



FROM
TO

AMBITION
ACTION



FINANCING UGANDA'S CLIMATE COMMITMENTS





Uganda has been a pioneer in climate action in Africa, hosting the continent's first forestry project under the Kyoto Protocol's Clean Development Mechanism in Rwoho Central Forest Reserve and adopting one of the earliest National Climate Change Policies in 2015. Building on this foundation, the Climate Change Act of 2021 established a comprehensive regulatory framework for national climate action.

The country's robust policy, legislative, and institutional architecture is anchored in international and regional commitments, including the United Nations Framework Convention on Climate Change (UNFCCC), the Paris Agreement, the Africa Convention for the Conservation of Nature and Natural Resources, and the East African Community Climate Change Policy. These instruments, together with Uganda's Constitution, which guarantees the right to a clean and healthy environment, underpin a coherent climate governance framework. This framework operationalizes the National Climate Change Policy (2015), the Green Growth Development Strategy (2017/18–2030/31), and the Climate Change Act (2021), with Sections 4–8 of the Act mandating the creation of a national climate change framework to guide both national and subnational action plans.

Uganda submitted its updated Nationally Determined Contribution (NDC) to the UNFCCC in September 2022, aligning it with the country's Vision 2040, the Fourth National Development Plan (NDP IV), the National Green Growth Development Strategy, and the 10-Year Environment Restoration Plan. Uganda was among the first countries to integrate the Sustainable Development Goals (SDGs) into its national development framework and to develop a Green Growth Development Strategy to embed green growth principles into development planning. Building on these efforts, the country is currently preparing its third-generation NDC (NDC 3.0).



Progress and Achievements in Climate Finance



1 Uganda recently launched five key strategies and reports to operationalize its climate change framework

National Climate Finance Strategy (NCFS) - 2025-2030

The Government of Uganda has launched the NCFS – 2025-2030, as a pivotal framework to drive the country's climate finance mobilization agenda and support the implementation of its commitments under the Paris Agreement and the NDC. With an estimated USD 28.1 billion required by 2030 to meet its NDC targets, the Strategy provides a clear and coordinated roadmap to unlock and scale both conventional and innovative sources of climate finance. It seeks to mobilize resources from domestic and international, public and private actors, while strengthening institutional coordination, transparency, and alignment with national priorities such as Vision 2040 and the NDPIV. The NCFS also mainstreams gender equality, equity, and social inclusion in climate action, acknowledging the disproportionate impacts of climate change on women, youth, persons with disabilities, older persons, and other marginalized groups. It further positions Uganda to leverage private sector participation, attract foreign investment, and develop a pipeline of bankable climate projects that will turn climate challenges into opportunities for sustainable growth, job creation, and inclusive economic transformation.

The Strategy aims to accelerate Uganda's transition to a low-carbon, climate-resilient economy by enhancing good governance, accountability, and multi-stakeholder engagement.



National Green Taxonomy (NGT)

The Government of Uganda, through the Ministry of Finance Planning and Economic Development (MoFPED), developed a National Green Taxonomy (NGT) to guide investments toward climate-related activities and align them with national priorities while preventing greenwashing. The primary goal of the NGT is to establish a nationally recognized classification system for activities that support climate change mitigation, adaptation, pollution prevention, resource conservation, and the enhancement of livelihoods within the framework of green finance. The key objectives are to establish a unified framework, offering a common language for financiers, issuers, policymakers, and regulators, and to translate commitments to the Paris Agreement and Sustainable Development Goals (SDGs) into actionable guidelines for investors. The taxonomy also emphasizes the inclusion of gender equality and equity to address the needs of women, youth, persons with disabilities, and marginalized communities.

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The Government of Uganda has recently launched its Country Climate and Development Report (CCDR) in partnership with the World Bank. The CCDR captures the interplay between Uganda's development goals (Vision 2040) and climate change, in the context of its commitments to address climate change as per its NDC. The CCDR is an analytical report that integrates climate change considerations into Uganda's development planning and investment priorities. It identifies how climate risks, such as droughts, floods, and temperature rise, affect key sectors like agriculture, energy, water, and infrastructure, while outlining pathways for sustainable, low-carbon, and climate-resilient growth. For Uganda, the CCDR provides evidence-based insights to guide policy and investment decisions that balance economic growth with climate action, helping the country attract climate finance, improve resilience of communities and ecosystems, and align its development agenda with national strategies such as Vision 2040, NDPIV, and the updated NDC. The CCDR serves as a strategic tool to guide government planning, donor engagement, and private sector investment toward achieving Uganda's climate and development objectives.

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Guidelines for Mainstreaming Climate Action in the Financial Sector of Uganda

The guidelines provide a framework for integrating climate considerations into the policies, operations, and investment decisions of financial institutions. Their purpose is to promote climate-resilient and low-carbon investments, manage climate-related financial risks, and align the financial sector with Uganda's national climate priorities. The guidelines support financial institutions in identifying, assessing, and reporting climate risks, while encouraging the mobilization of finance for sustainable and green projects.

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National Climate Finance Vehicle (NCFV)

The Government of Uganda has approved the establishment of the NCFV on 7th May 2025 as a strategic mechanism to mobilize, coordinate, and channel climate finance toward priority mitigation and adaptation actions in line with the country's NDC and sustainable development goals. The NCFV responds to Uganda's fragmented and project-based climate finance landscape, which has limited resource flow, efficiency, and alignment with national priorities. Anchored in the Climate Change Act (2021), and operationalized under the MoFPED through the National Climate Finance Strategy (2025 – 2030) and the Public Expenditure Management Committee (PEMCOM), the Vehicle aims to attract both domestic and international financing, public, private, concessional, and commercial, using flexible instruments such as grants, guarantees, and equity. The NCFV builds on recent reforms, including the Climate Finance Unit, Green Bonds Framework, Carbon Market Regulations, and National Green Taxonomy, to strengthen Uganda's climate finance architecture. Currently incubated under the Public Financial Management reforms, the NCFV represents a coordinated and transparent approach to de-risk private investment, enhance accountability, and accelerate Uganda's transition to a low-carbon, climate-resilient economy.





2 Uganda has strengthened climate-informed macroeconomic modeling and integrated climate change into institutional investment planning and budgeting processes



Mainstreaming Climate Change into Uganda's Budgeting and Financial Management Systems

MoFPED requires all Ministries, Departments, and Agencies (MDAs) to mainstream environmental and climate change issues into their annual budgets, including clear interventions, workplans, and resource allocations for mitigation and adaptation. The Ministry of Water and Environment (MWE), in consultation with the National Planning Authority (NPA), evaluates whether budget proposals are climate responsive.



Scaling up climate change budget tagging (CCBT)

Scaling up CCBT in Uganda has progressed significantly, with the Program Budgeting System (PBS) now fully integrating two dedicated output codes for climate change mitigation and adaptation. Coverage expanded from 13 reporting entities in FY2024/25 to 84 in FY2025/26, marking a major scaling-up of climate-responsive budgeting across MDAs. Extensive training has been conducted for officials at both national and local levels, equipping them to identify, classify, and track climate-related appropriations effectively. The CCBT rollout training has already been implemented in 14 districts across different regions, including Agago, Nakapiripirit, Kibaale, Kikuube, Pakwach, Yumbe, Kiboga, Rakai, Ntungamo, Kitgum, Koboko, Kalungu, Pader, and Bulambuli. The training targeted technical teams from district local governments, covering CCBT methodology, climate risk screening, linking district plans with national climate commitments, integration of climate actions into the PBS, and community-based climate interventions. The Integrated Financial Management Information System (IFMIS) and the Chart of Accounts have also been updated to capture and monitor climate allocations and expenditures, enabling robust reporting, evidence-based decision-making, and alignment of local and national climate priorities under Uganda's development frameworks.





Progress on the Development of Uganda's Disaster Risk Financing Strategy (DRFS)

Uganda has made significant strides in developing its DRFS 2024/25–2029/30, aiming to strengthen the country's **financial resilience against increasingly frequent and severe disasters**. Key achievements include the establishment of institutional frameworks such as disaster coordinating committees at national and sub-national levels, ongoing reforms to the Public Finance Management Act and Disaster Preparedness and Management Bill to enable anticipatory and risk-informed financing, and the expansion of existing instruments like the Contingency Fund and Uganda Agriculture Insurance Scheme. Efforts are also underway to integrate DRF into national budgeting, leverage donor and global climate finance, develop innovative risk-transfer instruments, and create community-level solutions such as microinsurance and savings groups. A comprehensive data infrastructure, including early warning systems, single registries, and digitalized reporting, is being developed to support timely, evidence-based decision-making.



Developing and Mainstreaming of Climate and Disaster Risk Screening (CDRS) Tools

The successful mainstreaming of the CDRS tools has led to a requirement for public investments to be screened using these tools. This mandate has been outlined in the updated Development Committee (DC) guidelines and Budget Call Circulars. Multiple government officials have been trained in the use of these tools.



Integrating an environmental vector into the Social Accounting Matrix (SAM)

Uganda's SAM has been enhanced to integrate environmental and climate considerations. Four satellite matrices, covering energy, greenhouse gas emissions, water, and land, were developed in physical units consistent with the SAM. Eight staff members from the Macro Policy Department (MPD) within MoFPED received training on the application of these satellite matrices.



Climate-informed macroeconomic modelling

A macroeconomic model for climate change in Uganda (UGAMOD) has been developed. UGAMOD includes tools for assessing climate policies, generating projections, and conducting policy scenario analysis. The package features user-friendly frontend and backend programs, comprehensive technical documentation, and a set of training materials to support its application.



Natural Capital Accounting Program (NCA)

Under Phase 2 of the NCA program, a range of tools and models were deployed. The Rapid Environmental-Economic Assessment (REEA) tool was used to analyze the economic and environmental impacts of alternative investment opportunities in natural-capital-related sectors. Additionally, physical and monetary ecosystem service accounts were developed and applied in sub-national scenario analyses for the Albertine region.



3 Uganda is an active participant in global and regional climate finance initiatives and is actively working to access additional funding sources

Uganda is actively engaged in global climate finance initiatives to strengthen both political and technical support for mobilizing climate resources. The country is a founding member of the Global Taskforce on Access to Climate Finance, a joint initiative established by the UK COP26 Presidency in partnership with Fiji. In addition, Uganda has leveraged its membership in the Coalition of Finance Ministers for Climate Action to enhance MoFPED's role in mobilizing climate finance and driving impactful climate action.

Uganda has made significant progress in mobilizing climate finance from global funds, prioritizing adaptation projects in agriculture, forestry, land use, energy, and waste, with a focus on building resilience for vulnerable communities. Between 2000 and 2021, the Ugandan Development Bank reported 2,303 climate-related projects mobilizing an estimated USD 4.7 billion from international sources.

Uganda has received USD 100.8 million from the Green Climate Fund (GCF) to support over 13 projects, including USD 4.6 million for readiness support.

Collaboration with the Global Environment Facility (GEF) secured USD 11.5 million for projects in low-carbon and climate-resilient livestock, energy, water, sanitation, and rural community resilience.

The Climate Investment Funds (CIF) have approved USD 30.3 million for Ugandan projects, expected to leverage an additional USD 87 million in co-financing from Multilateral Development Banks.

Three Adaptation Fund projects (USD 7 million) focus on catchment management, climate-resilient flood early warning, water and sanitation technologies, and the development of environmental, social, and gender policies.

Bilateral donors and development finance institutions have been key partners, providing 64.7% of the USD 4.7 billion committed between 2001–2021 as grants and 35% as debt, with funding split nearly evenly between adaptation (52%) and mitigation (48%) projects.

