2024/2025 NATIONAL BUDGET PROPOSALS: GOV’T MUST PRIORITIZE GREEN ECONOMIC SECTORS FOR IMPROVED LIVELIHOODS IN UGANDA

AFIEGO and our IGEN-EA partners after a planning and reflection meeting in February 2024; During the meeting, we agreed to engage in efforts to influence the Ugandan budget to promote green and inclusive economic growth.

In this newsletter:
- Uganda’s 2024/2025 budget proposals: Gaps and recommendations to promote green & inclusive growth
- Pictorial
- Lobbying
- In the media
- Upcoming events
Dear reader, welcome to AFIEGO’s March 2024 newsletter. The month of March is an important one in Uganda’s national budgeting processes.

This is because in the month, the Ugandan government, through the Ministry of Finance, Planning and Economic Development (MoFPED) presents to parliament the final budget estimates for the following financial year.

Parliament is tasked with reviewing, debating and approving these estimates before the final budget is presented to Ugandans in June each year.

In March 2024 therefore, AFIEGO and our Inclusive Green Economy Network-East Africa (IGEN-EA) partners that are working together to promote green economic alternatives including clean energy, organic agriculture and fisheries, forestry and natural resources management as well as tourism in Uganda and East Africa at large dedicated time to analysing the Uganda national budget proposals for the 2024/2025 financial year.

We reviewed the 2024/2025 National Budget Framework (NBF) Paper, various ministries’ Ministerial Policy Statements (MPS) and ministries’ annual reports among others to assess whether the 2024/2025 Uganda national budget proposals will deliver clean energy especially for the poor and vulnerable including women, address forest degradation and biodiversity conservation concerns and promote organic agriculture that meets the economic needs of citizens.

We also assessed whether the national budget proposals will promote growth of the tourism sector in a sustainable and inclusive manner. Through the Word from AFIEGO and IGEN-EA in this newsletter, we share with you the results of our analysis.

In this newsletter, we also bring you our pictorial section through which we share the activities that we and our partners implemented this month. For instance, we supported our IGEN-EA partners to participate in a two-day civil society organisations’ (CSOs) retreat to discuss Uganda’s 2024/2025 national budget proposals.

Our IGEN-EA partners contributed to CSO position papers that were submitted to parliament to promote pro-people, green and sustainable budgeting.

Furthermore, we supported our IGEN-EA partners to participate in a field visit to Ithoya forest, a privately owned forest in Kikuube district in Western Uganda.

The purpose of our partners’ visit, which was organised under the Green Livelihoods Alliance (GLA) 2 partnership, was aimed at supporting IGEN-EA to assess the feasibility of promoting tourism in Ithoya forest to promote forest conservation and community livelihoods.

In addition, we supported some of
the 42 Tilenga Project Affected Persons (PAPs) who were sued by the government of Uganda in December 2023 and the Hoima High Court issued a ruling and eviction order against them to hold a press conference in Kampala. During the press conference, the communities demanded that the judiciary fixes their appeal case for hearing to promote justice.

Furthermore, we organised a workshop in Kampala for Uganda, Kenyan and Tanzanian organisations that are prosecuting the court case aimed at stopping development of the East African Crude Oil Pipeline (EACOP).

The case is being prosecuted by AFIEGO and our partners at the East African Court of Justice (EACJ). During the workshop, the litigation team drafted submissions that are aimed at supporting prosecution of the case. The submissions were filed in court in March 2024.

We also held a capacity building training on the European Union’s (EU) Critical Raw Materials Act (CRMA) for youth, women and civil society actors that are engaged in climate change and a just energy transition activism in Uganda and the Democratic Republic of Congo (DRC).

You will see the above and much more in our pictorial section.

In our lobbying section, we bring you some of the lobbying and advocacy products that we disseminated this month.

Finally, in the media section, we bring you the newspaper articles written by our staff and partners that were published in March 2024.

We hope you will enjoy the newsletter.

Editorial team: Diana Nabiruma Patrick Edema Balach Bakundane
Dear reader, in March 2024, Africa Institute for Energy Governance (AFIEGO) and our Inclusive Green Economy Network- East Africa (IGEN-EA) partners held various meetings and participated in retreats organised for civil society actors in Kampala.

During the above engagements, we reviewed the national budget proposals for the 2024/2025 financial year that are contained in various ministries’ Ministerial Policy Statements (MPS) and the 2024/2025 National Budget Framework (NBF) Paper.

Our budget review activities were aimed at assessing whether Uganda’s 2024/2025 budget proposals will support the Ugandan government to address citizens’ aspirations for clean energy and promote forest as well as other biodiversity conservation.

We also assessed whether the budget proposals will support the Ugandan government to promote an agricultural sector that uplifts citizens from poverty while ensuring that they remain resilient to climate change and whether the budget proposals will address the tourism sector needs.

Below, AFIEGO and our IGEN-EA partners share with you our insights of the 2024/2025 national budget proposals.

(a) Sustainable (clean) energy programme: Per the 2024/2025 NBF Paper, the sustainable energy vote will be allocated over UGX 1.325 trillion. Of the proposed amount, UGX 484.247 billion and UGX 827.771 billion are to be allocated to electricity generation and transmission as well as distribution initiatives respectively.

This means that over 98.9%, or over UGX 1.312 trillion of the 2024/2025 proposed sustainable energy programme budget, is being allocated to electricity generation, transmission and distribution initiatives.

Indeed, the 2024/2025 NBF Paper notes that under the sustainable energy programme, focus will be put on the priorities in the infographic below.
While strengthening the grid and transmission network is important, allocating over 98.9% of the sustainable energy budget to grid electrification, while poorly funding off-grid renewable energy initiatives continues to undermine clean energy access, especially for the poor including women and youth.

This is because the majority of Ugandans cannot afford grid power, with the average monthly expenditure on grid power being UGX **13,600**, according to the Uganda Bureau of Statistics (UBOS).

Rural households on average spend UGX **10,000** on energy per month. Conversely, Ugandans, especially those in rural areas have shown great interest in off-grid solar energy.

To support clean energy access by rural communities including women and youth, government should allocate more funds for off-grid renewable energy programmes.

(b). **Electricity prices:** In addition to the above, the 2024/2025 NBF Paper indicates that one of the key areas that the government will focus on in the coming financial year is reducing the cost of electricity.

This is commendable. However, an analysis of the 2024/2025 electricity cost reduction targets show that while government hopes that extra-large, large industrial and medium industrial consumers will purchase a unit of power at US cents 5 in 2024/2025 and beyond, no targets are set for micro, small and medium enterprises (MSMEs) as well as domestic consumers.

Yet Uganda’s economy is largely made up of MSMEs with the sector accounting for about **90%** of private sector production and employing over **2.5 million** people.

Further, domestic consumers, who consumed **914 GWh** of electricity in 2023 are the third largest consumers of power that is distributed by UMEME.

Per the Electricity Regulatory Authority (ERA), domestic consumers account for **98%** of the demand for power distributed by WENERECO and Kalangala Infrastructural Services.

To drive inclusive economic growth while meeting the energy demands of especially women that are largely confined in the domestic sphere, it is important to set price reduction targets for MSMEs and domestic consumers.
(c). Natural resources, environment, climate change and land programme inadequacies:
Environmental conservation and climate action are key to supporting the success of sectors such as agriculture, tourism, clean energy, fisheries and others.

Unfortunately, various activities such as sugarcane growing, charcoal burning, oil and gas, illegal possession of land titles and others are being undertaken or are seen in forest landscapes.

The Auditor General’s Report of 2023 notes that there are 122 illegal land titles within Central Forests Reserves (CFRs). Of these, only two titles were revoked by the end of the 2022/2023 financial year. The report also notes that there are un-demarcated external forest boundaries.

Bugoma Central Forest Reserve, one of the few remaining tropical rainforests, is one of those forests with contested boundaries.

Between 2021 and 2022, the Ministry of Lands and National Forestry Authority (NFA) conducted a boundary opening exercise. This followed a cabinet directive in 2019.

However, over a year after the boundary opening exercise was concluded, the boundary opening report remains out of the public domain.

The 2024/2025 national budget proposals do not provide for publicisation of the boundary opening report, and financial resources available to evict or compensate persons that lay claim to the forest. This needs to be remedied.

(d). Agro-industrialisation programme:
The agriculture sector plays a central role in Uganda’s economy. Indeed, the agriculture, forestry and fishing sector contributed to the economic growth experienced by Uganda in 2022/2023 with information in the 2024/2025 NBF Paper showing that the sector grew by 4.8% from 4.2% in 2021/22. The sector also accounts for 61.4% of Uganda’s 9.1 million labourforce. Of the people employed in the agricultural sector, 72% are women and youth. To promote their economic advancement, the sector needs to be invested in. However, the sector is expected to
Suffer a budget reduction of UGX 170 billion in 2024/25. This is because while the sector was allocated over UGX 1.8 trillion in the 2023/2024 financial year, proposals in the 2024/2025 NBF Paper indicate that the sector will receive over UGX 1.6 trillion. Cutting the agricultural sector budget undermines farmers and Ugandans’ wellbeing.

Proposed allocations for the Agro-industrialisation vote. The allocations are set to reduce by UGX 170 billion in the 2024/2025 financial year. Source: 2024/2025 NBF Paper

<table>
<thead>
<tr>
<th>Billion Uganda Shillings</th>
<th>FY 2023/24</th>
<th>FY 2024/25</th>
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<tbody>
<tr>
<td>Approved Budget</td>
<td>Proposed Budget</td>
<td></td>
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<td>Recurrent</td>
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<td>Non-wage</td>
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<tr>
<td>Ext Fin</td>
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<td>937,325</td>
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<tr>
<td>GoU Total</td>
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<td>816,666</td>
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<td>Total GoU+Ext Fin (MTEF)</td>
<td>1,581,860</td>
<td>1,643,591</td>
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<tr>
<td>ALA</td>
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<td>0.000</td>
</tr>
<tr>
<td>Grand Total</td>
<td>1,581,860</td>
<td>1,643,591</td>
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</tbody>
</table>

(e). Under-funding of tourism sector: Government is proposing to allocate UGX 248.7 billion, equivalent to 0.46% of the 2024/2025 national budget proposals, to the tourism sector. The Ministry of Tourism, Wildlife and Antiquities in its 2022/2023 Tourism Development Programme Annual Performance report notes that in the first three years of the National Development Plan (NDP) III period, government was expected to have invested a total of UGX 2.906 trillion in the tourism sector. However, this didn’t happen.

Only a cumulative total of UGX 576 billion was approved as government funding. This includes the UGX 238 billion in non-tax revenue collections from the ministry and its agencies.

The report also notes that during the 2022/2023 financial year, only UGX 199 billion was appropriated against the NDP III planned expenditure of UGX 635 billion.

Continued under-funding of the tourism sector undermines government targets to increase annual tourism revenues from USD 1.45 billion to USD 1.862 billion, maintain the contribution of tourism to total employment at 667,600 people, increase inbound tourism revenues per visitor from USD1,052 to USD1,500, and maintain the average number of International Tourist arrivals from the U.S, Europe, Middle East, China and Japan at 225,300 tourists among others.

The sector, which earned Uganda USD 1,066.41 million in 2022/2023, needs to be adequately funded.
RECOMMENDATIONS

In light of the above, AFIEGO and our IGEN-EA partners recommend the following:

(i) Citizens should engage their Members of Parliament (MPs) to increase funds for the off-grid renewable energy vote to ensure vulnerable groups’ access to renewable energy.

(ii) Further, citizens should engage their MPs to ensure that electricity price reduction targets are set for MSMEs and domestic consumers.

(iii) In addition, parliament should ensure that funds are provided to the Ministry of Lands and NFA to publicise the Bugoma forest boundary opening report in the coming financial year without fail. All companies and individuals operating in the forest should be evicted.

(iv) Furthermore, parliament should task the Ministry of Lands to set targets for increasing women’s access to titled land.

(v) Finally, parliament should task the Ministry of Finance to increase the budget allocations for the agro-industrialisation and tourism programmes or votes. The allocated funds should be spent on sustainable activities aimed at protecting biodiversity, compensating communities affected by human-wildlife conflicts, supporting organic agriculture and increasing farmers’ access to extension services among others.

By AFIEGO and IGEN-EA
Between March 6 and 7, 2024, AFIEGO supported our regional partners from Uganda, Kenya and Tanzania that are prosecuting the court case aimed at stopping development of the EACOP at the East African Court of Justice (EACJ) to hold a workshop in Kampala.

During the workshop, we and our partners discussed and drafted submissions to enable us to prosecute the court case. The submissions were filed at the EACJ in March 2024. The case that we are prosecuting is aimed at upholding the rule of law as well as protecting the environmental, human and livelihood rights of over 177 million East Africans amidst the EACOP project.

On March 6 and 7, 2024, AFIEGO supported some of the members of the 42 Tilenga oil-project affected households that were sued by government in December 2023, culminating in Hoima High Court issuing an eviction order against them, to visit the offices of the Minister of Justice and Constitutional Affairs, Chief Justice, Deputy Chief Justice, Principal Judge and Uganda Law Society (ULS).

The purpose of the office visits was to promote dialogue to foster justice for the people. Only the visit to the ULS was successful as the other parties were not in office.

AFIEGO thereafter supported the people to hold a press conference on March 7, 2024 in Kampala. During the press conference, the people called on the judiciary to engage more with communities to promote a pro-poor people justice system.
AFIEGO SUPPORTS IGEN-EA PARTNERS TO PARTICIPATE IN BUDGET REVIEW RETREAT

Between March 25 and 26, 2024, AFIEGO supported IGEN-EA representatives to participate in a two-day national budget review retreat in Kampala.

During the retreat, IGEN-EA contributed to CSO budget position papers that were submitted to parliament to promote adequate budget allocations to the green economic sectors.

AFIEGO SUPPORTS IGEN-EA PARTNERS TO ASSESS THE TOURISM POTENTIAL OF ITHOYA FOREST

Between March 6 and 8, 2024, AFIEGO supported our IGEN-EA partners to visit Ithoya forest reserve in Kikuube district in Western Uganda. The partners assessed the opportunities for promoting tourism in the forest to promote biodiversity conservation and community livelihoods.

During the same period, AFIEGO also participated in an exchange learning with our Uganda Green Livelihoods Alliance (GLA) 2 partners.

We documented best practices in involving women in the governance of forest landscapes.
On March 28, 2024, AFIEGO held an online capacity building training on the European Union’s (EU) Critical Raw Materials Act (CRMA) for youth, women and civil society actors that are engaged in climate change and a just energy transition activism in Uganda and the Democratic Republic of Congo (DRC).

The purpose of the training was to support the aforementioned stakeholders to understand what the EU’s CRM Act means for their work aimed at promoting a just energy transition or promoting environmental conservation and human rights observance amidst mining sector activities.

Over 64 actors participated in the training. They agreed to create a platform through which they will engage in advocacy to promote fair and sustainable implementation of the CRMA.

On March 15, 2024, AFIEGO and our Save Bugoma Forest Campaign partners held a press conference in Kampala.

During the press conference, we called on the Ministry of Lands to work with the National Forestry Authority (NFA) to publicly release the Bugoma forest boundary opening report. The forest boundaries were opened in 2021 and 2022.

We also rejected any reports that legitimise the grabbing of Bugoma forest land by Hoima Sugar Ltd, which is growing sugarcane in the forest.
In March 2024, disseminated the lobbying and advocacy materials below.

**AFRICA INSTITUTE FOR ENERGY GOVERNANCE**

**March 13, 2024**

**Mr. Philippe Gondrain**
**The Deputy Chief Justice, Court of Appeal**
**Kampala, Uganda**

Dear Sir,

**REQUEST TO COMPENSATE OUR LAND TAKEN FOR THE OIL WELLS PROJECT**

We, the oil-well affected persons of Oilville village in Buloba sub-county, Buloba district, are writing to express our deep concern regarding the compensation grievances we have been facing under Government Action Plan (GAP) 38 of the Tilenga oil project.

For the past years, we have faced delays and frustrations in the process of obtaining compensation for the loss of our lands. We have repeatedly called for an urgent resolution of the issue, but our concerns have been ignored. The situation has been exacerbated by the recent developments in the project, which have led to further displacement and loss of livelihoods.

We urge you to take urgent action to address this issue and ensure that fair compensation is paid to all affected individuals and communities. We are also concerned about the impact of the project on our environment and the need for adequate measures to mitigate any negative effects.

Please consider our request and take the necessary steps to resolve this matter promptly.

Yours sincerely,

[Signature]

[Position]

[Company Name]

**AFRICA INSTITUTE FOR ENERGY GOVERNANCE**

**March 21, 2024**

**Ms. Elizabeth Mukamire**
**The Deputy Chief Justice, Court of Appeal**
**Kampala, Uganda**

Dear Sir,

**REQUEST FOR A MEETING TO DISCUSS THE IMPACTS OF DELAYED JUSTICE FOR OIL WELL-RELATED MATERIALS**

懊悔者 from the Africa Institute for Energy Governance (AFIEGO) AGENDA in Uganda, would like to schedule a meeting with [Your Name] to discuss the impacts of delayed justice for oil well-related materials. The meeting will be held on [Date] at [Time] and will be held in [Location].

We, the oil-well affected persons of Oilville village in Buloba sub-county, Buloba district, are writing to express our deep concern regarding the compensation grievances we have been facing under Government Action Plan (GAP) 38 of the Tilenga oil project.

For the past years, we have faced delays and frustrations in the process of obtaining compensation for the loss of our lands. We have repeatedly called for an urgent resolution of the issue, but our concerns have been ignored. The situation has been exacerbated by the recent developments in the project, which have led to further displacement and loss of livelihoods.

We urge you to take urgent action to address this issue and ensure that fair compensation is paid to all affected individuals and communities. We are also concerned about the impact of the project on our environment and the need for adequate measures to mitigate any negative effects.

Please consider our request and take the necessary steps to resolve this matter promptly.

Yours sincerely,

[Signature]

[Position]

[Company Name]
In March 2024, AFIEGO staff, research associates and youth champions wrote newspaper articles that were published in the leading newspapers. The media also published stories from interviews held by AFIEGO staff in March. Some of the published stories are captured below.
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

Upcoming events
April 4, 2024; Kampala: Launch of storybook in which oil-affected communities share about oil projects’ impacts on their lives

April 8-11, 2024; Greater Masaka: Community sensitisation meetings on project-affected people’s livelihood restoration entitlements

April 12, 2024; Greater Masaka: Training for community-based monitors to empower them to report environmental and human rights abuses amidst oil activities

April 15, 2024; Hoima: Hearing of the case of the oil refinery-affected people’s court case

April 16, 2024 Kikuube: Meeting with Bugoma forest host communities to empower them to monitor implementation of the European Union-Uganda Forest partnership

April 19, 2024; Kampala: Filing memorandum of appeal in the case of Mugisa Jealousy Mulimba & 8 others Vs. Attorney General with Court of Appeal

April 23, 2024; Kampala: Joint scheduling conference for the appeal case of Tilenga oil project-affected families

April 15-30, 2024: Albertine Graben: Support research on oil impacts to key forest landscapes in the Albertine Graben

April 30, 2024; Kampala: Meeting with the Chairperson of the Judicial Service Commission to discuss delays in hearing the appeals filed by oil project affected persons