



Country Update

How to boost agro-processing while facing climate change: views on the NDCs and the way forward

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Uganda's NDC and Agro-Processing Industry

Agriculture is the mainstay of Uganda's economy, contributing to 24.5% of the GDP and employing more than 68% of Uganda's population¹. Therefore, agro-processing has a great potential of promoting sustainable development and poverty reduction in both urban and rural areas. With their forward and backward linkages, agro-industries have high multiplier effects in terms of increased agricultural production and productivity; and job creation. There is a causal-effect relationship between agro-processing and climate change as agro-processing depends on agricultural production. Without agricultural products there cannot be available raw materials for processing. Adverse climate change greatly affects agricultural production. On the other

hand, increased agro-processing, as part of industrialization, exacerbates climate change as a result increased use of fossil fuel and increased Greenhouse Gas (GHG) emissions.

Uganda's Nationally Determined Contribution (NDC) is intended to address some of these challenges. Uganda like many other signatories of the UNFCCC submitted its Intended Nationally Determined Contribution (INDC) in compliance with Decision 1/CP.19 (Further advancing the Durban Platform: and in particular Paragraph 1 (b & c)) and as elaborated in Decision 1/CP.20 (Lima Call for Climate Action and in particular paragraph 11). Uganda's INDC was submitted in October 2015 just in time for the UNFCCC Paris Conference in December 2015.

Uganda's NDC does not mention agro-processing directly, although it makes

¹ Uganda Bureau of Statistics (2015)

reference to “expanding value addition, post-harvest handling and storage, and access to markets” as one of the priority adaptation actions under agriculture. The major actions in the NDC which are related to agro-processing are mainly in the areas of agriculture, forestry and energy. These have been identified as priority sectors under both adaptation and mitigation measures. A number of actions are indicated under each priority area. Under agriculture the action include, inter alia, intensification of activities in extension services, climate information and early warning systems, diversification of crops and livestock; and research on climate resilient crops and animal breeds. Regarding forestry, some of the priority action as presented in the NDC include the promotion of afforestation and reforestation; and the encouragement of agro-forestry. These priority action, if diligently implemented will lead to increased agricultural production and productivity. Agro-processing is therefore indirectly impacted since this subsector depends on the products from the agricultural sector.

The NDC also includes the expansion of Climate Smart Agriculture (CSA) as a priority adaptation action. Climate-Smart Agriculture (CSA) addresses the challenges of building synergies among climate change mitigation, adaptation and food security that are closely related within agriculture, and minimizing their potential negative trade-offs. It seeks to enhance the capacity of the agricultural sector to sustainably supporting agro-processing, incorporating the need for adaptation of potential food security measures and mitigation into development strategies. Integrated nutrient management e.g. precision farming including efficient fertilizer application based on crop and site specific nutrient balance analysis, split application, timing). Reducing post harvesting food losses will contribute to lower emissions per unit of food consumed, which will in turn support smart Agro-processing.

Energy is also a critical factor for agro-

processing. Uganda’s NDC identified energy as a priority sector under which priority action are to be undertaken. These include, inter alia, the promotion of renewable energy and other energy sources; and increasing the efficiency in the modern energy sector, mainly of electricity. Technology which is another key element in the promotion of agro processing. The NDC mentions technology transfer as a precondition for the implementation of the NDC; and the priority action of promoting and encouraging the diffusion of climate technologies. The Uganda NDC, therefore, obliquely addresses the issue of agro-processing, through the intended actions around agriculture, forestry and energy.

Stakeholders’ Perspectives

There are various views as to the extent to which the NDC will, practically, boost agro-processing in the context of climate change. According to Mr. Bagoole, a climate change activists, Uganda developed and submitted its NDC in order to fulfil an international obligation. Although there were consultations undertaken, they were not thorough enough to cover all aspects of the NDC’s impact on the agro-processing industry. For example, the Ministry of Agriculture and an NGO worked together on the development of Uganda’s NDC framework. The assumption was that through this collaboration, agro-processors would be consulted. But this was not the case. Such oversight left out many key stakeholders. Mr. Bagoole also pointed out that the NDC is not detailed and developed enough to address all critical and essential issues related to the agro-processing industry. For instance, the NDC does not make any reference to agro-processing, but it touches on the issues of expanding value addition and technology transfer. However, it is not clear what kind of value addition or technologies are being referred to. Mr. Bagoole’s view is that the NDC

requires an implementation strategy which can then expand on these issues. The process of coming up with the strategy should be inclusive in order to bring on board as many relevant sectors and actors as possible. Another problematic issue raised by Mr Bagoole, as far as leveraging climate change actions in the NDC to promote agro-processing, is the fact that the implementation of the NDC was relied on the provision of financial support from external donors. In fact 70% of the financial resources to implement the NDC were expected to come from outside. This was very unrealistic especially given the current credit crunch and also the fact that accessing climate change related funds is not very easy. A country has to develop viable proposals which might also require technical assistance. Such support can be obtained through knowledge sharing with organizations that are expert in the area of policymaking processes for climate-aware development such as the Climate and Development Knowledge Network (CDKN). The Network provides technical assistance in a number of areas of climate compatible development policies and practices. These include developing of low carbon and climate resilient strategies and plans. The Network is also supporting multi-stakeholder participation in the NDC development processes and is also assisting government to access and leverage climate finance. Civil Society Organizations (CSOs) and agro-processing businesses should also participate in these processes.

Ms. Atim, an agro-processor believes that Uganda's NDC will have very minimal effect on agro-processing industry. This is because the NDC is a commitment primarily made to the global community as a pledge to contribute to the reduction of the GHG emission; not as a commitment to develop the country through agro processing. Ms. Atim was not consulted during the development phase of Uganda's NDC. However, she read the NDC document. In her view, the prioritization of agriculture and the identified priority actions are commendable given the centrality of the sector in Uganda's

economy and in people's livelihood. However, increasing agricultural resilience, production and productivity do not guarantee that this will lead to the development of the agro-processing industry. Specific actions are required in the NDC to promote agro-processing as a precursor to increasing resilience at both grass root and national levels. The NDC should include technology transfer measures and adaptation of technologies to local conditions. Another key issue for promoting agro-processing is access to energy. For agro-processing businesses to move away from wood fuel /charcoal; electricity has to be accessible and affordable. Despite the fact that one of the priority adaptation action is to extend electricity to the rural areas; rural electrification is still limited to 5 percent.. Another energy-related issue is that access to electricity in Uganda is expensive. Today one kilowatt-hour (kWh) of electricity in Uganda is being sold at 19 cents for household users, 17 cents for commercial consumers, 15 cents for medium industry consumers and 10 cents for large industry consumers. The high cost of electricity pushes many small-scale agro-processors to use wood for their energy production purposes, which is not an environmentally-friendly method as it produces large amount of GHG emissions.

Ms. Atim's final comment was that the NDC should not be a mechanism to slow-down development in least developed countries (LDCs), but rather positively contribute to LDCs' growth. The NDC should therefore not stop Uganda from developing its industrial sector, most especially the agro-processing industry. The INDC document recognizes the positive contribution of Uganda to reduction of human-derived GHG emissions in the atmosphere (that Uganda has one of the lowest green-house gas emissions per capita in the world, estimated at 1.39 tons carbon dioxide, far below the global average of approximately 7.99 tons of carbon dioxide. Furthermore, Uganda's contribution to world's total green-

house emission is estimated at 0.099%).²

Mr. Chebet, an activist working on budget-related issues, stated that the NDC is largely on paper as the commitments have not been turned into budget allocations. For example, the Department of Agriculture Infrastructure and Water for Agriculture Production did not receive any budget for both 2015/16 and 2016/17 financial years. Eventually for the fiscal year of 2017/18 the department was allocated only Uganda Shillings 88 million (US\$ 25,000). The NDC priority actions on water includes the expansion of small-scale water infrastructure, and improving water efficiency and managing water resource systems. Clearly the mentioned budget allocation to further develop and implement these provisions, indicates the lack of commitment by the government to fully execute the NDC.

Mr. Kizza, from the Ministry of Water and Environment, has an opposing view. He mentioned that the government is committed to implementing the NDC which will lead to enhancement of agricultural and agro-processing productions. He added that regarding the funding of the NDC, a number of actions have been included in the Sector Investment Plan which means that they will be funded in the near future. However, he also agreed that the NDC does not adequately address the agro-processing industry. The NDC's mitigation and adaptation intentions are based on the National Climate Change Policy (2015) and the Second National Development Plan (NDP II) 2015/16 - 2019/2020 (2015). Therefore, it is important for the NDC to clarify the exact areas/ issues that the NDC is referring to in these two documents. Mr. Kizza, also proposed the need for a clear implementation strategy which is also costed to ensure that government allocates resources to the agreed upon key sectors and action plans.

Recommendations

The first priority action is to revise the NDC in line with Uganda's aspirations for structural transformation and to become a middle-income country by 2020. Therefore, the NDC should be cognizant of Uganda's current economic challenges and aspiration. Government should also develop a costed implementation strategy with clear timelines and roles for the various Ministries, the private sector and non-state actors. The Ministry of Water and Environment should take a lead in this process but ensure that all key stakeholders are consulted. Technical assistance should be arranged through professional networks of Geneva-based delegates.

Funding is very critical for the implementation of the NDC. The EAC Geneva-based delegates should continue negotiating for more climate funding and for a financing mechanism that ease the access of LDCs to foreign capital needed for implementation of their NDCs.

Technology transfer is important for the implementation of the NDC. Policymakers and negotiators, especially those who are based in Geneva, should advocate for the acquisition of related technologies through different sources including the UNFCCC and the WTO. However negotiating for specific technologies will necessitate the development of the Technology Action Plan at the national level. Therefore, Geneva-based delegates, given their expertise in technology related negotiations in the WTO, should assist government to develop the Technology Action Plan.

² Uganda's INDC, October 2015

References

1. Ministry of Water and Environment. 2015. Uganda's Intended Nationally Determined Contribution (INDC).
2. Uganda National Bureau of Statistics (2015)



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