

May 2022; Issue 5

NATIONAL BUDGET MUST PRIORITISE GREEN ECONOMIC SECTORS TO IMPROVE CITIZENS' LIVELIHOODS



A group photo of women and youth in Kyakaboga village, Hoima district displaying the honey they harvested from their apiary project (business). Such green projects enable local communities to sustain themselves as they conserve and protect the environment.

National budgets must prioritise investment in green economic activities such as organic agriculture, clean energy, tourism and others.

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- 2022/2023 national budget review: Gov't must invest more in green economic sectors
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Dear reader, welcome to our May 2022 newsletter. On May 20, 2022, parliament passed Uganda's 2022/2023 budget.

The following allocations were made:

- Shs. 8.74 trillion for the human capital development programme which includes the health, education and other dockets. This allocation amounts to 18% of the total budget;
- Shs. 7.03 trillion for governance and security; this represents 14% of the total budget; and
- Shs. 4.171 trillion for integrated transport infrastructure and services.

The green economic sectors received the following:

- Shs. 1.606 trillion for sustainable energy development, which represents 3.3% of the budget;
- Shs. 1.269 trillion for agro-industrialisation, which represents 2.6% of the budget; and
- Shs. 197 billion for tourism, which represents 0.4% of the budget.

The much-touted Parish Development Model, which is expected to lift 39% of Uganda's households from the subsistence economy, was allocated Shs. 1 trillion. Each parish is expected to share Shs. 100 million!

Notably, the National Forestry Authority (NFA) was allocated Shs. 36.5 billion, per the 2022/2023 National Budget Framework (NBF) Paper; this represents 0.07% of the budget. The National Environment Management Authority

(NEMA) fared even worse, with an allocation of Shs. 16.7 billion being made per the 2022/2023 NBF Paper. This represents 0.03% of the budget. Prior to parliament passing the national budget, on April 27, 2022, the Minister of State for Finance, Hon. Henry Musasizi, appeared before parliament's Budget Committee.

During the meeting, he noted that the 2022/2023 budget will mainly focus on addressing the health and economic challenges presented by the COVID-19 pandemic. He also noted that the budget would focus on the Parish Development Model and other key issues.

The COVID-19 pandemic gravely disrupted the green economic sectors such as tourism and forestry.

Further, the Russia-Ukrainian war has led countries including Uganda to make a case for oil production instead of focusing on accessible, affordable and reliable renewable energy.

Despite the impacts of COVID-19 on the green economic sectors, the government has not prioritised them in the 2022/2023 national budget.

In our **Word from CEO and the Inclusive Green Economy Network-East Africa (IGEN-EA)**, we make a case for increased government investments in the green sectors. We believe that boosting these sectors is a sure way of lifting communities out of poverty while promoting environmental conservation and climate action.

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, AFIEGO and our IGEN-EA as well as Save Bugoma Forest Campaign (SBFC) partners participated in a meeting with European Union (EU) representatives from Brussels. We discussed the work we are engaged in for the protection of Uganda's forests and the challenges we face.

In addition, AFIEGO held a meeting with members of the SBFC local taskforce. We discussed how the current challenges such as evictions and human rights abuses against the Bugoma forest communities could be addressed.

Furthermore, we supported our lawyers and the oil refinery-affected persons to participate in a court case hearing for a case that the people filed against government over low, delayed and unfair compensation. The case was filed in March 2014. The hearing took place at the Masindi High Court.

In addition, with IGEN-EA, we supported a field visit for a researcher seeking to understand how apiary (bee-keeping), a green economic activity, can be scaled up across the Albertine Graben to promote livelihoods and environmental conservation.

In addition, we participated in international meetings with the Global Gas and Oil Network (GGON) as well as with France's PHITrust to promote

investment in renewable energy and other green economic activities.

In our **lobbying** section, we bring you a letter and communication materials that we and our partners issued calling on the Minister of Water and Environment to reform the 2020 National Environment (Environmental and Social Assessment) regulations to promote public participation in environmental conservation processes.

In addition, we supported the SBFC local taskforce to write letters to the Prime Minister of Bunyoro Kitara Kingdom (BKK) and the Kikuube Resident District Commissioner (RDC) to protect the livelihoods of the Bugoma forest host communities.

Furthermore, we wrote a letter to the Ministry of Lands, Housing, and Urban Development (MLHUD) and requested a meeting to discuss issues concerning Bugoma forest's stalled boundary re-opening.

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

We hope you will enjoy the newsletter.

Editorial team:

Diana Nabiruma

Rachael Amongin

Balach Bakundane

2022/2023 NATIONAL BUDGET REVIEW: GOV'T MUST INVEST MORE IN GREEN ECONOMIC SECTORS

Various images aimed at promoting tourism greet one at the arrivals lounge at Entebbe International Airport. A picture of a woman in a beautiful traditional dancing costume can be seen. Another of a gorilla in its natural habitat is displayed.

A banner highlighting the benefits of climbing Mt. Rwenzori is also featured. More images are displayed. These underscore the important role that tourism, alongside other green economic activities such as clean energy, organic agriculture, sustainable fishing and agro-forestry, play in Uganda.

The above sectors employ the majority of Ugandans with the agricultural sector alone employing 70% of Uganda's labourforce.

It is notable that following the COVID-19 restrictions that were instituted by government in March 2021, the population of households engaged in subsistence farming rose from 41% to 52%. This makes the agricultural sector key to the majority of Ugandans' wellbeing.

The tourism and travel sector, which employed 667,600 people and constituted nearly 6.7% of Uganda's labourforce in 2019, is also an important sector. Before the COVID-19 disruptions, the sector earned Uganda \$1.6 billion. Due to the COVID-19 pandemic, the Economic Policy Research Centre (EPRC) notes that 2 million jobs were lost in the formal sector after March 2021. Some of these jobs include tourism ones.

The clean energy and natural resources sectors are important too as Uganda's major green economic activities of agriculture, fisheries, tourism and others are supported by good

climatic conditions, environmental conservation and clean energy. Unfortunately, COVID-19 restrictions affected these sectors, especially forest and biodiversity conservation.

Owing to the above and even more so because the sectors play important economic roles, the Uganda national budget must prioritise investment in the green economic sectors to catalyse household and national economic transformation.

How does the 2022/2023 national budget that was passed by parliament this month (May) fare?

CONCERNS ABOUT THE NATIONAL BUDGET

AFIEGO and our partners under the Inclusive Green Economy Network-East Africa (IGEN-EA) reviewed the budget, the 2022/2023 National Budget Framework (NBF) Paper as well as parliament's January 2022 report on the NBF Paper. Below, we discuss our concerns about the budget.

(a) Prioritisation of grid connections: The sustainable energy docket was allocated Shs. 1.606 trillion. The 2022/2023 NBF Paper of December 2021 indicates the following as the provisional allocations to the various sub-sectors under the docket: Shs. 198.8 billion for energy generation, Shs. 906.7 billion for transmission and distribution, Shs. 1 billion for renewable energy development and Shs. 1.4 billion for energy efficiency.

It is commendable that government continues to prioritise sustainable energy development in the national budget. This is because energy access

should spur economic development. However, the emphasis on the generation and extension of grid power has borne few results. Despite government prioritising investment in grid power, grid access **stood at a paltry 19%** as at June 2020. Communities have however demonstrated an appetite for off-grid (renewable) energy. As at June 2020, off-grid solar connections stood at 38%.

Government needs to place more emphasis on off-grid electrification and cooking solutions therefore to increase clean energy access and reduce deforestation.

(b) Limited allocations to the climate change and natural resources programme: The importance of the environment, natural resources (ENR), land and climate change programme for the survival of Uganda's major green economic activities cannot be over-emphasized.

If the Ugandan government is to ensure that over 70% of its population thrives, it must invest in the ENR, land and climate change programme.

Unfortunately, the allocations made to the programme cannot promote environmental conservation, climate change mitigation and green jobs.

Per the 2022/2023 NBF Paper, the proposed budget for the ENR, land and climate change programme is Shs. 794.7 billion. This constitutes only 1.65% of the budget that was passed by parliament.

This amount of money is supposed to be shared by 11 ministries, agencies and

departments (MDAs) such as the Office of the Prime Minister, Ministry of Water and Environment, National Forestry Authority (NFA), NEMA and others. The money is too little to enable the MDAs to promote environmental conservation and good land administration.

Eleven ministries, agencies and departments under the environment, natural resources, land and climate change programme were allocated only Shs. 794.7 billion or 1.65% of the budget!

(c) NEMA and NFA grossly under-funded:

In relation to the above and as indicated in the Editorial section, NEMA and NFA are set to receive meagre allocations.

NFA was allocated Shs. 36.473 billion, per the 2022/2023 NBF Paper; this represents 0.07% of the budget. NEMA fared even worse, with an allocation of Shs. 16.683 billion being made per the 2022/2023 NBF Paper.

This represents 0.03% of the budget. Beleaguered by meagre allocations, the agencies cannot conserve for generations.

Corruption will also be encouraged, contributing to the increased forest, wetland and other losses at a time when Uganda should be doing everything it can to conserve the environment for climate change mitigation.

(d) Limited allocations for the agriculture sector:

Furthermore, with more households having slid into farming due to the COVID-19 pandemic, robust budget allocations were needed for the agricultural sector. However, only Shs. 1.269 trillion was allocated to the

agro-industrialisation programme.

This represents 2.6% of the budget and falls below the 10% commitments that the government made under the Malabo Declaration. Moreover, the Shs. 1 trillion that was allocated to the Parish Development Model (PDM) will not be sufficient for farmers, who are largely targeted under the PDM.

(e) Failure to seriously tackle climate change: After reviewing the 2022/2023 NBF Paper, parliament's budget committee noted that while "Section 30(b) of the National Climate Change Act 2021 requires the Minister responsible for climate change to consult with the Chairperson of the National Planning Authority and issue a certificate certifying that the Budget Framework Paper is climate change responsive and contains adequate allocation for funding climate change measures and actions and measures, the NBFP [that was reviewed by the committee] lack[ed] the certificate."

(f) Petroleum investments: Related to the above, the government also intends to invest Shs. 144.1 billion in the petroleum industry in 2022/2023.

Investing money in a sector that contributes the most to climate change and risks Uganda suffering stranded assets due to the global just energy transition at the expense of clean energy is unwise.

(g) Failure to invest more in tourism despite the COVID-19 shocks that the sector suffered is

also a challenge. Only 0.4% of the budget was allocated to the sector.

RECOMMENDATIONS

In light of the above, we recommend the following:

(i) Subsequent budgets must prioritise off-grid electrification and alternative cooking solutions such as solar stoves, energy-saving cookstoves and others to address the challenges of energy poverty, deforestation and the climate crisis.

LPG is not a solution as gas is expensive and exacerbates climate change.

(ii) In addition, the budgetary allocations to the ENR and climate change programme must be increased to at least 10% of the national budget. This is because this sector is the foundation of Uganda's major green economic activities.

(iii) Government should also allocate at least 10% of the environmental levy collected by NEMA to the authority for effective environmental monitoring and conservation.

(iv) Furthermore, in line with the Malabo Declaration, the agro-industrialisation budget must be increased to 10% of the national budget.

(v) Finally, in light of the low allocations to the key economic sectors, development partners should support the ENR and climate change, agro-industrialisation and tourism dockets to fill the gaps in the coming financial year.

By CEO and IGEN-EA

Pictorial of our activities

AFIEGO MEETS EU DELEGATES TO DISCUSS FOREST CONSERVATION



On May 3, 2022, AFIEGO and our IGEN-EA as well as Save Bugoma Forest Campaign (SBFC) partners participated in a meeting with European Union representatives from Brussels. The meeting took place in Kampala.

During the meeting, we discussed our efforts aimed at conserving Bugoma and other forests and the challenges that we face. The discussion will inform the EU's five-year strategy for Uganda.

AFIEGO SUPPORTS OIL REFINERY COURT CASE HEARING



On May 23, 2022, AFIEGO supported her legal team and the oil refinery-affected people to participate in a hearing of the oil refinery case. The hearing took place at the Masindi High Court.

The case was filed by the people, with AFIEGO's support, in 2014 due to government's failure to pay the people prompt, fair and adequate compensation while acquiring their land for an oil refinery.

Due to absence of a State Attorney, hearing of the case was adjourned to November 2022.

AFIEGO MEETS SAVE BUGOMA FOREST CAMPAIGN TASKFORCE TO DISCUSS HUMAN RIGHTS VIOLATIONS



On May 5, 2022, AFIEGO organised a strategic planning meeting with the chairperson of the Save Bugoma Forest (SBFC) local taskforce. The meeting took place in Kampala.

During the meeting, strategies were laid to address the human rights violations against the Bugoma forest communities.

AFIEGO AND IGEN-EA PARTNERS SUPPORT RESEARCH TO PROMOTE GREEN ECONOMIC ACTIVITIES



Between May 9 and 21, 2022, AFIEGO and our partners under IGEN-EA supported research activities aimed at production of a research brief that will make recommendations for scaling up of apiary in the Albertine graben.

The research activities were conducted in Hoima district.

AFIEGO PARTICIPATES IN ESIA REVIEW MEETING



On May 10, 2022, AFIEGO participated in a meeting with Dr. Denis Muhangi, who is reviewing the impact of the efforts by the Netherlands Commission for Environmental Assessment (NCEA) in strengthening the deployment of Environmental and Social Impact Assessment (ESIA) as a conservation tool in Uganda.

The meeting took place in Kampala.

AFIEGO SUPPORTS YOUTH MOVEMENTS TO CONVENE AN ENVIRONMENTAL CONSERVATION WORKSHOP



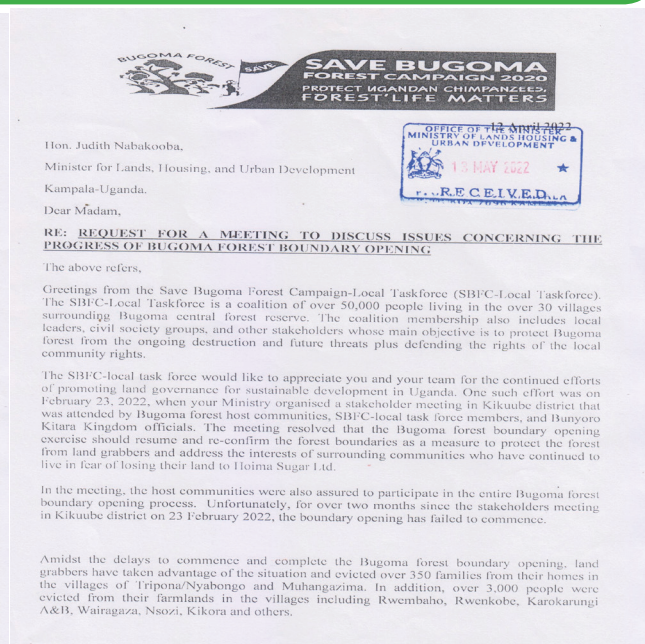
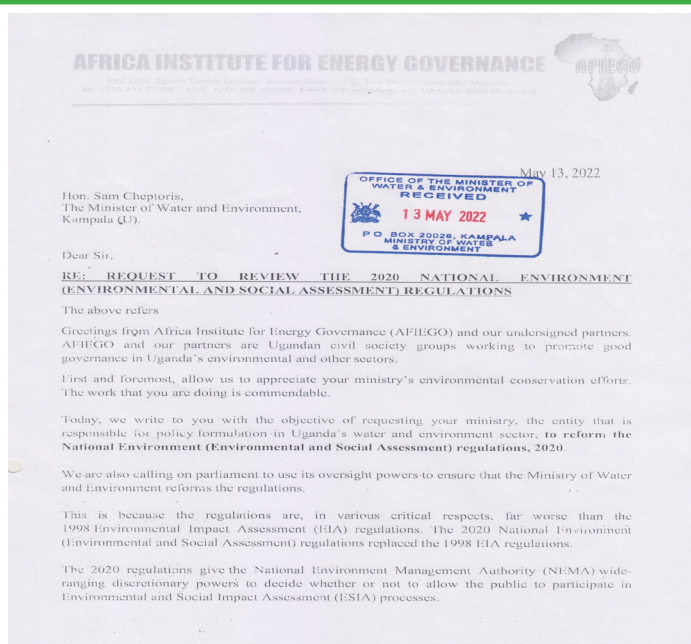
On May 21, 2022, AFIEGO supported youth groups to organise a workshop that discussed the roles and responsibilities of youth in natural resources governance.

The youth also discussed the importance of promoting off-grid electrification for increased clean energy access and environmental conservation. The meeting took place in Kampala.

In May 2022, AFIEGO and our partners wrote a letter to the Minister of Water and Environment to reform the 2020 ESIA regulations.

In addition, we wrote a letter to the Prime Minister of Bunyoro Kitara Kingdom (BKK) and the Kikuube district leaders to end the human rights violations against the Bugoma forest communities.

Furthermore, we wrote a letter to the Ministry of Lands to discuss issues concerning the Bugoma forest boundary opening processes.



GAP 3

Regulation 20(1) provides that NEMA may consult affected communities on an ESIA study submitted by a developer to the authority.

This gives NEMA discretionary powers to determine whether to consult affected communities or not.

This will undermine environmental conservation.

Write to @min_waterUg! Ask that the regulations make it mandatory for NEMA to consult project host communities on ESIA studies.

13 April 2022

Rt. Hon. Andrew Kirungi Byakutaga Ateenyi,
The Prime Minister Bunyoro Kitara Kingdom,
Hoima-Uganda

Dear Rt. Hon. Prime Minister,

RE: REQUEST FOR A MEETING TO DISCUSS ISSUES REGARDING BUGOMA FOREST BOUNDARY OPENING EXERCISE

The above refers,

Greetings from the Save Bugoma Forest Campaign-Local Taskforce (SBFC-Local Taskforce). The SBFC-Local Taskforce is a coalition of over 50,000 people living in the over 30 villages surrounding Bugoma central forest reserve. The coalition membership also includes local leaders, civil society groups, and other stakeholders whose main objective is to protect Bugoma forest from the ongoing destruction and future threats plus defending the rights of the local community rights.

The SBFC-local task force would like to appreciate you and your team for the continued efforts of promoting land governance for sustainable development in Uganda. One such effort was on February 23, 2022, when the Ministry of Lands, Housing, and Urban Development (MLHUD) organised a stakeholder meeting in Kikuube district that was attended by Bugoma forest host communities, SBFC-local task force members, and Bunyoro Kitara Kingdom officials. The meeting resolved that the Bugoma forest boundary opening exercise should resume and re-confirm the forest boundaries as a measure to protect the forest from land grabbers and address the interests of surrounding communities who have continued to live in fear of losing their land to Hoima Sugar Ltd.

In the meeting, the host communities were also assured to participate in the entire Bugoma forest boundary opening process. Unfortunately, for over two months since the stakeholders meeting in Kikuube district on 23 February 2022, the boundary opening has failed to commence.

Amidst the delays to commence and complete the Bugoma forest boundary opening, land grabbers have taken advantage of the situation and evicted over 350 families from their homes in the villages of Tripoma/Nyabongo and Muhangazima. In addition, over 3,000 people were evicted from their farmlands in the villages including Rwembaho, Rwenkobe, Karokarungi A&B, Wairagaza, Nsozi, Kikora and others.



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Upcoming events

June 2, 2022; Kampala: AFIEGO Board members mid-year evaluation meeting

June 6, 2022; Kampala: Follow-up meeting with the Ministry of Lands over Bugoma forest boundary opening excise

June 17, 2022; Kampala: Workshop to increase the membership of the Inclusive Green Economy Network-East Africa (IGEN-EA)

June 20-22, 2022; DRC: Community sensitisation engagements on impacts of oil activities on Lake Albert

June 23, 2022; Bunyoro and Greater Masaka: District political and technical leaders' engagement meetings for effective implementation of EACOP RAPs

June 24-30, 2022; Bunyoro and Greater Masaka: Dissemination of radio messages to promote green economic activities

June 30, 2022; Kampala: AFIEGO staff mid-year evaluation and reflection meeting

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