



MAINSTREAMING CLIMATE CHANGE IN THE NATIONAL BUDGET: MEMORANDUM OF ISSUES FROM THE REVIEW OF THE BUDGET FRAMEWORK PAPER FOR 2020/2021

PREAMBLE

This memorandum of issues seeks to contribute to the on-going process of providing policy proposals on climate change mainstreaming during the debate on the budget framework paper. The memorandum has been prepared by the advocates Coalition for Development and environment (ACODE)¹ and is based on an elaborate consultative process involving the National Planning Authority (NPA), Climate Change Department (CCD) and the Parliamentary Committee on Climate Change. We believe that this memorandum will make a significant contribution to the debate of the 2020/2021 national budget process.

CLIMATE CHANGE ISSUES IN THE NATIONAL BUDGET FRAMEWORK PAPER 2020/2021

General issues

Climate change is considered as a cross cutting issue; however, this has led to limited prioritization of

climate change financing in most sectors. Currently, it is difficult to isolate climate change specific funding in many of the sectors. **Therefore;**

- The public Finance Management Act should be amended to provide for a certificate of climate change compliance akin to the one on Gender and Equity. This will ensure that climate change activities are defined and allocated funds in all Ministries, Departments and Agency (MDAs) budgets. However, given the programme based budgeting approach currently under use, MDAs should also be required to introduce a programme in their budgets on climate change mitigation and adaptation. This is aimed at addressing the funding commitment challenges that the Gender and Equity issues have experienced despite the existence of the Certificate for Gender and Equity compliance.
- It is notable that two of the climate change objectives in the first budget call circular have not been addressed by any of the sectors in the NBFP. The particular objectives include objective (i) on 'attracting climate change financing in the country' and; objective (iv) on 'leveraging of research, innovation and adoption of appropriate green technologies to incentivize conservation and diversify economic opportunities for communities in the vicinity of natural resources'.

¹ ACODE is an independent public policy research and advocacy think tank registered in Uganda but working in Eastern and Southern African sub-regions. Founded in 1999, ACODE's mission is to make policies work for people by engaging in contemporary public policy research and advocacy and generating alternative policy ideas to improve policy formulation and policy implementation. ACODE has emerged as one of the leading regional public policy Think Tanks in Sub-Saharan Africa. ACODE has been recognised among the Top-100 Think Tanks worldwide by the University of Pennsylvania's 2018 Global-Go-To Think Tank Index Report. For information about our work, log onto our website at <https://www.acode-u.org>

SECTOR SPECIFIC ISSUES THAT SHOULD BE ADDRESSED IN THE NATIONAL BUDGET FRAMEWORK PAPER FY 2020/21 – FY 2024/5

Water and Environment Sector

- It is highly commendable that the sector has a specific outcome on climate change (Improved Weather, Climate and Climate Change Management, Protection and Restoration of Environment and Natural Resources). However there is no coherence between the outcome and the specific objectives and the measurement indicators under the outcome (see page 98 of the NBFP 2020/2021 – 2024/2025).
- There is also an unexplained reduction in performance targets across all the performance indicators under the outcome on Improved Weather, Climate and Climate Change Management, Protection and Restoration of Environment and Natural Resources on page 100.
- Under vote 019 of the Ministry of Water and Environment; the BFP provides for UGX 660 million for the weather, climate and climate change program as funding to achieve the program objective (to coordinate and monitor implementation of Uganda's climate change policy and the respective international agreements for increased resilience of Uganda's population to climate change and disaster risks). However, three quarters (78.8%) of this funding is for wages which leaves only about UGX 144 million for the Climate Change department in MoWE to coordinate the climate change interventions in the country.

Works and Transport Sector;

- There are no climate change considerations in the sector policy objectives. Research on the impacts of climate change in Uganda estimates that if no specific adaptive action is taken by sectors such as works and transport, annual climate change damages could range between USD 3.2 and 5.9 billion – with the biggest impacts being in water, followed by energy, agriculture, and infrastructure.

Energy and mineral development sector

- The budget framework paper focuses on expansion of the national electric power grid yet

the high tariffs continue to be the biggest barrier in access to power. The sector should therefore devise strategies to reduce electricity tariffs in order to increase access. Otherwise, the country will continue to grapple with challenges of surplus electricity, compensation for which will take up resources that would otherwise fund other development interventions.

- Alternative green energy sources are not mentioned in this sector. There is need to increase the use of alternative energy like gas and other green energy technologies like solar and briquettes.

Agriculture sector

- The budget framework paper has no clear strategies set out on climate smart agriculture.

Local Government sector

- There is no dedicated funding for climate change interventions at district level where the climate change impacts are most felt e.g. in Bududa district. With only UGX 5.8 million allocated per district for natural resources management, implementation of climate change interventions will continue to be challenging at district level.
- Therefore, either a conditional grant to local governments for climate change should be set up to cater or a climate change parameter should be included in grant allocation formula for the conditional grant for water and environment. This should take care of functions such as protection of wetlands and conservation areas, enforcement of environmental protection laws as well as other climate change mitigation and adaptation actions stipulated in the climate change policy.

Social Development Sector

- There are no strategies on promoting green jobs apart from the UN funded project on green jobs.

CONCLUSION

Mainstreaming climate change in the national budget, sector programs and activities is an important tool for ensuring sustainable development. This memo raises critical issues that should be addressed to ensure that climate change mainstreaming moves from away from rhetoric to action. The proposals made in this memo will therefore, provides an impetus to the debate on the budget framework paper 2020/2021 with regard to climate change mainstreaming.