Uganda Green Growth Development Strategy

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Presentation Outline

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- Why green growth?
- Challenges and benefits of green growth
- Strategic direction of green growth
- Envisaged outcomes
- Key enabling factors
- Implementation roadmap
- Costing & Financing Green Growth
- Conclusion
Introduction

Uganda has garnered several milestones between 1991 and 2015:

- Income poverty reduced from 56% to 19%
- The percentage of national budget locally funded increased from 64.7% to 82%
- Literacy levels rose from 54.0% to 72.2%
- Life expectancy rose from 48.1% years to 63.3 years
- Access to electricity grew from 5.6% to 20.4% over the same period.

However, a number of challenges still exist:

- A declining natural capital base e.g. forest cover from 24% in 1990 to 8% today, Wetland cover from 13% to 8-9%
- High levels of unemployment especially youth unemployment 66% in 2015
- High income inequalities, regional imbalances
- Vulnerability to the adverse impacts of climate change - Persistence of vulnerability
- Slowdown in economic growth (3.9% in last two years), below the Vision and NDP II targets
Rethinking the Current Growth Model

- These persistent challenges call for a holistic growth model that addresses the multi-dimensional development issues.

- The 2030 Agenda on Sustainable Dev’t highlights **green growth** as a vehicle to sustainable development.

- Green Growth reconciles the social, environment and economic challenges and strikes a balance between these principles to attain sustainable development.

- Green growth unpacks sustainable development principles into interventions and actions that can be implemented.
  - NB: GG addresses the how part of sustainable development
Definition and Context of Green Growth

- There is no globally accepted definition of green growth.

- However, there are agreed principles that govern the green growth approach to development:
  - Sustained economic growth
  - Resource use efficiency;
  - Climate change response through adaptation and mitigation;
  - Decent green jobs;
  - Improved human wellbeing and social inclusiveness;
  - Environmental sustainability

- Countries define and contextualize green growth to their national circumstances and dev’t needs.
Definition and Context Cont’d

In light of Uganda’s dev’t needs and context, the UGGDS defines green growth as:

“an inclusive low emissions economic growth process that emphasizes effective and efficient use of the country’s natural, human and physical capital while ensuring that natural assets continue to provide for present and future generations”

There is no tool box of options on green growth that works across.
The 2030 Agenda on Sustainable Dev’t is the guiding framework for green growth.

- The five principles of the 2030 Agenda which are; *planet, prosperity, people, peace and partnerships (5Ps)* resonate with the three pillars (economic, social and env’t) of Sustainable Dev’t.

- The 2015 Paris Agreement on Climate Change;
- The Agenda 2063 of the African Union
- The EAC Vision 2050
- The Uganda Vision 2040.
- Second National Development Plan
Conceptual Framework for Green Growth

- Resource Access
  - Resource Maintenance
- Production
  - Efficiency, total factor productivity
- Consumption
  - Improved livelihoods, re-investment into resources
- Distribution
  - Efficiency, inclusiveness
The Opportunity of Green Growth

**THE OPPORTUNITY**

- The existing challenges present an opportunity to reconsider the current dev’t model and adopt an approach that simultaneously generates economic, env’t and social benefits.

- The mythical tradeoff between economic growth and environmental sustainability is settled by green growth.

- The low emissions status is also an opportunity for Uganda to leapfrog and adopt clean technologies that are more efficient and env’t friendly.

- Developing first and cleaning up later is not only unsustainable but also the costs of cleaning up may be insurmountable. *Cases of irreversible damage*

- Green growth principles are already stipulated in several development frameworks which lays grounds for implementation of the UGGDS.
Why Green Growth Now?

- The major driver for GG is to ensure that the goals and targets of Uganda Vision 2040 & NDPII are achieved sustainably.

- GG provides policy options that enhance and exploit synergies between economic, env’t and social outcomes.

- Resource use efficiency and increased resource productivity

- Enhanced investments and innovations the key drivers of growth

- The impacts of climate change whose severity is increasing by day.

- GG provides for incorporation of the costs and benefits of ENR into the System of National Accounting.
Entebbe Expressway
Why Green Growth Now?

Projected economic benefits

- The GG scenario shall boost GDP by 10% above the BAU scenario;
- Deliver additional four million jobs by 2040 in (clean energy transition, city level infrastructure investments, solar power plans, efficient irrigation and agroforestry);
- Reduce infrastructure costs by 13% by 2030
- Reduce GHG emissions by 28% above the NDC target of 22 % by 2040

This will however come at an additional investment cost in the short term to finance the transition to reap the medium to long term benefits. It involves trade-offs and thus opportunity costs especially in the short-term.
Strategic Direction: UGGDS

To coordinate national progress towards green growth we have developed the UGGDS.

NB: UGGDS is not replacing NDP II but rather catalyzes the achievement of the targets therein in an inclusive and sustainable manner.

Vision

“A transformed society from a peasant to a modern and prosperous country within 30 years”.

Goal

“An inclusive low emissions growth process that emphasizes effective and efficient use of the country’s natural, human and physical capital while ensuring that natural assets provide for the present and future generations”
Objectives of the UGGDS

- To provide guidance on the governance framework, priorities and strategic interventions for implementation of the green growth development pathway in Uganda.

Specifically;

- Accelerate economic growth and rise in per capita income though targeted investments in priority sectors with the highest green growth multiplier effects;

- Achieve an inclusive economic growth with poverty reduction, improved human wellbeing and employment creation;

- Ensure that social-economic transition is achieved through a low carbon dev’t pathway that safeguards the integrity of the ENR.
Methodology

- The development of the UGGDS was preceded by a green growth potential assessment report that indicated the economic impact of the transition to green growth.

- A multi-sectoral National Task Force comprised of state and Non State Actors was constituted to spearhead the development of the UGGDS.

- The Task Force held retreats and meetings to draft the UGGDS.

- National consultation and validations of the UGGDS were also undertaken to build ownership among stakeholders.
Strategic Direction Cont’d – Conceptualization of priority areas

- UGGDS has **five priority areas** whose conceptualization is based on their high green growth multiplier.

- On the demand side, industry and cities are expected to drive the demand for increased raw materials from agriculture and natural resources (supply side of the economy).

- **Green planned Cities and Industry shall create sustainable market opportunities** & innovation for processed goods & value added services.

- Physical planning for cities shall optimize efficiency of cities and industry to spur a synergized green economy.
Strategic Direction Cont’d – Flow Process

Direct Effective Catalytic Investments with high multiplier effects + Enabling Framework

Clear Green Growth Parameters linked to: the NDP II & Vision 2040

Inclusive economic transformative outcomes at Sub-national and National
Strategic Direction Cont’d’d Strategies

Agriculture

- Support increased access to irrigation facilities starting with 10% of smallholder farming areas in 2020 & cumulatively increase to 60% by 2030.

- Integrated soil fertility management though adoption of appropriate soil fertility techniques.

- Undertake actions to upgrade the value chain for the strategic enterprises with focus on product quality and quantity, market diversification & effective use of knowledge.
Strategic Direction Cont’d’d Strategies

Natural Capital Management

Tourism Dev’t

- Invest increased option values of tourism packages and equitable benefit sharing with communities surrounding PAs;

- Improve physical planning and quality enhancement for hospitality investments in nature based tourism;

Sustainable Forest Management

- Undertake forest landscape restoration especially on private land through agro-forestry and afforestation actions;

- Support incentive programmes oriented towards livelihoods enhancement, environment stewardship and landscape management
Strategic Direction Cont’d - Strategies

Sustainable Wetlands
- Strengthen regulation of wetlands management especially for LGs and Urban Authorities;
- Harness opportunities from sustainable use of wetlands including provisioning, regulating and aesthetic ecosystem services;
- Restoration of degraded wetlands to maintain the regulating ecosystem such as hydrological services and effluent treatment.

Sustainable & optimal water resources management
- Support the dev’t and implementation of catchment management across the country;
- Support dev’t of sustainable financing mechanisms and their governance;
- Support sustainable, feasible and viable utilization of water resources through increased efficiency and optimal allocation.
Strategic Direction Cont’d - Strategies

Planned Green Cities

- Comprehensive economic physical planning and efficient waste management for at least five cities and 15 municipalities (regional & strategic cities);

- Green procurement and inter-linkages between the rural raw material production base and industrial production in cities.

Sustainable Transport

- Planned multi-modal and mass transport for urban areas comprising of the BRT and LRT;

- Dev’t, utilization and interconnectivity of the planned national and regional transport systems and SGR for the country.

- Exploit potential of water transport to increase regional connectivity.
Energy for green growth

Focus on renewable energy investments including:

- Biomass energy for electricity through co-generation by sugar companies and other modern technology options by 2030;

- Improved technology for enhanced efficiency in using biomass for domestic cooking and industrial uses by 2020;

- Enhance solar power potential especially for off-grid supply over the transition period from 10MW to 5,000MW by 2030;

- Capacity utilization for large and mini-hydropower plants, & encourage efficiency in transmission of generated power.
UGGDS: On-going Green Growth Initiatives

On-going GG initiatives include focusing on resource use efficiency, inclusiveness, and environment sustainability:

- Domestication of the Songhai model, Switch Africa Green, Entebbe and Jinja express highway, SGR, HEP projects, National Physical Dev’t Plan, Organic agriculture, Irrigation and ecosystem restoration (e.g. forests and wetlands), Cities and urban development, Climate change actions.

- Inclusive programs e.g. Youth livelihood programs, Free legal aid and Social protection schemes for the elderly are all components of GG.

- Climate change adaptation and mitigation initiatives.
Outcomes of the UGGDS

- Income and livelihoods enhancement;
- Decent green jobs;
- Climate change mitigation and adaptation;
- Environment and natural resources management;
- Food and nutrition security;
- Resource use efficiency;
- Social inclusiveness; and
- Economic transformation at national and sub-national level.

NB: The attainment of these outcomes is subject to managing population (esp. its growth) as a resource but also as a development challenge.
A National GG Governance and Coordination framework is proposed to provide oversight of the UGGDS implementation.

Multi-sectoral implementation with focus on project dev’t, secure financing, implementation and monitoring of outputs.

Community implementation level, landscapes and cooperative groups.
Enabling Pillars Cont’d

Resource Mobilization

i. Public Sector Allocation and Env’t Fiscal Reform.

ii. Green Public Procurement with focus on BUBU and local content.

iii. Certification of sustainable production & trade, & inclusive green social enterprises.


v. Green Innovation and payments for ecosystem services (PES)

vi. International funding.

Stable Macroeconomic conditions.
Enabling Pillars cont’d

Shift Government Expenditure
- From chains that encourage unsustainable production, consumption, inefficiency & high waste generation to sustainable production chains.
- Establish quality assurance requirements for use of efficiency, sustainability and certification in service delivery and production standards.

More effective enforcement of legislation
- Enhanced enforcement & implementation of legislation on env’t & natual resource management & socially inclusive dev’t.
- Economic instruments through env’t fiscal reforms & other incentives & disincentives to effect enforcement of legislation.
- Fiscal reforms on old motor vehicles & new vehicles to reduce env’t damage.

Psychological and behavior change (mindset & attitudinal change)
Generate appropriate data, statistics & policy support information
Facilitate business to fully integrate sustainability & equity concerns
Mobilize for action for the period (2017/18-2020/21).

- Initial actions shall entail developing a communication strategy and disseminating the strategy to stakeholders.
- It shall also require re-aligning the outcomes with existing programmes or integrating the UGGDS into new programmes.
Costing of the UGGDS

- Rapid indicative costing indicated that the Implementation of the UGGDS is estimated to cost USD 11 billion for its period 2017/18 – 2029/30 (15 years).

- Costing provides a first estimate of costs associated with implementing the UGGDS over the remaining 3 years of the NDPII.

- First approximations of UGGDS costs are given for two subsequent five year planning periods NDPIII (2020/21 – 2024/25) and NDPIV (2025/26 – 2029/30).
The Costing is based on the implementation roadmap which phases the UGGDS into short term, medium term and long term interventions.

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Short term interventions</th>
<th>Medium term Interventions</th>
<th>Long Term Interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17/18 – FY19/20 (NDP II)</td>
<td>USD millions</td>
<td>USD millions</td>
<td>USD millions</td>
</tr>
<tr>
<td>FY 20/21 – FY 24/25 (NDP III)</td>
<td>USD millions</td>
<td>USD millions</td>
<td>USD millions</td>
</tr>
<tr>
<td>FY 25/26 – FY 29/30 (NDP IV)</td>
<td>USD millions</td>
<td>USD millions</td>
<td>USD millions</td>
</tr>
<tr>
<td>Totals by Period</td>
<td>2,607</td>
<td>4,972</td>
<td>3,443</td>
</tr>
<tr>
<td>Annualized by period</td>
<td>869</td>
<td>994</td>
<td>689</td>
</tr>
</tbody>
</table>

The annual costs of the UGGDS rise into NDP III period and decline as early public investments are completed in NDP IV.
Conclusion

- Green Growth model is a novel approach that should be adopted and implemented to increase the inclusiveness of our development process.

- Rwanda, Kenya and Ethiopia already have green growth strategies and these are being used as resource mobilization tools to supplement domestic funding (Green Funds).

- Implementation of SDGs is highly hinged on having a national green growth strategy.

- The UGGDS neither replaces the NDPs nor SDPs but rather catalyzes the achievement of the targets therein in an inclusive and sustainable manner.
THANK YOU!