



## CSO POSITION PAPER

ON

# Natural Resources, Environment, Climate Change, Land and Water Resources Management Programme

IN RESPONSE TO THE FY 2023/24 MINISTERIAL POLICY STATEMENTS

MARCH 2023

Civil Society Budget Advocacy Group (CSBAG) is a coalition formed in 2004 to bring together civil society actors at national and district levels to influence public resource allocation and accountability. Over the last ten years, CSBAG has engaged Uganda's budget process in an effort to incorporate the views of the marginalized people in the national budget. In line with this, CSBAG annually produces the CSO positions on the proposed public expenditure layout for each upcoming fiscal year in the various Ministerial Policy Statements.

## Acknowledgment

The culmination of this CSO position paper on the Regional Development Program in response to the Ministerial Policy Statement FY 2023/24 has been a rigorous participatory process involving OXFAM in Uganda, Dan Church Aid (DCA) , Uganda Community Based Association for Women and Children's Welfare (UCOBAC), Oil Refinery Resident Association - Hoima, Participatory Ecological Land Use Management Uganda (PELUM), Food Rights Alliance, Uganda Water and Sanitation Network( UWASNET), Africa Institute For Energy Governance (AFIEGO), Community Integrated Development initiative (CIDI), Action Alliance, Solidaridad East and Central Africa, LANDnet Uganda, Land Justice Network, National Land Coalition( NLC), Uganda Red Cross Society (URCS), Women's Land Rights Movement, Stand For Her Land, Inclusive Green Economy Network – East Africa with technical guidance and stewardship from CSBAG Secretariat.

We appreciate the Government of Uganda through the respective organs such as the Parliament of Uganda, and the Ministry of Finance Planning and Economic Development (MoFPED), for having created space for Civil Society Organizations (CSOs) to actively engage in this process as well as upholding voices concerning budget from the wider citizenry from time to time.

CSBAG and Partners are committed to upholding a constructive engagement strategy as a way of ensuring budgets are inclusive for, they reflect the aspiration of the poor and marginalized groups in Uganda.

## 1.0 INTRODUCTION

The Programme's mandate of stopping and reversing the degradation of Water Resources, Environment, Natural Resources as well as the effects of Climate Change is key to economic growth and livelihood security. According to Vision 2040, the program has the capacity to contribute a cumulative GDP gain of up to USD 67.2 billion (*approximately 9% increase*) through support to the growing needs for industrialization, transportation, and consumption of everyday goods and services hence it should be accorded the attention it deserves. In regards to Climate Change Management, section 30 of the Climate Change Act, 2021 and the National Environment Act, 2019 require all Government Ministries, Departments and Agencies to mainstream the climate change and environment issues in the detailed annual budget estimates.

We would like to commend the Government for revising the Program Implementation Action Plans to mainstream climate change interventions in the second budget call circular for FY2023/24. We further commend the Government for creating budget outputs on both the Integrated Financial Management

System (IFMS), namely: Climate Change Mitigation with Code 000089 and Climate Change Adaptation with Code 000090. All MDAs are required to use these codes during the preparation of Ministerial Policy Statements and Draft Budget Estimates for FY2023/24.

## 1.2 Resource allocation

The total Water and Environment sector allocation for the FY 2023/24 amounts to UGX 3,045.61 Bn of which UGX1,713.33 Bn is on-budget while UGX 1,322.28 bn is off budget/Appropriation in Aid as shown in table 1 below.

**Table 1: Budget allocation to the Water and Environment sector FY2023/24**

Vote	Wage	Non-wage	GoU Dev	Ext.	Off Budget	Arrears	Total
<b>019-Ministry of water and environment</b>	16.144	15.395	458.068	1,022.07	12.64	7.781	<b>1,532.10</b>
<b>0150-National Environment Management Authority</b>	6.72	8.97	3.25	0	0	0	<b>18.94</b>
<b>0157-National Forestry Authority</b>	8.27	15.32	5.65	0	0	0	<b>29.24</b>
<b>109-Uganda National Met. Authority</b>	7.41	3.69	6.56	0	0	0	<b>17.66</b>
<b>501-850 Local Governments</b>	0	15.5	79.34	0	0	0	<b>94.84</b>
<b>0122-Kampala Capital City Authority</b>	0	20.21	0.34	0	0	0	<b>20.55</b>
<b>(NWSC) AIA</b>	0	0	0	0	1,332.28	0	<b>1,332.28</b>
<b>Total</b>	<b>38.54</b>	<b>79.09</b>	<b>553.21</b>	<b>1,022.07</b>	<b>1,344.92</b>	<b>7.78</b>	<b>3,045.61</b>

Source: MWE Ministerial Policy Statement FY2023/24

## 2.0 KEY CSO ISSUES AND RECOMMENDATIONS FOR CONSIDERATION

### 2.1 Inadequate Financing towards Climate Change interventions

We commend the Government of Uganda for issuing a Certificate of financing Climate Change in compliance with the National Climate Change Act, 2021 provisions on climate financing. This will ensure that Ministries, Departments and Agencies (MDAs) work plans and budgets are Climate Change responsive before the final approval of the National Budget Framework Paper.

According to the MPS FY 2023/2024 for the Ministry of Water and Environment, Restoration of the Environment through Tree Planting requires UGX 20bn for raising tree seedlings and UGX 10bn for unpaid certificates for seedlings already supplied. The tree seedlings will be used for restoration of forest cover and degraded areas. The continued loss of forest cover exacerbates the already severe weather patterns in form of prolonged droughts and floods. Furthermore, the Budget Committee Report on the NBF 2023/24 indicates a funding gap of UGX 1.5 Bn that has partly limited NFA from fulfilling its mandate of resurveying and demarcating the encroached forest land. Partly, it has

exacerbated the giveaway of some forest land like Bugoma forest reserve to private entities of Hoima Sugar Limited and MZ Agencies for sugarcane growing

### **Recommendations**

We recommend that;

- 1. Much as Government of Uganda has proposed to allocate UGX 30bn specifically for Restoration of the Environment through Tree Planting, additional funding should be allocated to strengthen other climate change interventions country wide.**
- 2. Government through the MFPED allocates additional UGX 1.5bn to effectively conduct a resurvey and demarcate the encroached forest land.**

### **2.2 Delayed operationalization of the National Environmental Fund**

We commend the Government for putting in place the National Environment Act, 2019 to provide for management of the environment for sustainable development. The Act also provides for the establishment of the National Environment Fund. This Fund is constituted of monies from various sources including disbursements from the government; environmental levies; fees charged for the use of environmental resources; fines, gifts, donations and other voluntary contributions. It is meant to support critical environmental restoration activities, compliance with environmental and social impact assessments among others. However, we are concerned that as per Section 32(2) of the National Environment Act, the Fund has not been fully operationalized to carry out the activities for which the fund was established. In addition, the MPS 2023/24 indicates that NEMA lacks resources hence there is a disconnect between the Agency and the relevant structures at the district level to enable joint planning for enforcement activities. This gap is likely to limit the operations of the of NEMA in the respective district and local governments.

#### **Recommendation**

- a) Government through MFPED fast tracks the allocation of 50% of the Environmental Levy as recommended by Parliament to ENR institutions to fulfill their mandates.
- b) MWE, NEMA and MoFPED fast track the operationalization of the National Environment Fund in accordance to Cabinet's approval.

### **INADEQUATE FINANCING FOR LAND ADMINISTRATION AND MANAGEMENT STRUCTURES.**

Land administration structures such as District Land Offices (DLOs), District Land Boards (DLBs) and Area Land Committees(ALCs) are crucial in taking services closer to the people by supporting delivery of land services at the district. The institutions in addition, raise non-tax revenue from the various land transactions. For instance, in FY 2021/2022, 650bn shillings were collected from digital titling on land and was remitted to the consolidated fund.

The MLHUD has done a commendable job in ensuring that these structures are functional. For instance, in financial Year 2021/ 2022, MLHUD reviewed and approved the terms of appointment of 10 DLBs i.e Kapchorwa, Masaka, Rubirizi, Kaliro, Serere, Kyankwanzi, Lyantonde, Amuru, Mukono & Kakumiro districts. Additionally, 9 DLBs, 9 DLOs and 44 ALCs of Kazo, Mayuge, Kaberamaido, Gulu, Amuru, Oyam, Maracha, Kyankwanzi, and Apac Districts were trained in land management and administration.

However, these institutions are inefficient in their operations due to inadequate facilitation to execute their mandate, facilitate development projects (public and private) and generate more revenue for the

country. It should be noted MLHUD mostly provides technical support like induction and capacity building which isn't sufficient for their effective functioning. It is also imperative to note that in the MPS FY 2022/2023, \$1,830,000 was planned for the purpose of strengthening the capacity of the land administrators; however, only \$491,000 was disbursed.

## **Recommendations**

**We recommend that;**

- 1. Government increases allocation to build capacity of land administration structures from \$1,830,000 to \$ 3,660,000. A percentage of the non-tax revenue generated from land registration be retained at the district to finance the operations of the ALC and DLB (remuneration, retooling).**

### **Inefficient Land Valuation Function**

We commend the government for the steps taken to develop and implement a Land Valuation Management Information System (LaVIMS) (***NRECCLWM Programme Performance Report 2022***). We further commend government for the approval of compensation rates for the 7 districts of Masaka, Kyotera, Kyenjojo, Kyegegwa, Yumbe, Kiryandongo and Moyo; development of the property indices for taxation and valuation for Kampala Capital City and commencement of work for the development of Valuation Standards, Guidelines and Manuals. More still, we commend the government for preparing the draft Valuation Bill (2019).

**We are however concerned** that the land sector and the valuation component to be specific is still under funded. While the Land Valuation Department requested for the allocation of additional funds amounting to UGX 9.8bn in FY 2022/23 for staffing, retooling, capacity building, ICT needs and acquisition of equipment for Land Valuation Infrastructure, the Ministry did not receive positive response from the MFPED as per the MPS for Lands, Housing and Urban Development FY 2023/24. Additionally, the Chief Government Valuer took more than 20 working days to approve valuation reports on land acquisition for roads resulting in the delay of 9 projects thus delaying service delivery. This was attributed to the staffing and tooling gaps that exist within the valuation department as earlier alluded to.

### **Recommendation:**

**We recommend that;**

1. Government to fast track the parliamentary review of the Valuation Bill, 2019 to facilitate its enactment as this has an effect on the comprehensive functioning of the Valuation Department.
2. Government allocates at least UGX 9.8bn in FY 2023/24 for staffing, retooling, capacity building, ICT needs and acquisition of equipment for Land Valuation Infrastructure.
3. Government compiles and approves compensation rates for the rest of the districts in the country in a phased manner.

### **2.4 Underfunding of Uganda National Meteorological Authority (UNMA)**

We commend Government for the achievements under UNMA by successfully operating and maintaining 58 Automatic Weather Stations, 38 Manual Weather stations, and 80 Rainfall stations to transmit data from the field station to the headquarters, and the installation of 1 Automatic Weather Station at Soroti University, Lake Mburo, and Kabale Airport in Hoima. However, UNMA still faces challenges including inadequate weather monitoring equipment: inadequate computational facilities;

inadequate personnel as well as insufficient funding for dissemination among others. Currently, UNMA has a total funding shortfall of UGX 26.3bn for various activities. We also observed that UNMA relies more on television broadcasts, print media and occasionally social media to disseminate weather information which are not easily accessible to many farmers, especially in the rural areas of the country. We have as well noted that Local Governments lack designated persons to disseminate the weather information from UNMA.

### **Recommendations**

We recommend that;

- a) Government allocates additional funding to strengthen the operations of UNMA for improved services like Early warning signs, aviation transport advisory, and marine transport guides
- b) Government should consider enhancing the capacities of local personnel such as district and sub-county agricultural or environmental officers to take on the task of disseminating the information at the community level in appropriate local dialects.

### **2.5 Inadequate funding towards WASH interventions and services**

We acknowledge that access to clean and safe by most households in Uganda has tremendously improved, since 2015 and that the portion of households that have reported an improvement in the availability of safe water has increased. Despite this milestone, many of the boreholes which are the most predominant water supply technology in our rural and peri-urban communities aren't routinely maintained. According to the National Service Delivery survey 2021, 0.6% of the population consume water from unsafe water sources, coupled with 0.9% of the rural population having no access to safe water sources which increases their vulnerability to diseases. This phenomenon thus shifts the burden to the Constituency Members of Parliament who in turn are forced to use their personal financial resources to meet the Operation and Maintenance of the broken facilities which is outside their mandate.

We commend Government for steps taken to address WASH challenges to ensure safe water source per village throughout the country. According to the MPS 2023/2024 for the Ministry of Water and Environment, Government proposes the construction of at least in 2,240 boreholes with, rehabilitate 200 boreholes, connecting 1,1500 villages/wards to piped water supply, complete construction of 75 out of the 85 mini solar powered water supply systems on going, and complete construction 34 urban/rural growth centers water supply systems out of the 46 ongoing country-wide.

### **Recommendation**

- a) The responsible Ministry needs to allocate resources that are commensurate to the rate of breakdown of water facilities in order to improve on their functionality. This funding will facilitate the provision of the necessary common user items in the maintenance of boreholes to all districts.

### **2.6 Weak functionality of District Disaster Management Committees (DDMCs)**

In the National Disaster Preparedness and Management Policy 2011, each district establishes a district disaster management committee (DDMC), headed by Chief Administrative Officer (CAO). All the district-level DRM planning, implementation, monitoring, and reporting are coordinated by this structure within

the geographical area. The districts are not in position to prepare or respond to disasters once they happen. About 10 of the 135 DDMCs mostly facilitated by non-government actors are functional. Similarly, there is no structured financial and technical support to establish/strengthen DDMCs. This is coupled by the ambiguity in the roles of DDMCs and the Local Government in supporting DDMCs.

### **Recommendations**

- b) There is a need to have structured technical support from the Local Government and the relevant Government Agencies to establish/strengthen all DDMCs in the country.
- c) Local Governments especially those in high vulnerability to disaster be caused to allocate up to 10% of their Local Revenue towards Disaster Risk reduction and management.

### **2.7 Delayed approval of the National Disaster Preparedness and Management Bill**

Disaster-induced problems require a comprehensive and coordinated disaster management policy and legislation. The National Disaster Preparedness and Management Policy provides a basis for the formulation of a Comprehensive Disaster Management legal framework that will aid the implementation of the policy. In 2019, OPM started the process of developing of the legal framework with the formulation of the bill. Currently, OPM has developed a roadmap with a budget for the approval of the National Disaster Preparedness and Management Bill which is yet to be tabled before the Cabinet and Parliament for discussion and approval.

### **Recommendation**

We recommend that;

- a) Office of the Prime Minister needs to expedite on the process of approval of the National Disaster Preparedness and Management Bill such that the responsible Ministries, Departments, and Agencies have a legal mandate on disaster risk management.

### **2.8 Poor energy investment strategy**

To drive development, the Ugandan government has invested in large hydropower dams such as 250MW Bujagali, 600MW Karuma, 183MW Isimba, 42MW Achwa II and others. It was hoped that these investments would spur increased energy access and the productive use of power by citizens for economic growth. Unfortunately, the electricity investment sector strategy employed by government has failed to increase power access and affordability. Emphasis on investing in the grid as opposed to off-grid solutions especially in rural areas is undermining electricity access as getting connected to the grid and grid power are expensive. The development of mini-grids whose power is evacuated to the main grid also hampers increased power access. This is because the majority of the customers resides in rural communities and cannot afford the high electricity tariffs.

### **Recommendations**

- a) Government should place emphasis on increasing off-grid solar energy and its productive use. A tax regime that includes exemptions and tax subsidies for the importers of the off-grid solar energy solutions should be provided in the FY 2023/24.
- b) Government should identify a model of households' power consumption to increase the uptake of the generated electricity.

## **2.9 Inadequate funding of Renewable Energy development**

The NBFP FY2023/2024 notes that under the Renewable Energy Vote, focus will be put on enhancing solar street lighting, enabling farmers' access to solar powered water pumps, awareness raising on energy-efficient cooking solutions and others. While these are commendable initiatives, more needs to be done to support off-grid electrification for households, support access to finances for women and youth start-ups on clean energy cooking and others. Additionally, the cooking energy mix in Uganda today is skewed with 94% of the 10 million households using biomass in form of firewood or charcoal to prepare their day-to-day meals. Only 1% of the households in the Country use Liquefied Petroleum Gas energy for cooking. The continued dependence on biomass has resulted in massive reduction of forest cover which is currently manifesting through prolonged dry spells. The UGX 5.4bn and UGX 4.5bn which were allocated to the renewable energy and energy efficiency developments are so little the above initiatives.

### **Recommendations**

- a) Place emphasis on increasing off-grid electrification by providing more resources for renewable energy.
- b) Increase budget allocations for interventions aimed at increasing citizens' access to clean cooking options.

## **2.11 Deemed power still remains a challenge**

Government continues to lose billions of shillings for unused power. The deemed power has partly contributed to the exorbitant power tariffs which explain why most Ugandans are shunning grid electricity for solar power as indicated by the UBOS report 2020. Only 19% of the population has access to grid power while 38% are connected to solar power. The Auditor General's report 2021, indicated that government at least pays UGX 87bn on average for unused electricity annually. Currently, Uganda produces about 1,346.6MW of electricity. Despite the surplus power, of 1346.6MW, only 800MW is consumed during peak hours while 400MW is consumed during off-peak hours. This means that more than 500mw is deemed power which has to be paid by the government.

### **Recommendations**

- a) Government should put more emphasis on transmission and distribution investments to enable evacuation of power and serve latent demand.
- b) Government should review the Power Purchase Agreements (PPAs) of energy projects of 'Pay or take' to 'Pay on take' clause.

## **3.0 CONCLUSION**

A considerable proportion of Uganda's economy is natural resource based and these contribute greatly to the GDP. Harnessing the full potential of the natural resources is dependent on how we govern, protect and utilize our environment and natural resources. We also recognize that the impacts of climate change hinder natural resources development, therefore we call upon Parliament to ensure that all Accounting Officers of the various MDAs provide guidance to the Ministry of Finance. Climate Change budget outputs should be mapped in the Programme Budgeting System (PBS) with regard to the relevant department in accordance to the Second BCC for FY2023/24.



## References

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