EFFORTS TO GREEN EAST AFRICAN ECONOMIES: A GLANCE AT THE 2023/2024 NATIONAL BUDGETS FOR UGANDA, TANZANIA AND KENYA

In this newsletter:

- Efforts to green East African economies: A glance at the 2023/2024 budgets for Uganda, Tanzania and Kenya
- Pictorial of our activities
- Lobbying
- In the media
- Upcoming events

From left to right: Kenya’s National Treasury and Planning Cabinet Secretary Njuguna Ndung’u, Tanzania’s Finance Minister, Dr Mwigulu Nchemba and Uganda’s Finance minister Hon. Matia Kasaija, display the budget briefcases before the reading of their respective budgets on June 15, 2023.

© Photo credit: The Citizen
Dear reader, welcome to our June 2023 newsletter.

Last month, the Inclusive Green Economy Network-East Africa (IGEN-EA) and partners including AFIEGO held nine community and district engagements in the districts of Kyotera, Lwengo, Rakai, Kikuube, Buliisa and Hoima that are affected by the East African Crude Oil Pipeline (EACOP), Tilenga and Kingfisher oil projects.

The main objectives of the engagements among others were to enable the communities to discuss and appreciate the social and economic relevance of Uganda’s Financial Year (FY) 2023/2024 national budget, give their views on the budget implications and how critical ecosystems such as Bugoma forest can improve tourism opportunities.

Other objectives were to discuss the worsening human rights violations within the oil host communities by the government and to build capacity to continue advocating for increased investments in green economic sectors.

This newsletter presents a highlight of issues within the 2023/2024 national budgets of Uganda, Tanzania and Kenya as part of IGEN-EA and members’ efforts to green the economies of the East African countries and promote a just energy transition in the region.

During the engagements, the communities underscored the importance of citizens’ participation in the national budget-making processes. They noted with some appreciation that the national budgets that were read on June 15, 2023, by Uganda, Tanzania and Kenya as well as other East African countries aimed at “Economic transformation through agriculture and industrialisation, recovery and climate change mitigation and adaptation for improved livelihoods.”

They applauded the leaders of East Africa’s first three biggest economies for the increased national budgets as read by the finance ministers of Uganda, Tanzania and Kenya at approximately $14 billion (UGX 53 trillion), $19 billion (TZS 44 trillion) and $ 25 billion (KES 3.6 trillion) respectively.

During Uganda’s 2023/2024 national budget speech, the Minister for Finance, Planning and Economic Development (MFPED) Hon. Matia Kasaija informed the citizens that Uganda’s economy has remained resilient amidst many challenges and is on a steady full recovery path. He projected the economy to grow at a rate of 5.5% in 2023/2024 compared to 4.6% in 2022/2023. Further, he noted that the size of the economy had grown to UGX 184.3 trillion (USD 49.4 billion) compared to Ush 162.9 trillion (USD 45.6 billion) in 2021/2022.

The minister also indicated that the government will continue to invest in highly productive sectors and initiatives including the Parish Development Model (PDM) and Emyooga, support the private sector by reducing the cost of doing business, develop small-scale solar-powered irrigation schemes to address climate change and ensure food security, continue investments in energy transmission lines, investments in the agro-industrialisation on the value chain to increase agricultural production and productivity and mitigation of the negative impacts of climate change on the economy and livelihoods.
Under the 2023/2024 budget, the government commits to invest a total of UGX 2.2 trillion for food security, irrigation, climate change mitigation, agricultural research and disease control, among others. This budget is also expected to support efforts for environmental conservation, restoration and protection of degraded water catchment areas and forest cover.

In the tourism sector, the government plans to invest UGX 249 billion as part of promoting tourism potential. On power infrastructure, the government commits to continue expanding power generation, transmission and distribution services. In 2023/2024, the government estimates that the power generation will increase from the current 1,379.9 MW to over 1,978MW when the Karuma Hydropower Project power comes into the grid.

In addition, the Tanzanian Minister for Finance and Planning, Hon. Mwigulu Lameck Nchemba indicated that the country’s Gross Domestic Product (GDP) will grow at a rate of 5.2%. He revealed that the government will invest in and improve tourism tools including reducing taxes on business accommodation and others.

In Kenya, the national budget read on June 15, 2023, by the Cabinet Secretary for Finance indicated that out of the KES 3.7 trillion ($25 billion), KES 2.53 trillion is for recurrent expenditures, KES 743.5 billion is to development expenditures and KES 385.4 billion for county equitable shares.

The minister further noted that the 2023/2024 budget was formulated amidst considerable shocks including global impacts of the conflict in Eastern Europe, the turbulent financial market, dollar scarcity, increase in fuel prices, growing inflation and the drought effects which have resulted in the country’s economic slowdown. He explained that the declining value of the Kenyan shilling against the dollar and the country’s increasing debt vulnerability has further compounded the country’s economic challenges.

To counter the existing challenges, the minister stated that the 2023/2024 budget will be invested in five (5) strategic sectors including agricultural transformation, governance, healthcare and others that have the largest impact on both the economy and household welfare.

Major budget allocations include environment protection and climate action and others such as water and natural resources at KES 105 billion, judiciary at KES 23.2 billion, parliament at KES 41 billion, energy and infrastructure at KES 408.7 billion and others. Despite the challenges, the Kenyan economy is expected to grow at a rate of 5.5% for the fiscal year 2023/24.

While it is appreciated that in the 2023/2024 fiscal year all the first three biggest economies of East Africa are committing more resources and prioritising investments in green economic sectors such as agriculture, environmental conservation, forestry, climate mitigation and adaptation and others, there are still many challenges.

For instance, in Uganda, the government continues to heavily invest in risky sectors such as oil exploitation, big hydro dams and others. This has led to high national debts at $23 billion in 2023. Both Kenya and Tanzania are also struggling with unsustainable debts and these in turn continue to undermine
efforts for investments in green economic sectors.

In our Word from the IGEN-EA Secretariat, we discuss the 2023/2024 Uganda, Tanzania and Kenya budgets and their implications on efforts to promote and grow green economic sectors.

In this newsletter, we also bring you our pictorial section. In this section, we bring you the activities that IGEN-EA members and partners implemented this month. For instance, IGEN and its members organised and participated in a meeting with the Kikuube district political and technical leaders in Kikuube district. This meeting discussed the tourism potential for Bugoma forest and the need to immediately stop the ongoing destruction of the forest.

In addition, AFIEGO conducted a legal aid clinic in Lwengo district for oil-affected communities from the districts of Lwengo, Rakai and Kyotera. The meeting provided oil-affected persons with legal counsel on how to identify and address injustices being caused by oil actors. Over 20 households from the three districts shared their suffering with the lawyers from AFIEGO and partners.

The lawyers provided legal advise to them and committed to helping them file cases in court, petition relevant authorities and consider other measures to enable them to get redress.

Further, IGEN-EA trained women and youth from Kikuube, Kakumiro and Hoima districts in clean energy technologies such as making briquettes. This is aimed at promoting environmental conservation as well as improving livelihoods through the reduction of dirty cooking-related diseases. These efforts are part of our engagements to promote clean renewable energy as part of the energy transition.

Furthermore, we supported the oil refinery project-affected persons (PAPs) to attend court at the Hoima High Court. With support from AFIEGO, the PAPs filed the case in 2014 challenging the violations of 2012 when the government and companies forced them off their 29 square kilometres of land. Up to date, the case remains unheard.

In our lobbying section, AFIEGO and our partners issued a press statement on the failure of the High Court and the judiciary as a whole to hear and complete environmental and human rights cases.

Further, AFIEGO and IGEN-EA wrote a letter to Uganda’s Minister of Trade, Industry and Cooperatives to urgently complete and present the Consumer Protection and Management Bill before parliament enactment into law to stop counterfeit goods including products for off-grid solar.

And with our partners under the Save Bugoma Forest Campaign (SBFC), we wrote a letter to NEMA demanding a copy of the approved Hoima Sugar Ltd restoration plan for Bugoma forest.

Finally, in the media section, we bring you some of the 23 newspaper articles written by our staff and partners that were published in the leading newspapers in June.

We hope you will enjoy the newsletter.

Editorial team:
Diana Nabiruma
Rachael Amongin
Balach Bakundane
The Inter-Continental Panel on Climate Change (IPCC) is an intergovernmental body of the United Nations (UN) and currently has 195 governments including Uganda, Tanzania and Kenya.

It should be noted that the IPCC continues to ask its members to invest in sectors that are sustainable and do not lead to climate change.

Among its main activities, the IPCC prepares comprehensive assessment reports on climate change, its causes, impacts and response options.

On its part, the Inclusive Green Economy Network-East Africa (IGEN-EA) with over 26 members from Uganda, Tanzania and Kenya was established to promote green economic sectors as part of efforts to promote social and economic development in East Africa while fighting against the causes of climate change.

And on that note, IGEN-EA will continue to analyse the annual national budgets of the countries of its members to inform the citizens of the extent to which the national budgets of the East African countries budget and invest in sectors that positively impact the citizens especially the vulnerable groups such as women, youth and others without worsening climatic changes.

Below is a highlight of the 2023/2024 national budgets of Uganda, Tanzania and Kenya which were read on June 15, 2023. All the first three biggest economies of East Africa increased their 2023/2024 fiscal budget as follows; Uganda at $14 billion (UGX 53 trillion), Tanzania at $19 billion (TZS 44 trillion) and Kenya at $ 25 billion (KES 3.6 trillion).

Agriculture:
Agriculture remains the backbone of all the East African countries including Uganda, Tanzania and Kenya. Over 60% of the population of East Africa continues to survive on agricultural activities for food, income and other opportunities.

For instance, in 2021/2022 Uganda’s agriculture sector contributed about 24.1% of GDP. In Kenya, it contributed 33% of the GDP to the economy while in Tanzania it contributed 25% of the GDP and 85% of exports. This clearly shows that the sector of agriculture must remain a big priority for Uganda, Tanzania and Kenya as well other East African countries.

In the 2023/2024 budget, Uganda allocated UGX 2.2 trillion to the agricultural sector including natural resources, tourism and others. For the first time, the Ugandan government plans to put in place small-scale solar-powered irrigation schemes to promote commercial agriculture and address climate change challenges.

This will increase food security and productivity of crops in the semi-arid areas of Uganda such as the Karamoja region only if implemented the right way.

Word from IGEN-EA
Furthermore, the government of Uganda committed a further UGX 1.1 trillion Parish Development Model (PDM), Emyoga and other initiatives to improve household opportunities. The government will also invest in research.

Unfortunately, amidst the above efforts, the government continues to invest in the oil sector. Over UGX 460 billion has been set aside for oil activities and yet the IPCC continues to advise against the exploitation of fossil fuels such as oil, gas and others.

In Kenya, the government is committed to ensuring food security in the country through climate change mitigation and adaptation. A budget of KES 49.9 billion was allocated to the agricultural transformation and inclusive growth sectors.

The government of Kenya hopes that the above investments will double Kenya’s agricultural sector from the growth of 1.6 per cent in 2022.

Further, under the agricultural sector, the blue economy priority projects were allocated a total of KES 8.1 billion. This is aimed at improving the lives of people living along the coastal areas through improved transportation and farmers' initiatives.

In Tanzania, the money allocated to agriculture increased from TZS 954 billion in 2022/2023 to TZS 971 billion in 2023/24. Among other things, it is hoped that the increased budget will support the availability and accessibility to agricultural inputs and improve research and extension services.

It will also support the provision of fertiliser subsidies to farmers; the construction and rehabilitation of irrigation schemes, and storage facilities; the establishment of the Agricultural Development Fund and the improvement of markets for agricultural products.

**Tourism:**

During Uganda’s budget speech Hon. Matia Kasaija revealed that in the FY 2022/23, Uganda’s tourism and hospitality sector contributed 6.7% to Uganda’s GDP. The budget allocation to the tourism sector has increased to UGX 249 billion in 2023/24 from UGX 195 billion in 2022/23.

The government will invest in marketing the country as a global and regional centre for Meetings, Incentives, Conferences and Exhibitions (MICE). Hospitality standards will be enforced through licensing, grading and classification of tourism facilities.

In Kenya, KES 8 million has been allocated to cater for the sector’s wildlife insurance, infrastructure and opening of national parks among others to the world.

On his part, Hon. Dr. Mwigulu Nchemba, the finance minister indicated that tourism registered an increase in revenues from USD 922,692 in 2021 to USD 2,527,000 million in 2022, an increase of 93 per cent.

In addition, domestic tourists who visited various tourist attractions in the country contributed USD 2,363,260 in 2022 compared to USD 788,933 in 2021.
Sustainable energy access:
Under the energy sector, the government of Uganda has allocated UGX 1.3 trillion for power infrastructure (electricity interventions) which will include power generation, transmission and distribution infrastructure.

The funds allocated will also cater for building the capacity of Uganda Electricity Generation and Transmission companies to manage the generation and distribution networks after ESKOM and UMEME concessions expire.

It is not clear how much of the above budget will go to off-grid solar investments. However, it’s a plus that the government has planned for solar pumps to support irrigation.

Natural resources, environment, climate change and land programme:
To mitigate climate change, the government of Kenya allocated KES 14.4 billion for forests and water towers conservation, KES 3.8 billion for environment management and protection, KES 3.6 billion for the Kenya financing locally-led climate action project, KES 1.1 billion for human-wildlife conflict compensation and KES 800 million for wildlife insurance for FY2023/24.

The government of Tanzania has also allocated USD 33.59 million to implement environmental and climate change management projects to deal with the impacts of climate change, particularly the implementation of the National Environmental Master Plan for Strategic Interventions (2022 - 2032).

In conclusion, while the budgets show some commitments from the governments to invest in natural resources and combat climate change causes, the biggest challenge remains the budget discipline.

Unfortunately, the governments of Uganda, Tanzania and Kenya continue to invest in risky sectors such as oil and gas, they are heavily indebted with Uganda alone having a debt of USD 23 billion.

Lastly, in all three countries, the forests, national parks and game reserves, wetlands, lakes, rivers and other critical systems continue to face increasing destruction.

Recommendations
• The three countries should put in place clear master plans for their green economic sectors to ensure long-term planning.

• In line with the 2015 Paris Agreement on climate change, the three governments should stop investing in fossil fuels and instead invest resources into clean renewable resources.

BY IGEN-EA Secretariat
AFIEGO & IGEN-EA PARTNERS ENGAGE KIKUUBE DISTRICT POLITICAL AND TECHNICAL LEADERS ON THE TOURISM POTENTIAL OF BUGOMA FOREST

On June 16, 2023 AFIEGO and partners under IGEN-EA participated in a meeting with the Kikuube district political and technical leaders in Kikuube district.

During the meeting, we discussed the research findings on the tourism potential of Bugoma central forest reserve located in Kikuube district.

The aim of the meeting was to influence the leaders to put a stop to the ongoing destruction of the forest among others.

CONDUCTS A LEGAL AID CLINIC FOR EACOP PROJECT AFFECTED PERSONS

On June 12, 2023, AFIEGO organised a legal aid clinic in Lwengo district, Greater Masaka region.

The meeting enabled the EACOP affected PAPs to seek counsel from AFIEGO’s legal team on the human and environmental rights abuses they face amidst ongoing EACOP activities, and how to get justice.

AFIEGO AND IGEN-EA TRAIN WOMEN AND YOUTH ON CLEAN ENERGY

On June 16, 2023 AFIEGO and IGEN-EA organised a community training on clean energy in Kikuube district.

During the training, the women and youth were equipped with skills and knowledge on energy-efficient cooking technologies such as briquettes, the advantages of off-grid solar energy and others.
AFIEGO EMPOWERS EACOP PROJECT AFFECTED COMMUNITIES TO DEFEND THEIR LAND RIGHTS

On June 13, 2023, AFIEGO organised a meeting to empower EACOP PAPs on their land rights amidst the ongoing compulsory land acquisition for the EACOP project in Kyotera district. The training aimed at equipping the PAPs with knowledge on how to protect and defend their land rights.

AFIEGO SUPPORTS THE OIL REFINERY AFFECTED PEOPLE’S COURT CASE HEARING

On June 20, 2023, AFIEGO supported the oil refinery PAPs to appear at Hoima High court for their case hearing. The case was filed in 2014 following the displacement of over 7,000 including 3,500 women from 13 villages of Kabaale, Hoima district in 2012. The government compulsorily acquired their land for an oil refinery and the EACOP project. For 9 years, the High Court of Uganda has failed to conclude the case and justice remains elusive.

AFIEGO ENGAGES MEDIA ON LEGAL AID CLINIC FOR EACOP PROJECT AFFECTED PERSONS

On June 12, 2023, AFIEGO organised a radio talk show together with the EACOP PAPs on radio Buddu FM in Greater Masaka region. The objective of the talkshow was to discuss the current challenges that the EACOP PAPs are facing and the legal efforts by AFIEGO aid advices that can be used by the PAPs to access justice.
This month, AFIEGO and our partners issued a press statement on the oil-refinery court case hearing. Further, AFIEGO and IGEN-EA issued a letter and a press statement calling on Uganda’s Minister of Trade, Industry and Cooperatives to urgently complete and present the Consumer Protection and Management Bill before parliament for debate and enactment.

And with our partners under the Save Bugoma Forest Campaign (SBFC), we wrote a letter to NEMA requesting for a copy of the approved Hoima sugar Ltd restoration plan of Bugoma.
In the media

This month, AFIEGO staff, research associates and youth champions wrote newspaper articles that were published in the leading newspapers. Some of the published articles are captured below.

Let us protect wetlands from plastic pollution

It is good that on World Environment Day, government pledges to re-emphasize the need to take plastic from the plastic bin and I believe that if action is taken now, to save wetlands, which are disappearing because of human encroachment and plastic pollution. Research shows that five million plastic bags are produced worldwide annually and that people use about a million plastic bags per nation, which takes 1000 years to disappear. Consequently, ask all manufacturing companies to reduce plastic production to reduce environmental impact and support the wetlands.

Nahidah Muhimu
nahidahm@gmail.com

Practice proper disposal of plastics

Days after we celebrated the World Environmental Day under the theme “Solutions to plastic pollution”, Ugandans should question the actions taken to create a clean environment.

Negligence in the form of littering plastics irresponsibly creates a deep damage to the environment on account that the plastic materials are biodegradable. When left on land for a long time, the plastics are known to leach toxic chemicals into the soils, thereby contaminating water bodies and plants.

In addition, Plastics are made from oil with a highly polluting production process. Plastics just do not dissolve, they break down into smaller particles. This affects the environment, for instance a single water bottle can take up to 1000 years to break down.

Rapid population growth, urbanization and industrial growth have led to severe waste management problems in Uganda and around the globe. The growth in the usage of plastics is the biggest contributor of environmental degradation today. Plastic as a synthetic polymer substitute of natural materials has become an essential asset in packaging products.

A considerable intensification in the production of plastics in the last few decades has simultaneously increased the consumption of plastic materials, of which these plastic packaging materials are converted into plastic waste in a short span. This has led to an increase in the production of plastics, which is fuelled by the design and durability and has attracted a wide market globally. Companies prefer plastics for packaging to cut costs of production, which clearly indicates that we are not fully informed on the true value of plastics and that’s why it should be part of our norms to foster proper disposal of plastics.

Uganda National Environmental Management Authority (NEMA) show that plastics take a long time of waste in Uganda with over 600 tonnes being produced every day throughout the country. This is an indication that only 50 percent of this waste is collected and disposed of properly.

Plastics are resistant to decomposition, natural organisms have a very difficult time breaking down the synthetic chemical bonds of plastic, creating another problem of the material’s persistence to the quality of soil, where it is destined to remain entombed in limbo for hundreds of thousands of years. The toxic compounds are dispersed throughout the atmosphere to be accumulated in biotic forms throughout the surrounding ecosystems thereby causing huge damage to the water bodies and industrial canals, rivers and lakes in Uganda continue to choke on plastic waste which has contributed to rampant fish deaths that are currently occurring due to plugging of waterways and in the near future if we don’t act now there is likely to be more plastics in our lakes and rivers than fish which impedes damage to the fisheries.

Effects of plastic on aquatic life are devastating and accumulating suffocates, ingestion, and other macro pollutants of sediments. Legislation can set standards of use, ultimate destinations, and accountability to ensure that the approach can support consumer choices of sustainable products.

Mercy Murekatete, concerned citizen

Enact consumer protection law to control surge of counterfeit solar products

EDITOR: As Uganda sets to enhance energy transition, there is a need to emphasize the enactment of consumer protection law, to protect consumers from fraudulent products and high prices that sabotage the flourishing of solar products in the energy sector to meet SDG 7.

Whereas government has tried to put in place laws and regulations to help protect the consumer, for instance the Uganda Consumer Protection Association, Uganda National Bureau Act Cap 206, among others, there has been no tangible impact. Last November, Parliament discussed a motion by the Bukoto West MP, Muhammad Sonzayi, to pass a Consumer Protection and Management Bill.

During the debate, the Deputy Attorney General, Jackson Kafufu, said government was in the process of preparing a similar Bill. Sonzayi was tasked by the Speaker Anita Amon, with drafting a Consumer Protection and Management Bill and bringing it to Parliament within two weeks. However, it was never brought to Parliament.

I believe the Bill will protect Ugandans from false advertisement, predatory pricing, and sub-standard products, among others.

Babra Kembabazi
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