Uganda’s Ramsar Committee calling on him to protect Ramsar wetlands from oil activities.

We also worked with the oil refinery-affected people to issue press statements before and after their court case hearing.
In the media

This month, AFIEGO staff, research associates and youth champions wrote newspaper articles that were published in the leading newspapers. The media also published articles from the media interviews we held this month. Some of the published articles are captured below.

**AFIEGO**

**LETTER OF THE DAY**

**How You Got Something to Say?**

Email us at: letters@newvision.co.ug or SMS: Text Letters to 8339

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**Human encroachment on animal habitats risks more pandemics**

**Radio talkshow**

Greening Uganda’s 2023/24 budget

Tune in to 89.9FM

**On Friday 17th**

From 7pm - 8pm, EAT

**Kembabazi Babra**

Babrababrababraz23@gmail.com

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**2023/2024 BUDGET SHOULD CATER FOR SOLAR ENERGY**

To solar energy projects, since it’s the most abundant, sustainable and affordable to complement hydro electric power.

The average solar radiation is 5.1kWh/m²/day; with the current solar data showing that solar energy is high throughout the year, with a variation (minimum/maximum) (month) of only about 20% maximum.

Solar energy is a renewable resource and does not emit any greenhouse gases in the energy generation process. As a result, it does not cause pollution, making it the most fit energy alternative.

**Kembabazi Babra**

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## Upcoming events

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<tr>
<th>Date</th>
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<th>Event Description</th>
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<td>March 2, 2023</td>
<td>Kampala</td>
<td>Media engagement on impacts of delayed justice for oil project-affected communities</td>
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<tr>
<td>March 7, 2023</td>
<td>Kampala</td>
<td>Engagement with parliament on the need to investigate challenges of Karuma hydropower dam</td>
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<td>March 13-16, 2023</td>
<td>Bunyoro and Greater Masaka</td>
<td>Legal aid clinics for oil-affected communities</td>
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<td>March 21-23, 2023</td>
<td>Greater Masaka and Bunyoro</td>
<td>Exchange learning visits between EACOP project-affected communities</td>
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<td>March 28, 2023</td>
<td>Hoima</td>
<td>Support women beekeepers to engage Hoima district local government on tree planting</td>
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<td>March 31, 2023</td>
<td>Kampala</td>
<td>Engage Ministry of Foreign Affairs and Uganda Human Rights Commission for action on recommendations that Uganda received during the 2022 Universal Periodic Review</td>
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## About Africa Institute for Energy Governance (AFIEGO)

AFIEGO is a non-profit company limited by guarantee that was incorporated under Uganda’s Companies Act. AFIEGO undertakes public policy research and advocacy to influence energy policies to benefit the poor and vulnerable. Based in Kampala-Uganda, the non-profit company was born out of the need to contribute to efforts to turn Africa’s clean energy potential into reality and to ensure that the common man and woman benefits from this energy boom. Through lobbying, research and community education, AFIEGO works with communities and leaders to ensure that clean energy resources are utilised in a way that promotes equitable development, environmental conservation and respect for human rights.

### Our Vision

A society that equitably uses clean energy resources for socio-economic development

### Our Mission

To promote energy policies that benefit poor and vulnerable communities