Civil society organisations ask NEMA to evict forest encroachers

By Dallen Namugga

Civil society organisations, under the Climate Action Network Uganda (CAN), want the National Environment Management Authority (NEMA) to evict forest encroachers the same way it handled those that were destroying wetlands.

The activists said this will show that the environment authority is not partial and targeting a particular group of people.

Tofik Temam, an urban development hub manager from a non-government organisation, Forest for the World, said partial handling of issues is still the reason for the climate crisis.

"We commend the Government on the wetland issues, but forests also need the attention of NEMA, because they are being destroyed by encroachers every year. Globally, over 68,780 forests were destroyed last year, according to a report. So, we need to take action," Temam said during an annual general meeting of CAN Uganda, yesterday, at Grand Imperial Hotel in Kampala.

Teman said these numbers show the magnitude of deforestation in Uganda. He, therefore, called for Government intervention.

"NEMA can work closely with communities and have monitoring factors, create green jobs and small businesses to generate alternative livelihoods," he said.

"They can use an information system to disseminate information to development partners. That way, the Government and partners will take measures. However, so far, we do not have those kinds of interventions," Teman said.

Buganda Kingdom's minister in charge of environment and land, Mariam Nkalubo Mayanja, called for support towards this plan, while positively implementing strategies.

Proscovia Nanyonjo

"The kingdom cannot thrive without the environment. Our palace and the king's clothes are made of skin, strides and nature-based resources. But we see some of our *mamba* fish (African lungfish) going extinct and we are concerned," Mayanja said.

She highlighted the need to prioritise *Obulungi bwansi* in all categories of flora and fauna, in order to reduce the impact of climate change on the environment.

LOW REGIONAL PARTICIPATION

Proscovia Nanyonjo, the board chairperson of CAN, said there are few members of the network in different regions of the country, which she said is contributing to the current climate crisis.

"We are becoming a Kampala organisation. How can we have more than 80 member organisations in Kampala and just six in Bududa? And yet these are the places where we see landslides and displacement of people. Such people should join us," she said.

Nanyonjo added that participation from people in affected areas will create a positive impact on climate action, thereby reducing the burden of displaced people.

"Other regions do not have more than 10 members in each district. We need to bring people on board, especially because they are in the hot spot areas of the climate change crisis. We need to reach the grassroot level where the effects are mostly felt," she added.

Records from NEMA indicate that 214 households have already been evicted from wetlands, with plans to evict 101 more. CAN Uganda activists believe similar interventions with forest encroachers can yield a positive impact on climate in the country.

President Yoweri Museveni has directed NEMA to stop wetland encroachment. The Government has also cancelled over 2,300 land titles that were issued in wetlands.

INCREASED BORROWING, LOW SAVINGS PUSHING INTEREST RATES UP – GGOOBI

By Nelson Mandela Muhoozi

The secretary to the treasury, Ramathan Ggoobi, has identified key factors driving high interest rates in Uganda.

Speaking during the opening of the second national Microfinance and Savings Groups Conference 2024 at Hotel Africana in Kampala, Ggoobi, who is also the finance ministry permanent secretary, said increased government borrowing and low national savings are significant contributors to the current financial landscape.

According to the permanent secretary, one primary driver of high interest rates is the cost of money itself.

"The problem is that we do not have enough long-term money like pension funds. Banks are still relying on demand deposits, which cannot easily be lent out for extended periods. As long as savings remain low, the cost of lending money will stay high," Ggoobi explained.

He said when the Government increasingly borrows money from commercial banks, they are less likely to reduce interest rates, because Government is considered a reliable borrower.

Ggoobi highlighted the impact of borrower quality on interest rates, emphasising improvements in borrower traceability through national identification numbers and enhanced land and business registries.

"These measures ensure that borrowers can be easily traced, improving the quality of borrowers and potentially lowering interest rates," he noted.

The Government's strategy focuses on mobilising revenue from taxes to reduce domestic borrowing.

Michael Atingi-Ego

CS Reddy

Ramathan Ggoobi

Despite the high interest rates, Ggoobi acknowledged a positive trend over the last decade.

"Interest rates have decreased from an average of 25% to 17% for prime borrowers.

"We need to bring these rates down to single digits, which can only be achieved by addressing the key drivers," he said.

Ggoobi pointed out the limited availability and accessibility of formal financial services, with only 14% of Ugandans served by commercial banks, credit institutions and micro-deposit-taking institutions.

To address low savings, he said: "The savings rate is still low, below 20% of the gross domestic product (GDP). Long-term financial accumulation relies on increasing savings for investment. The Government is committed to supporting household incomes to enhance savings.

BETWEEN THE LINES

The second National Financial Inclusion Strategy aims to address these gaps and further increase formal financial inclusion, driven by mobile money and SACCOS participation.

"People cannot save enough when they do not have an income. That is why we are stepping in to support household incomes carefully, without disrupting the private sector," Ggoobi said.

Michael Atingi-Ego, the Deputy Governor of the Bank of Uganda, emphasised the importance of collaboration and the role of SACCOS and FinTechs in financial inclusion.

Samuel Fredrick Mwogeza, the executive director of Stanbic Bank Uganda Limited, said there is need for financial literacy and affordable funding for businesses.

The state minister for microfinance, Haruna Kasolo Kyeyune, underscored the importance of fostering a saving culture and participation in government initiatives, such as the Parish Development Model (PDM) and Emyooga.

The conference, organised by the Association of Microfinance Institutions in Uganda (AMFIU), aims to explore collaborative strategies for harmonising development goals.

James Onyutta, the board president of AMFIU, emphasised leveraging commitments and recommendations from leaders, partners and government stakeholders.

CS Reddy, the founder and chief executive officer of APMAS, delivered the keynote address, urging Government to encourage savings groups and promote their own banks through formal federations as shareholders.

He also emphasised developing a national savings group policy to enable the universalisation of savings groups and their sustainability.

The FINSCOPE survey of 2023 shows that 81% of Ugandan adults use financial products and services through formal or informal means, up from 77% in 2018.

Ggoobi noted, however, that financial inclusion gaps persist, with inclusion at 84% for men and 79% for women.