UGANDA’S 2021/2022 BUDGET WILL NOT FOSTER GREEN GROWTH! THIS MUST BE REMEDIED!

Community members from the Albertine Graben who depend on agriculture and need clean affordable energy to make a living. Uganda’s 2021/2022 budget will not promote green economic activities such as agriculture, tourism, off-grid renewable energy and others.

In this newsletter:

- Uganda’s 2021/2022 budget comes short on promoting green growth! This must be remedied!
- Pictorial of our activities
- Lobbying
- In the media
- Upcoming events
The month of June has been difficult for many Ugandans. This is because the country is experiencing the second wave of COVID-19 in which hundreds have passed away and thousands have fallen sick.

AFIEGO and our partners commiserate with all those who have lost their dear ones. We also stand in solidarity with those whose loved ones are sick. We pray that they get better.

Away from the above, this month (June), government unveiled Uganda’s 2021/2022 budget. This was at the June 10, 2021 budget speech ceremony that was held at the Kololo Independence grounds in Kampala.

The budget was unveiled, or read, by Hon. Amos Lugolobi on behalf of the president.

Following the budget reading, AFIEGO and our partners under the Inclusive Green Economy Network-East Africa (IGEN-EA) assessed the budget to determine whether it will promote green economic growth, which the Ugandan government is aspiring to attain by 2030/2031 as indicated in the Uganda Green Growth Development Strategy (UGGDS).

AFIEGO and IGEN-EA’s analysis of the budget made for some interesting findings. Through the UGGDS, the Ugandan government identified agriculture, tourism, renewable energy and sustainable forestry among others as the most viable and priority sectors for promoting green growth.

Fullscale implementation of the strategy is expected to commence in the 2021/2022 financial year which starts this July. Among others, resources to implement the strategy are supposed to be provided by government, international financiers and others.

However, the 2021/2022 budget allocations to the above-mentioned green priority sectors do not show government’s commitment to strengthening the sectors to realise green jobs and economic development while pursuing a low carbon pathway.

For instance, the agricultural and tourism sectors were allocated only over UGX 1.6 trillion and UGX 181 billion respectively. This constitutes only 3.7% and about 0.4% of the budget respectively.

Meanwhile, votes such as debt financing, governance and security as well as infrastructure were allocated 34.3% (UGX 15.43 trillion), 26% (UGX 11.7 trillion) and 11.2% (UGX 5 trillion) of the UGX 44.8 trillion budget respectively. Debt servicing and investment in security which is used to curtail civic space as well as investment in infrastructure such as oil roads will not support green growth!

It is notable that Uganda National Roads Authority (UNRA), which is developing oil and other roads, was allocated over UGX 3 trillion of the UGX 5 trillion that was allotted to the transport sector.

In addition, conservation agencies such as the National Environment Management Authority (NEMA) and the National Forestry Authority (NFA) were allocated only UGX 17.9 billion and UGX 36.9 billion respectively.
This is nearly six and three times less respectively than the UGX 106.4 billion that was allocated to brown or dirty sectors such as the petroleum one.

In our **Word from AFIEGO and IGEN-EA**, we discuss the above and more and make recommendations to support green growth in Uganda.

In our **pictorial** section, we bring you some of the activities that we implemented this month. For instance, we organised a meeting in Hoima district with nine Tilenga oil project-affected persons (PAPs) who were sued by government.

The PAPs refused to take the low compensation that was offered by government, through Total E&P, for their land that is being compulsorily acquired in Buliisa district. Government sought court’s intervention to compel the PAPs to take the low compensation. Court ruled in government’s favour and said that the compensation could be deposited with court.

This ruling will have grave implications on land rights protection and through the meeting with the Tilenga PAPs, it was agreed that the ruling is appealed.

In addition, this month, AFIEGO organised an online meeting to support civil society organisations (CSOs) working in the extractives sector to produce a report for submission to the UN Human Rights Council. The report will be used to influence the Universal Periodic Review (UPR) for Uganda.

Furthermore, AFIEGO organised a meeting with the community taskforce that is working to protect Bugoma forest. Through the meeting that took place in Hoima district, plans on delivering a petition to the president and other stakeholders to protect Bugoma forest were discussed.

AFIEGO also organised an online meeting with the IGEN-EA taskforce to plan for the network. In addition, AFIEGO participated in a meeting with the Uganda National Oil Company (UNOC) to discuss improving civic space in the oil sector.

In our **lobbying** section, we bring you some of the over 12 letters that were written by the community taskforce on saving Bugoma forest to various leaders including the president. The taskforce requested for meetings to present their petition to save Bugoma forest.

In our **in the media** section, we bring you some of the articles that were written by staff and our partners and were published by the media. We also bring you articles that were published from our media interviews.

We hope you enjoy the newsletter and invite you to continue staying safe through wearing your mask, washing your hands with soap and water and social distancing.

**Editorial team:**

Diana Nabiruma
Rachael Amongin
Balach Bakundane
In 2017, the Government of Uganda (GoU) put in place the Uganda Green Growth Development Strategy (UGGDS) of 2017/2018 to 2030/2031.

Government was supported by the United Nations Development Programme (UNDP) and the Global Green Growth Institute (GGGI) to put the strategy in place.

The strategy defined green growth as being “an inclusive low [carbon] emissions economic growth process that emphasizes effective and efficient use of the country’s natural, human, and physical capital while ensuring that natural assets continue to provide for present and future generations”.

The decision to pursue green growth was informed by a 2016 empirical macroeconomic study by the GoU, New Climate Economy (NCE) and GGGI which showed that green growth is “a viable development strategy for Uganda.”

The study identified the following sectors “as having the greatest green growth potential”: agriculture, energy (renewable), tourism, sustainable forestry, industry and the urban sector among others.

Implementation of the strategy was/is expected to generate the following outcomes by 2030:

- **Income and livelihoods** enhancement;
- Decent **green jobs**;
- **Climate change mitigation** and adaptation;
- **Environment** and natural resources management;
- **Food and nutrition** security and;
- **Social inclusiveness** among others.

The strategy was/is supposed to be implemented in two parts.

Between 2017/2018 and July 2020 to June 2021, government was supposed to consolidate “best practices for a green economy, [undertake] capacity-building and awareness creation [as well as] programme and project design and resource mobilisation.”

In the strategy, government noted that full scale implementation of the strategy would begin in the financial year 2020/2021 and end in 2030/2031.

Resources to implement the strategy were/are expected to be sourced from public sector allocations, international funding, green energy investments and others.

This implies that beginning the 2021/2022 financial year which commences in July 2021, government should have commenced full scale implementation of the UGGDS.

Government should therefore have prioritised resources for the above-identified green economic priority sectors in the 2021/2022 budget.

Did this happen?

**ANALYSIS BY IGEN-EA**

Members of the Inclusive Green Economy Network-East Africa (IGEN-EA) analysed Uganda’s 2021/2022 budget to determine if it will promote
inclusive green growth.

IGEN-EA is a network of private sector and civil society leaders from Uganda and East Africa that are working in the small-scale agriculture, fisheries, tourism, clean energy and sustainable forestry sectors.

IGEN-EA’s mission is to promote economic development and investment that creates thriving livelihoods for all Ugandans, remains resilient to climate change, protects human rights, and conserves the environment.

The network undertakes research, lobby and advocacy, communication and others to support Uganda to realise inclusive green economic growth.

**ASSESSING 2021/2022 BUDGET**

IGEN-EA’s aforementioned analysis of Uganda’s 2021/2022 budget found that though the Ugandan government increased budget allocations for votes such as agriculture, the budget will not promote inclusive green growth.

This is not least because **34.3% (UGX 15.43 trillion) of the budget** will be spent on servicing debts but because votes such as security (15.5% of the budget), infrastructural development (11.2% of the budget) and others were prioritised over agriculture which received only 3.7% of the budget and tourism, which was allocated only about 0.4% of the budget.

While investment in security and roads infrastructure is important, such investments are not beneficial to Ugandans as security in the oil and other regions is used to harass Ugandans and limit scrutiny as well as accountability.

Moreover, Uganda’s debts have been accrued to among others build oil roads, an oil refinery and huge hydropower dams that are producing inaccessible and unaffordable power for the majority of Ugandans, thereby undermining green economic growth.

Further, the National Environment Management Authority (NEMA) and National Forestry Authority (NFA), two key conservation agencies, were allocated only UGX 17.9 billion and UGX 36.9 billion respectively. Brown or dirty sectors such as the oil sector was allocated UGX 106.4 billion. This is nearly six and three times more than what was allocated to NEMA and NFA respectively!

Below is a further discussion of the budget.

(a) Agriculture and fisheries: During the budget speech that was delivered on June 10, 2021, Hon. Amos Lugolobi, who read the speech on the president’s behalf, observed that the “agricultural sector’s contribution to the economy has stagnated at around 23% over the last five years”.

He noted that more needed to be done to “increase the [sector’s] pace of industrialisation”.

Hon. Lugolobi therefore observed that in the 2021/2022 financial year, government would pursue agro-industrialisation to address challenges such as “low production and productivity, poor post-harvest handling and storage, limited value addition and insufficient market
“access” among others.

To implement 12 key interventions including developing agro-factories such as a fruit one in Luwero, constructing storage facilities, developing markets and others, a total of UGX 1.67 trillion was allocated to the agricultural sector.

This allocation falls below commitments of the 2003 Maputo declaration on agriculture through which African Union governments committed to allocate 10% of their national budgets to agriculture. The UGX 1.67 trillion allocation amounts to only 3.7% of the budget.

Moreover, the allocated resources will be shared by 11 ministries, agencies or local governments as can be seen in table 1. This piecemeal division of meagre resources makes it difficult to promote green growth.

Table 1: Agriculture budget allocations

<table>
<thead>
<tr>
<th>Vote</th>
<th>Budget allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Agriculture, Animal Industry &amp; Fisheries</td>
<td>547,698,840,188</td>
</tr>
<tr>
<td>Ministry of Water and Environment (MWE)</td>
<td>164,892,352,599</td>
</tr>
<tr>
<td>East African Community</td>
<td>402,387,951</td>
</tr>
<tr>
<td>Daily Development Authority</td>
<td>11,622,349,349</td>
</tr>
<tr>
<td>Kampala Capital City Authority (KCCA)</td>
<td>5,340,036,006</td>
</tr>
<tr>
<td>National Animal Genetic Res. Centre and Data Bank</td>
<td>72,314,843,639</td>
</tr>
<tr>
<td>National Agricultural Research Organisation</td>
<td>110,307,720,864</td>
</tr>
<tr>
<td>NAADS Secretariat</td>
<td>104,486,433,183</td>
</tr>
<tr>
<td>Uganda Cotton Development Organisation</td>
<td>8,041,965,098</td>
</tr>
<tr>
<td>Uganda Coffee Development Authority</td>
<td>86,862,049,615</td>
</tr>
<tr>
<td>Local Governments</td>
<td>556,029,008,509</td>
</tr>
<tr>
<td>Total</td>
<td>1,648,000,000,000</td>
</tr>
</tbody>
</table>

(b) Tourism: During the budget speech, Hon. Lugolobi recognised that the tourism industry, which constitutes nearly 10% of Uganda’s GDP and is responsible for 23% of the country’s export earnings, had been negatively affected by COVID-19 shocks.

The sector therefore needs substantial investment to weather the COVID-19 impacts.

However, the sector was only allocated UGX 181 billion, which is about 0.4% of the budget. This money is to be shared amongst the Ministry of Tourism, Wildlife and Antiquities, Uganda Tourism Board (UTB) and local governments.

Tourism operators who need stimulus packages to restart their businesses are expected to borrow from Uganda Development Bank (UDB) among other channels that are inaccessible for community and small tourism operators. Without access to affordable finance, inclusivity in the tourism sector is undermined as small players, especially at community level, lose out on business.

(c) Natural resources, environment, climate change and land programme: Uganda is experiencing a conservation crisis with wetlands, forests, national parks and other protected areas being destroyed for agriculture, oil roads as well as oil and gas exploitation activities.

Indeed, the 2018-2019 National State of the Environment Report that was released by NEMA in March 2021 shows that wetlands reduced from 15.5% in 1994 to 13% in 2017. Of the remaining wetland cover, only 8.9% is intact while 4.1% is degraded.

In addition, the report indicated that “all natural forests have experienced a strong decline in the past decades”. The report affirmed that though this decline had been halted and that there was a net gain in forest cover, this was due to plantation forestry, which is usually monoculture in nature and has negative impacts on biodiversity in some instances.
Natural forests such as Bugoma and Budongo are being degraded for sugarcane growing and oil roads projects among others.

Investment to enable conservation is therefore needed. However, the natural resources, environment, climate change and land programme was allocated only UGX 745.5 billion.

This money will be apportioned amongst seven ministries or agencies including the Office of the Prime Minister, MWE, KCCA, NEMA, NFA, Uganda Meteorological Authority and local governments.

NEMA and NFA, two key conservation agencies, are expected to get UGX 17.9 billion and UGX 36.9 billion respectively.

Without adequate finances to enable the above agencies play their roles, natural resources such as forests on which green economic activities such as tourism and organic agriculture depend cannot be sustainably conserved.

(d) Renewable energy access: While reading the budget speech, Hon. Lugolobi observed that meeting Ugandans’ “energy needs in an environmentally sustainable manner is a major national priority.”

He identified the following key interventions as being the priority in the 2021/2022 financial year: Further development of generation, transmission and distribution capacity; Increasing electricity access including implementing the free Electricity Connections Policy and; Reducing energy losses and curbing vandalism of electricity infrastructure.

Others included: Providing affordable electricity tariffs, including the power subsidy of US$5 cents for manufacturers who qualify as extra-large industrial consumers and; Promoting renewable energy, energy efficiency and conservation.

Hon. Lugolobi observed that UGX 1.1 trillion was allocated to attain the above. Of this, UGX 646.2 billion was earmarked for rural electrification.

While an emphasis on promoting renewable energy was made, the budget fell short of clarifying how much would go to developing off-grid and grid energy options.

With its accessible and affordable nature, off-grid power presents an opportunity for inclusive green growth and should be promoted.

CONCLUSION

Government ought to allocate adequate resources to the green economic priority sectors of agriculture, tourism, renewable energy and sustainable forestry. This wasn’t done in the 2021/2022 budget. Instead, the country’s meagre resources were spread out across various sectors, some of which such as petroleum development will undermine green growth. The Ugandan government ought to walk the talk on promoting green growth by allocating more resources to the priority green economic activities as identified in the UGGDS.

By CEO and partners
June 10, 2021
AFIEGO organised a webinar for CSOs working in the extractives sector in Uganda. The objective of the webinar was to support the CSOs to produce a joint report to influence the UN’s Universal Periodic Review (UPR) for Uganda.

June 7, 2021
AFIEGO organised a strategic meeting with the Tilenga oil project-affected persons (PAPs) from Buliisa district who were sued by government. At the meeting, the PAPs agreed to challenge the Masindi High Court ruling that allowed government to deposit the PAPs’ low compensation, which they rejected, in court.

June 5, 2021
AFIEGO and our Save Bugoma Forest Campaign (SBFC) partners held a meeting to plan the strategic actions needed to save Bugoma forest amidst COVID-19 restrictions on gatherings and movements. The meeting agreed to continue engaging all stakeholders through online meetings and electronic advocacy.

June 7, 2021
AFIEGO organised meetings with selected East African Crude Oil Pipeline (EACOP) PAPs from Hoima and Kikuube districts. To objective of the meetings was to equip the PAPs with knowledge and skills to monitor the impacts of the EACOP project on community livelihoods and the environment amidst the in COVID-19 lockdown.
June 1, 2021

AFIEGO held an engagement meeting with the Uganda National Oil Company (UNOC) at their head office in Kampala.

The main objective of the meeting was to strengthen our partnership and structures to enable information sharing on the oil and gas sector and improve civic space.

June 22, 2021

AFIEGO and our partners under IGEN-EA held a strategic online planning meeting.

The main objective of the meeting was to discuss how to strategically lobby, advocate and influence the national budgeting processes to promote green growth.
This month, AFIEGO and our Save Bugoma Forest Campaign (SBFC) partners supported the community taskforce that is working for the protection of Bugoma forest to write letters to over 12 national and district leaders including the president. The community taskforce requested for meetings to present a petition to stop the destruction of Bugoma forest.

Over 20,000 community members have signed the petition which will be physically delivered when the COVID-19 lockdown is lifted.

Lobbying


Dear Excellency,

RE: PETITION TO STOP THE DESTRUCTION OF BUGOMA CENTRAL FOREST RESERVE

The above refers

The undersigned signatories and others not included due to space constraints take this opportunity to thank you and your government for providing leadership to our country amidst the existing challenges including the COVID-19 pandemic and others. We also thank you for your continued efforts to spearhead the campaign against environmental destruction, land grabbing and other problems as part of your constitutional mandate to ensure good governance, transparency and accountability in the country.

The over 20,000 signatories to this petition are local people and their leaders from over 30 Bugoma forest host villages/lower local councils (L.C. 1 and L.C. 2). The signatories hail from the districts of Kikyusa and Hoima. Other signatories include partners to the Bugoma forest host communities.

As local communities, we live and survive on the natural environment and the destruction of the Bugoma Forest is hurting us. We therefore write to you today to express the concerns of over 50,000 local people including children, women, youth, the elderly and others who live in Kikyusa and Hoima districts around Bugoma forest.

Your Excellency, Bugoma forest, located in Kikyusa district in Bunyoro sub-region, is being threatened by Holima Sugar Ltd facilitated by the questionable actions of some government officials from the Ministry of Lands, Housing and Urban Development (MLHUD), National Environment Management Authority (NEMA), National Forestry Authority (NFA), the Judiciary,

COALITION OF WOMEN AND YOUTH CLEAN ENERGY CLUB/CIOG, GREATER VIRUNGA LANDSCAPE

June 30, 2021

The Executive Director,
National Forestry Authority,
Plot 1020,
Spring road, Bugolobi,
Kampala (U).”

Dear Sir/Madam,

WE REQUEST FOR A MEETING TO PRESENT OUR PETITION OVER BUGOMA FOREST DESTRUCTION

The above refers,

The community leaders of Buguma Forest Dependent Local Communities (BFDC) take this opportunity to write to you on behalf of over 20,000 people who live around and survive off Bugoma Forest in the Buguma sub-region.

The people, from over 30 villages surrounding Buguma forest, thank you for the role you are playing in promoting good governance in Uganda. In addition, they appreciate your leadership in promoting conservation of natural resources in the country.

On behalf of the Buguma forest-dependent communities, we, the local leaders of the people, are requesting for a meeting with you. The purpose of the meeting is to present our petition to you to stop the destructive activities that are taking place in Buguma forest as well as the human rights abuses that are happening to our people.

We request to meet and present our petition containing the threats to Buguma forest to you on Tuesday June 14, 2021 at 9:00 am at your office in Kampala or any other place that is convenient for you.

A delegation of 25 people representing the over 30 villages surrounding Buguma Central Forest Reserve (CFR) including their national partners of the Save Buguma Campaign (SBFC) will come to your office to present the petition. We shall observe the SoS as part of efforts avoid and stop Covid 19.
This month, staff and research associates wrote newspaper articles which were published in the leading newspapers including the New Vision, Daily Monitor, The Observer and EarthFinds. Some of the published articles are captured below.

**In the media**

**NEMA, NFA SHOULD STOP WASTING TAXPAYER’S MONEY**

**EDITOR:** Last week, the media was awash with news about the National Environment Management Authority (NEMA), the National Forest Authority (NFA) and other stakeholders replanting three local forest reserves.

These forest reserves are Gagumbi Forest Reserve (27ha) in Kayunga district, Mbulamuti Forest Reserve (37ha) in Kamuli district and Nakinda Forest Reserve in Kalaki town council, Wakiso district.

This was a good idea because it is aiming at restoring our biodiversity. However, the challenge now is that these are the same government agencies that are giving out forests and wetlands to investors and rich men to carry out the developments on them. Yet, some of these developments are not contributing much to people’s livelihoods, environment, and economy.

In addition to that, NEMA said this was part of a broader campaign to replant over 4,000ha of depleted local forest reserves and 241,000ha of national forest reserve, which was cleared.

This is a contradiction for NEMA and NFA, because most forest and wetlands, which are under a bigger threat, such as Buguma Forest Central Reserve in Bumuru region and Ziika Forest Reserve, it is the same agency contributing to their destruction through corruption.

Ugandans should know that the money that NEMA and NFA are using to restore the forests and wetlands, is a wastage of the taxpayer’s money that could be used to develop other infrastructure, such as roads, hospitals and schools.

NEMA and NFA should first protect the forests and wetlands from investors, rich men and enco素chers.

We all know that on May 22, the world was celebrating the International Day for Biodiversity Conservation.

The question is, how can Uganda participate in the international day for environment conservation when most of its sensitive ecosystems are under a big threat?

Therefore, I call upon the Government to come up with stringent measures to save forests, wetlands, water bodies and entire ecosystems, to avoid wastage of taxpayers’ money.

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**A HAPPY MARTYR’S DAY**

3rd June 2021

Stay safe, stay home: Together we can save Bugoma forest from destruction of sugarcane plantations and oil activities

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**WHY GOVT NEEDS TO COMBAT ENVIRONMENTAL DEGRADATION**

**EDITOR:** Last year, when the COVID-19 lockdown started, many people stopped working when they were told to go back to their homes. Many people left cities and towns and they went to villages as a measure to control the spread of the COVID-19.

The only activities which were to be done at the time were agricultural ones.

It was noted that after the Government put in place the COVID-19 lockdown, many people went to the rural areas where they resorted to timber cutting and charcoal burning, among others. These contributed to massive destruction of the environment.

The clearance of more forests and wetlands across the country is likely to increase due to the second lockdown.

Ugandans should know that a large number of populations that is running away from town to the villages is likely to lead to the destruction of the critical ecosystems, such as forests and wetlands in favour of human activities as the only source of income.

A lot of the biodiversity is likely to be under bigger threat by the large population that is running to the villages.

Promised packages from the Government, such as cash, teacher’s money and Empoyage to some districts has not reached most of the intended beneficiaries. This means that a lot of the forests and wetlands could be destroyed because of the failure by the Government to implement these programmes, which were promised in the previous lockdown.

A lot needs to be done to ensure that nature is conserved because many those that have fled to their villages, might resort to other activities that could endanger the environment.

It would be better for the Government to first put in place possible measures that are going to solve challenges that are likely to increase the level of environmental degradation in the country.

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**THE SAVE BUGOMA FOREST CAMPAIGN**

wishes all pilgrims

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**GLOBAL ENERGY INVESTMENTS**

Oil majors holding oil and gas spending flat in 2021

Oil price exceeds $73 on improving demand outlook in Nigeria

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**AfriCO**

Paul Kato, research associate at the Africa Institute for Energy Governance

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**AFRICA INSTITUTE FOR ENERGY GOVERNANCE**

Paul Kato, research associate at the Africa Institute for Energy Governance

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**GLOBAL BUSINESS**

21:13 Nairobi

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**AFIICO**

Paul Kato, research associate at the Africa Institute for Energy Governance

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**AFRICA INSTITUTE FOR ENERGY GOVERNANCE**

Paul Kato, research associate at the Africa Institute for Energy Governance

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Upcoming events

July 1, 2021; Hoima, Buliisa, Kikuube: Radio talkshow on land rights amidst the COVID-19 pandemic

July 5, 2021; Hoima and Kasese: Radio drama on benefits of promoting clean energy

July 7, 2021; Kampala: Petitioning of oil companies to commit against oil exploration in eco-sensitive areas

July 8, 2021; Kampala: Radio talkshow on the relevance of implementing environmental laws amidst COVID-19 restrictions on movements and public gatherings

July 11, 2021; Kampala: Engage the Ministry of Energy to put in place a solar energy policy

July 16-24, 2021; Hoima, Kikuube and Kakumiro: Stakeholder online engagements on implementation of the Resettlement Action Plans (RAPs) for the EACOP oil project

July 28, 2021; Kampala: Petitioning Ministry of Energy to make the draft Electricity Amendment Bill (2020) public

About Africa Institute for Energy Governance (AFIEGO)

Africa Institute for Energy Governance (AFIEGO) is a public policy research and advocacy organisation dedicated to influencing energy policies to benefit the poor and vulnerable. Based in Kampala, Uganda, the organisation 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 clean 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