

COMPLIANCE ASSESSMENT OF THE FY 2021/22 NATIONAL BUDGET TO CLIMATE CHANGE INTERVENTIONS IN THE NATIONAL DEVELOPMENT PLAN (NDP III)

The National Planning Authority (NPA) is mandated to undertake annual assessments to establish the extent to which the budget integrates climate change interventions as envisaged by National Development Plan (NDP) III. In April 2021, with the support of Advocates Coalition for Development and Environment (ACODE) and Care International in Uganda, NPA undertook the assessment of the Financial Year 2021/22 national budget.

The assessment aimed to ascertain whether the budgeting instruments fully align with the NDP III in terms of the envisaged required annualized financial resources and targets for climate change interventions in selected programmes. The presentation also sought to ascertain the extent of alignment of national budgeting frameworks to the NDP III prioritized climate change interventions and make recommendations on areas of non-compliance for enhanced integration of climate change issues in national budgeting documents.

The assessment focused on eight NDP III programmes deemed the most vulnerable and key contributors to climate change. These include agro-industrialisation, tourism development, natural resources, environment, climate change, land and water management, private sector development, manufacturing, integrated transport infrastructure and services, sustainable energy development, sustainable urbanization, and housing and human capital development.



State Minister for Environment, Beatrice Atim Anywar speaking at the opening of the ACODE-Care high level national dialogue at Protea hotel on September 22, 2021 (ACODE photo)

Assessment highlights and recommendations

The context and rationale for budget compliance assessment The NDPIII (2020/21-2024/25) regards climate change as one of Uganda's key development challenges with dire consequences on food security, energy security, agriculture productivity, livelihoods and income poverty. Integration of climate change is intended to trickle down to the NDPIII results framework and the Local Government Development Plans (LGDPs) and fully cascade down to the national budget.

This assessment is anchored on section 13 (7) of the PFMA, 2015 which mandates NPA to issue a Certificate of Compliance of the National Budget to the NDP. Overall, it is informed by the

realisation that while climate change integration in planning processes is gaining is key to attainment of development goals.

Methodology used for the assessment

Owing to limited resources, only eight NDP III programmes were selected for assessment based on priorities of Uganda's NDC, the National Climate Change Policy, vulnerability to climate change and their contribution to climate change. The budget assessment of the selected eight NDPIII programmes was based on the two responses to climate change namely; budget allocation to NDP III interventions and their targets aimed at adaptation and resilience building (climate change adaptation). The data for the assessment was sourced from planning and budget documents namely the NDPIII results framework, corporate reports and strategic plans of Ministries, Departments and Agencies (MDAs). The budgeting documents analysed included budget framework papers and the quarterly progress reports. The main certificate of compliance assessment tool of the national budget to the NDPIII was downscaled to strictly focus on climate change interventions.

Scores of the assessment

S/N	NDP III Programme	Score for FY 2020/2021	Score for FY 2021/2022
1	Agro-industrialisation	45.0	71.4
2	Tourism Development	45.0	50.0
3	ENR, Climate Change, Land and Water Management	77.8	72.0
4	Private Sector Development	41.7	70.0
5	Manufacturing	-	57.1
6	Integrated transport infrastructure and services	41.7	75.0
7	Sustainable Energy Development	16.7	65.7
8	Sustainable Urbanization and Housing	50.0	54.3
9	Human Capital Development		66.7
	Average score	35.0	64.7

The assessment attributed percentage scores to each of the programmes reflecting the degree of alignment of their budgets to the NDPIII. The programme budget was deemed satisfactory if the score is 80%-100%; moderately satisfactory if the score is 60% - 79%; and unsatisfactory if the score is less than 60%.

Minister message

During the opening of the ACODE-Care high level national dialogue held at Protea Hotel on September 22, the State Minister for Environment, Beatrice Atim Anywar delivered a speech where key messages and recommendations were made.

Key messages and recommendations

- Overall, the alignment of the FY2021/22 annual budget to climate change interventions in NDP III is moderately satisfactory at 64.7 percent an improvement from the FY2020/21 where the annual budget was unsatisfactory at 35 percent.

- Whilst several NDPIII climate change responsive interventions featured in the budget, the allocations to these interventions were meagre and inadequate to generate the desired transformative change.
- In some cases there is no direct budget line tagged to climate change interventions, for example, only Shs 0.07bn was allocated to generate and disseminate early warning information at all levels.
- There is a high deviation between the NDPIII targets and those committed to by the budget documents. This scale and pace is inadequate to deliver the NDPIII in its specified timeframe.
- Several programme budgets only considered Gender, HIV/AIDS and Environment as the cross cutting issues leaving out climate change and this needs to change.
- Limited appreciation of what really constitutes a climate change intervention. Many programmes conceptualise climate change interventions as growing of trees and awareness creation and ignore other tangible climate change interventions.
- Government committed to allocate 1.6 percent of its GDP to climate change responsive interventions, a commitment that is yet to be realized.
- There is a high deviation between the NDPIII targets and indicators and those committed to by the budget documents.
- The new cities do not have climate change action plans or early warning systems.
- In Agriculture, most of the climate change interventions are inclined towards crop resources with few on animal husbandry and this needs to change.
- Climate change is not visibly tackled at the higher levels of the value chain e.g. at the processing and marketing levels of Agro-industrialization programme but mostly tackled at the production levels.
- The budget allocations to climate change interventions are too meagre to generate the desired transformative change.
- There is a sequencing concern as some Budget Framework Papers have deferred most of the important issues to the forthcoming years, yet climate change requires short-term, medium-term and long-term interventions.
- The biggest proportion of the energy budget goes to generation, transmission and minerals and neglect low cost but high impact areas such as biomass, energy efficiency and use of Liquefied Petroleum Gas (LPG).
- There is need to fast track climate change budget tagging as one of the mechanisms to be used to lobby local climate finance.
- Climate change should also feature among the cross cutting issues sections of all the Programme's budgeting documents.
- There is also a need to integrate climate change interventions in the post-COVID-19 economic stimulus package.
- There is a need for balanced budget allocation between energy generation and transmission, mineral development specifically oil and gas and other critical climate change interventions identified under the NDPIII programme of Sustainable Energy development.

Conclusion

Although only eight programmes of the economy were assessed during this process, it is evident that the key to effective implementation of all government programmes will heavily depend on the climate change integration. Enhancing financial resource allocation to climate resilient interventions in national budgets is therefore critical for achieving national development.