

## Briefing Paper

### Financing Water, Environment and Climate Change in line with Uganda's FY2022/23 Planning and Budgeting Process

## 1.0 Introduction

Natural resources, environment, climate change, water and land management are critical to the reduction of impact of disasters, achievement of increased household incomes and improvement of quality of life of the population. They present an impetus for sustainable utilisation of the key growth opportunities of agriculture, minerals, petroleum, and tourism, ultimately contributing to increase in incomes and improved quality of life.

Financing of water and environment management and development is a primary concern for most countries especially developing countries such as Uganda. This is exacerbated in the current fiscal environment of tight budgets and strong fiscal consolidation, as public funding provides the lion's share of financial resources for water management. Underfunding remains a major challenge; the budget allocation in the Mid-Term Expenditure Framework is far below the projected funding to achieve the outcomes and implement the interventions as outlined in the Third National Development Plan (NDP III) and Programme Implementation Action Plan. The reallocation of budgeted funds to fight the COVID-19 pandemic has exacerbated the problem.

## 1.1 Outlook of the programme budget allocation for FY2022/23

The allocation to the Natural Resources Programme is estimated at UGX794.8 billion in the FY 2022/23, which represents a 3.3% of the total budget. This is an increase from UGX 577.16bn from the previous FY 2021/22. Only 115.76bn (14.6%) has been allocated to recurrent expenditure and 678.946 (85.4%) for development expenditure.

**Table 1: Budget allocation to votes contributing to the Natural Resources Programme**

Vote	Proposed Budget FY2022/23	%Share
Office of the Prime Minister	13.805	1.74%
Ministry of Local Government	11.755	1.48%
Ministry of Lands, Housing & Urban Development	20.774	2.61%
Ministry of Water and Environment	610.003	76.76%
National Planning Authority	0.331	0.04%
Uganda National Meteorological Authority (UNMA)	25.302	3.18%
Kampala Capital City Authority (KCCA)	20.556	2.59%
National Environment Management Authority (NEMA)	16.683	2.10%
Uganda Land Commission (ULC)	38.976	4.90%
National Forestry Authority (NFA)	36.473	4.59%
Uganda High Commission in Nairobi, Kenya	0.05	0.01%
<b>Total</b>	<b>794.708</b>	<b>100.00%</b>

Source: NBFP FY2022/23

The programme budget allocation is distributed across different votes from MDAs including Office of the Prime Minister, Ministry of Local Government, Ministry of Water and Environment, Kampala Capital City Authority, Uganda National Meteorology Authority, Uganda Land Commission, National Forestry Authority, National Environmental Management Authority and Ministry of Lands, Housing and Urban Development as shown in the Table 1 above.

## 2.0 Key Financing Issues and Recommendations

### 2.1 Low prioritisation of WASH in COVID-19 mitigation and response actions

One of the NDP III programme priorities on Human Capital Development is *improving the functionality of the health system to deliver quality and affordable preventive, promotive, curative and palliative health care services*. We are aware that prevention of infant and maternal mortality, and adolescents' health are key in the pursuit of the continuum of health care. We commend the Government of Uganda for prioritising the mitigation of the COVID-19 impact in the budget strategy. We commend government's efforts to prioritise provision of Universities Research and Innovation Fund for increased Covid-19 solutions; scale up Covid Vaccination to reach 22 million eligible Ugandans, scale up community disease surveillance mechanisms through strengthening Village Health Teams (VHTs) mechanisms and integrated case management, and reducing vulnerabilities, building resilience, and ensuring safe access to education in the FY 2022/23 budget.

We however observe that while the Programme through the Ministry of Water and Environment is planning to construct water supply systems for public institutions and facilities, the education and health sub-programmes priorities do not include provision of water sanitation and hygiene to meet the increased demand for handwashing in schools and healthcare facilities which would contribute significantly to mitigating the spread of COVID-19 in institutions.

In addition, the programme through the education vote is planning to develop a new ICT enabled Education Management Information System (EMIS) targeting unique learner, teacher and school identification, and enforce its roll out, use and reporting in public and private education institutions which is in line with the NDP III priority on upgrading the EMIS to include these functions.

#### **Recommendations:**

- a) Increase the allocation to water from 3% to 9% of the school capitation grant to cater for the additional demand of water for handwashing in schools as a result of the COVID-19 pandemic in line with the budget strategy objective on prioritising COVID-19 mitigation for the safe return of children to school.

- b) The education and primary health care votes should invest in rainwater harvesting as a low-cost alternative to increase access to water in schools and healthcare facilities to facilitate handwashing.
- c) The hygiene and health promotion should be prioritised to promote social behaviour change at both household and institutional levels.
- d) The EMIS review should include tracking of access to water, sanitation and hygiene services including menstrual hygiene management in schools in line with the global service level standards provided by the WHO/UNICEF Joint Monitoring Programme. This would also strengthen the gender and equity considerations to reduce absenteeism of girls from schools.

## 2.2 Delayed finalisation of the National Irrigation Master Plan

We recognize and commend Government for prioritising the construction of 300 individual and community multipurpose bulk water supply and storage systems at parish level, 50 solar powered small-scale irrigation coffee irrigation schemes, 3 mini irrigation schemes in Namulonge and Namalere, 9 small scale irrigation systems in Kwania, Gulu, Maracha and Koboko, Kapelebyong, Manafwa, Tororo, Katakwi, Pallisa and Bugiri, 5 parish level valley tanks in Yumbe, Madi-okollo, Oyam, Amolatar and Amuria, and rehabilitation of 4 communal valley tanks in Karamoja sub region and 6 in western Uganda, among other interventions.

We are concerned that the country is transiting into an intensive need for water for agricultural production without an approved National Irrigation Master Plan to support the assessment of water for production needs. In the new program-based budgeting framework, the Master Plan as an overall guiding framework for Water for Production interventions is required for coordinated investment in water for production among mandated institutions (MWE and MAAIF) to ensure sustainable management and optimum utilisation of water resources. The delay of the Master Plan development process exhibits the lack of clear leadership despite the roles played by the two implementing agencies. Since 2020, the process has not been finalised despite being derailed by COVID19 restrictions. The NRECCLWM programme performance report 2021 indicates that the process of procuring a consultant to undertake the assignment is still ongoing. This might be overtaken by other development priorities and might negatively affect the implementation process more so the realisation of the intended outcomes.

### *Recommendation:*

We recommend that the government through the two implementing Ministries (MAAIF and MWE) to fast track the finalisation of the National Irrigation Master Plan in the first half of the Financial Year. Parliament should not approve the budgets on water for production for the two institutions without a master plan.

## 2.3 Pro-poor Urban Water Supply investments not matching the urbanisation rates

We recognise the efforts of the government in increasing access to safe water supply in urban areas to 71.6% in 2020/2021 from 70.5% in 2019/2020. We are aware that under the pro-poor strategy that target is 3,000 new connections annually, however well aware with Uganda's urbanisation rate at 5.8% annually and due to the fact, that up to 48.3% (World Bank, 2018), live in slums, in the face of COVID19, we need to scale up the provision of pro-poor units. We note that there has been a steady decline in the functionality of pro-poor units from 95% in 2018/2019 down to 83% in 2020/2021. A close look at 2020/2021 pro-poor connections indicates that whereas 3,793 new connections were made 3,826 were inactive during the same period (MWE, 2021). In Kampala alone in the same period according to the Ministry of Water and Environment Sector Performance Report 2020, 1,643 new connections were made and 2,433 were inactive the poor functionality coupled with the surging urban-poor population therefore outstrips the investments. With COVID19, and the vulnerabilities posed to the urban-poor including their inability to keep social distance due to their dwellings, we need to prioritise their access to safe water.

#### **Recommendations:**

- a. We recommend that more investments to at least double the pro-poor units and new connections be made. At least 6,000 new pro-poor connections be prioritised to provide safe water to the most vulnerable and densely populated in the cities and urban growth centres.
- b. Funds should be allocated for the refurbishment of the inactive pro-poor units and an operations and maintenance that is community focused be developed.

#### **2.4 Non-adherence of the FY 2022/23 National Budget Framework paper to Climate Change Act 2021**

Section 30 (b) of Uganda's National Climate Change Act (2021) requires the Minister responsible for Climate Change Matters to consult with the Chairperson of the National Planning Authority and issue a certificate certifying that the Budget Framework is climate change responsive and contains adequate allocation for funding climate change actions and measures. However, the FY2022/23 National Budget Framework Paper is currently under review and scrutiny does not have a climate change responsive certificate as provided in Section 30 (b) of Climate Change Act (2021).

#### **Recommendations:**

- a. Parliament should instruct the Minister responsible for Climate Change Matters to ensure that Section 30 (b) of the Climate Change Act (2021) is adhered to and have the certificate of compliance issued by the National Planning Authority.
- b. The Public Finance Management Act 2015 should be amended to provide for a certificate of climate change compliance to ensure that climate change activities are defined and allocated funds in all Ministries, Departments and Agency budgets.

## 2.5 Weak legal framework to manage natural disasters

Disasters, both natural and human-induced, in Uganda are becoming frequent, increasing in complexity, consequently affecting more people, livelihoods and systems than ever before. The Office of the Prime Minister, in April 2011 successfully tabled and obtained approval for the Uganda National Policy on Disaster Preparedness and Management, which became the first of its kind in East Africa, securing Uganda a place among the best practice countries on disaster management policy frameworks. Even with some progress in DP&M policy integration, there is still much to be done within various sectors/programmes. Whereas the policy acts as a guiding framework, it is not easily enforceable. To ensure effective implementation of the policy, there is need to put in place accompanying legislation that will be binding on sector/programmes to ensure that they integrate and implement disaster preparedness and management.

**Recommendation:** Parliament needs to expedite on the process of development of the National Disaster Preparedness and Management Bill such that the responsible MDAs have legal mandate on disaster preparedness and response.

## 2.6 Lack of data

to track some of the indicators especially on climate change and environment. Some of the indicators require expensive studies and specialized tools to collect the required data.

**Recommendation:** There is need for funding, expertise, and tools for tracking some of the programme outcome indicators. The current funding is not sufficient to carry out the relevant studies on green house emissions, climate change vulnerability, air quality etc.

## 2.7 Vandalism of monitoring equipment

especially for water resources monitoring and weather stations. This has rendered a lot of equipment non-operational and increased the cost of repairs and maintenance.

**Recommendation:** Local leaders and community members need to be sensitized on the importance of this equipment. There is also involve local persons to safeguard this equipment.

## 2.8 Issuance of land titles in forest reserves and wetlands

is a big challenge undermining the restoration of the degraded forests and wetlands. This has resulted in protracted costly litigation with encroachers thereby affecting the achievement of the targets.

**Recommendation:** Ministry of Lands, Housing and Urban Development should expedite cancelling of all illegal land titles in forest reserves and wetlands.



### 3.0 Conclusion

Achieving Sustainable Development Goal 6 depends on the Government prioritisation of financing for WASH interventions such as Water Quality Management activities in the Water Management Zones, Promotion of Hygiene and Sanitation, prioritising WASH in COVID-19 Mitigation priorities and response actions, and ensuring that rural and urban water supply sub programs are adequately financed.

