Ministry of Finance, Plannning and Economic Development

NATIONAL GREEN TAXONOMY

2025

GOVERNMENT OF UGANDA

MOFPED#DoingMore

IN PARTNERSHIP WITH

Ministry of Water and Environement

Funded by
the European Union

Photo credit in order of apperance

1. Electric Vehicle. AdobeStock_179693284_e_car - Page 20
2. Photo by Safari Consoler: https://www.pexels.com/photo/smiling-woman-with-basket-working-on-plantation15897036-/ - Page 23
3. Photo By: Kaboompics.com: https://www.pexels.com/photo/person-watering-the-plants4750272-/ - Page 54

Table of Contents

List of Tables

List of Abbreviations

aBiFH	Agricultural Business Initiative Finance Holdings
AFOLU	Agriculture, Forestry, Other Land Use
AWP	Annual Work Programme
BAU	Business-as-Usual
CFU	Climate Finance Unit
CSP	Concentrated Solar Power
DFI	Development Finance Institutions
DNSH	Do Not Significant Harm (approach)
EIA	Environmental Impact Assessment
ESG	Environmental and Social Governance
FAO	Food and Agriculture Organization
FCDO	Foreign, Commonwealth & Development Office
GCF	Green Climate Fund
GGGI	Global Green Growth Institute
GHG	Greenhouse Gas
GKMA	Greater Kampala Metropolitan Area
IFC	International Finance Corporation
ILO	International Labour Organization
IPCC	Intergovernmental Panel on Climate Change
IPPU	Industrial Processes and Product Use
KBA	Key Biodiversity Areas
KPI	Key Performance Indicator
LT-LEDS	Long-Term Low Emissions Development Strategy
MNE	Multi-national Enterprises
MoFPED	Ministry of Finance, Planning and Economic Development
MSS	Minimum Social Safeguards
MtCO2e	Metric Tons of Carbon Dioxide Equivalent
NAP	National Adaptation Plan
NCCP	National Climate Change Policy
NDC	Nationally Determined Contributions
NDP	National Development Plan
NFV	National Financing Vehicle
NGT	National Green Taxonomy

OECD	Organization for Economic Co-operation and Development
PV	Photovoltaic
SDG	Sustainable Development Goals
SFM	Sustainable Forest Management
SME	Small and Medium Enterprises
UGGDS	Uganda Green Growth Development Strategy
UNESCO	United Nations Educational, Scientific and Cultural Organization

Foreword

The National Green Taxonomy for Uganda represents a pivotal step in our nation's journey toward sustainable development and environmental stewardship. As Uganda strives to balance economic growth with the urgent need to address climate change, biodiversity loss, and resource depletion, this taxonomy provides a clear, science-based framework to guide investments, policies, and initiatives toward a greener and more resilient future.

Developed through extensive consultation with stakeholders across government, private sector, civil society, and international partners, this taxonomy aligns with Uganda's Vision 2040, the National Development Plan, and global commitments under the Paris Agreement and the Sustainable Development Goals (SDGs). It establishes a standardized classification of economic activities that contribute to environmental sustainability, ensuring that financial resources are directed toward projects that deliver measurable benefits for our climate, ecosystems, and communities.

This document is more than a technical guide; it is a call to action for all Ugandans to embrace sustainable practices and foster inclusive growth. By providing clarity on what constitutes "green" economic activity, the taxonomy empowers businesses, investors, and policymakers to make informed decisions that safeguard our natural heritage while driving innovation and prosperity.

We acknowledge the collaborative efforts of all stakeholders who have contributed to shaping this taxonomy. Their dedication reflects Uganda's commitment to building a sustainable economy that leaves no one behind. As we move forward, let this taxonomy serve as a cornerstone for transformative change, guiding us toward a future where economic progress and environmental preservation go hand in hand.

For God and My Country

Henry Musasizi - MP

MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES}/ ALSO HOLDING PORTFOLIO FOR THE HON. MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Executive Summary

The National Green Taxonomy for Uganda 2025, provides a standardized framework to classify economic activities that contribute to environmental sustainability, aligning with Uganda's national development goals and international commitments, such as the Paris Agreement and the Sustainable Development Goals (SDGs).

The taxonomy aims to guide investments toward green and climate-resilient projects, increase green finance flows from domestic and international sources, enhance transparency in sustainable finance, boost investor confidence and mitigate the risk of "greenwashing", enable the tracking and measurement of private sector investments in green projects, inform national policies and regulations to develop the green finance market and support Uganda's transition to a low-carbon, environmentally sustainable economy.

Its primary goal is to mobilize and direct public and private financial flows towards projects that support Uganda's climate change mitigation, adaptation, and broader green growth objectives, as outlined in its updated Nationally Determined Contribution (NDC) and other key national strategies.

Key Objectives:

I. Define Green Activities: Establishes clear criteria to identify economic activities that contribute to environmental objectives, including climate change mitigation, adaptation, biodiversity conservation, and pollution prevention.

II. Mobilize Green Finance: Facilitates the flow of public and private investments into sustainable projects by providing a credible classification system for investors, financial institutions, and policymakers.

III. Support Policy Alignment: Aligns with Uganda's Vision 2040, National Development Plan, and climate strategies, ensuring coherence with national and global sustainability goals.

IV. Enhance Transparency: Promotes accountability by enabling consistent reporting and monitoring of green investments.

The taxonomy focuses on six key area and these include; Climate change mitigation, Climate change adaptation, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, Protection and restoration of biodiversity and ecosystems.

The taxonomy covers key sectors critical to Uganda's economy, including agriculture, energy, transport, construction, water and sanitation, waste management, and forestry. Each sector includes specific activities with detailed eligibility criteria based on their environmental impact.

Eligibility Criteria: Activities are classified as “green” if they meet technical screening criteria, which include: Substantial contribution to at least one environmental objective, No significant harm to other environmental objectives (Do No Significant Harm principle), Compliance with minimum social safeguards, such as labor rights and gender equality.

The implementation framework includes:

i. Governance arrangements that is: A National Taxonomy Committee, comprising government, private sector, and civil society representatives, oversees implementation and updates.

ii. Integration: The taxonomy will be integrated into financial systems, including banking, capital markets, and public budgeting, to encourage green investments.

iii. Monitoring and Reporting: Establishes mechanisms for tracking and verifying green activities, ensuring credibility and avoiding greenwashing.

The Key Benefits of the National Green Taxonomy shall be the following;

i. Economic Growth: Encourages investments in sustainable sectors, creating jobs and fostering innovation in areas like renewable energy and sustainable agriculture.

ii. Climate Resilience: Supports projects that enhance Uganda’s resilience to climate change, critical for a country vulnerable to droughts, floods, and other climate impacts.

iii. Global Competitiveness: Aligns Uganda with international green finance standards, attracting foreign investment and enhancing access to climate finance.

iv. Environmental Protection: Promotes sustainable land use, water management, and biodiversity conservation, addressing pressing environmental challenges.

In the development of the National Green Taxonomy, the following challenges were identified to be possible hindrances in the successful implementation of the taxonomy and related recommendations availed to counter the gaps.

i. Capacity Building: Requires training for stakeholders to effectively implement and use the taxonomy.

ii. Data Gaps: Needs improved data collection to support monitoring and verification of green activities.

iii. Stakeholder Engagement: Calls for continuous collaboration with private sector, civil society, and international partners to ensure broad adoption.

iv. Phased Implementation: Recommends a gradual rollout to allow adaptation by financial institutions and businesses.

The National Green Taxonomy for Uganda is a pivotal tool to catalyze sustainable development, providing a robust framework to guide investments, enhance environmental stewardship, and achieve Uganda's climate and development aspirations. By providing clarity and confidence to investors, it will unlock the capital needed to achieve the country's ambitious climate and development goals, fostering a transition to a climate-resilient, low-carbon, and prosperous economy.

Its success hinges on effective governance, stakeholder collaboration, and integration into financial and policy systems, positioning Uganda as a leader in sustainable finance in the region.

1. Introduction

1.1 Background and Rationale

1.1.1 NDC Framework

Uganda has demonstrated significant climate ambitions through various initiatives and commitments aimed at addressing the impacts of climate change and enhancing resilience. Central to these efforts is Uganda's updated Nationally Determined Contribution (NDC), launched in 2023. The updated NDC outlines a target to reduce greenhouse gas emissions by 24.7% below the business-as-usual (BAU) scenario by 2030, marking a progression from the previous 22% reduction target set in 2016. Adaptation is prioritized as the primary response to climate change, focusing on addressing key vulnerabilities, building adaptive capacity, addressing loss and damage, and increasing the resilience of communities, infrastructure, and ecosystems.Itaque earum rerum hic tenetur a sapiente delectus, ut aut reiciendis voluptatibus maiores alias consequatur aut perferendis doloribus asperiores repellat.

The adaptation scope has been broadened to include sectors such as agriculture, forestry, water, infrastructure, energy, health, ecosystems, fisheries, transport, manufacturing, mining, cities and built environment, disaster risk reduction, tourism, and education. The updated NDC defines specific sectoral mitigation and adaptation measures with clear indicators and targets for 2025 and 2030. Specific targets include having 152,622 hectares under irrigation, ensuring 75% of the population has access to electricity, restoring 2.5 million hectares of forest landscape, and raising climate change awareness among 11 million people by 2030.

Uganda's mitigation efforts will span across energy, agriculture, forestry, other land use (AFOLU), peatland, waste and industrial processes and product use (IPPU), with 82.7% of the mitigation impact expected from the AFOLU sector. The mitigation strategy includes both unconditional actions, funded by domestic resources, and conditional actions, requiring international support. The 24.7% reduction includes a 5.9% unconditional target (funded by domestic resources) and an 18.8% conditional target (dependent on international support).

The NDC update aligns with Uganda's Vision 2040, National Development Plan III, Tenfold growth Strategy, National Green Growth Development Strategy and other national frameworks. It integrates with the Long-Term Low Emissions Development Strategy (LT-LEDS) to ensure coherence between long-term climate goals and short- to medium-term actions. The implementation of the NDC will involve a whole-of-society approach, engaging government ministries, departments, agencies, the private sector, academia, civil society organizations, youth, and development partners. Uganda commits to mobilizing domestic resources for unconditional actions and seeks international financial support, capacity-building, and technology transfer for conditional actions.

Key legal frameworks governing the implementation of the NDC include the National Climate Change Act of 2021 and the National Climate Change Policy of 2015, which guide the country's efforts in climate change mitigation and adaptation. The Ministry of Water and Environment plays a pivotal role in coordinating these actions, ensuring that all strategies align with the national vision and development priorities.

1.1.2 Climate Finance Agenda

Uganda has also made significant progress in its climate finance agenda, focusing on addressing the multifaceted impacts of climate change. The integration of climate considerations into national development plans is at the core of this effort, prioritizing climate resilience and low-carbon development. The government is committed to mobilizing both international and domestic financial resources to support climate initiatives. This includes actively seeking funding from global climate finance mechanisms such as the Green Climate Fund (GCF), the Adaptation Fund and bilateral partnerships and frameworks. Additionally, Uganda aims to create a favorable policy environment that attracts private sector investments in green projects, thereby enhancing overall financial inflows towards climate action.

The overall strategies for ensuring the financing of climate activities in Uganda are embedded in the National Climate Change Policy (NCCP) and the National Climate Change Act. These legal frameworks provide the necessary structure for effective climate finance governance by streamlining the flow of climate finance, enhancing transparency, and ensuring accountability in the use of funds. The Uganda Green Growth Development Strategy (UGGDS) outlines a roadmap for sustainable economic growth through green investments, with a focus on key sectors such as renewable

energy, sustainable agriculture, and forestry. These sectors are critical for achieving Uganda's climate goals while fostering economic development.

A pivotal role in advancing Uganda's climate finance agenda is played by the Ministry of Finance, Planning, and Economic Development (MoFPED). Within this ministry, the Climate Finance Unit (CFU) has been established with support from the Foreign Commonwealth Development Office (FCDO) and the Global Green Growth Institute (GGGI). The CFU is dedicated to mobilizing resources for climate action, ensuring effective utilization and tracking of climate finance, and enhancing the capabilities of key stakeholders through capacity-building initiatives. These initiatives are designed to equip stakeholders with the skills necessary to manage the complexities of climate finance mechanisms.

The CFU also plays a crucial role in integrating climate finance into broader financial and economic planning frameworks, promoting coherence and synergy across sectors. This ensures that climate considerations are mainstreamed into national development strategies. Furthermore, the CFU is expected to serve as the key coordinating mechanism for the implementation of the National Green Taxonomy (NGT), aligning financial flows with Uganda's climate and sustainable development goals. By doing so, the CFU will ensure that the financial resources necessary for climate initiatives are effectively mobilized, managed and utilized, thereby supporting Uganda's ambitious climate agenda.

1.1.3 Supporting Framework for the Taxonomy Development Process

With support from the European Union (EU) through the "Support Program to Enhance Access and Retention of Climate Finance (SPEAR-CF)," the CFU is spearheading the development of the NGT. This taxonomy will guide investments towards environmentally sustainable projects and promote climate-friendly corporate practices. By clearly defining the priorities outlined in NDCs, the taxonomy will ensure these efforts are operationalized through a framework of policy, regulatory and fiscal incentives.

The initiative has garnered support from various donors, which has facilitated the commencement of this essential assignment. A critical component of this initiative involves comparing the leading global taxonomies to capture key lessons from international experiences. This comparison ensures that Uganda's taxonomy incorporates best practices and aligns with global standards, enhancing its effectiveness and credibility. This comprehensive approach will help Uganda attract and retain climate finance, thereby supporting the country's broader environmental and economic objectives.

1.2 Objectives and Scope of Application of the Taxonomy

The primary goal of the National Green Taxonomy (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 successful attainment of the NGT objectives outlined below will ensure that the overarching goal of establishing a comprehensive, nationally recognized NGT is met:

1. Establishing a unified framework, offering a common language for financiers, issuers, policymakers, regulators and taxonomy users. This framework will enable market participants to articulate their environmental objectives in investment decisions clearly. Providers of debt and equity capital can align their lending and investing practices with these environmental goals, ensuring that their financial activities contribute to sustainable development. Companies and project developers can leverage this taxonomy to plan and secure financing, thereby expanding the pipeline of sustainable investment opportunities. Policymakers and regulators can utilize the taxonomy to formulate national policies, set priorities, and direct capital flows towards sustainable enterprises and activities. This unified approach will also help all stakeholders to avoid unintended greenwashing, ensuring that investments genuinely contribute to environmental sustainability.

2. Translating commitments to the Paris Agreement and Sustainable Development Goals (SDGs) into actionable guidelines for investors. By bridging the gap between international goals and financing practices, the NGT clearly signals which types of activities are consistent with a low-carbon transition, climate change adaptation, minimum social safeguards and other environmental objectives. This ensures that investment decisions are aligned with global sustainability targets, helping investors to contribute meaningfully to the achievement of international environmental commitments.

3. Bolster investor confidence in financing green projects and mitigating the risk of "greenwashing". By providing a clear and standardized framework, the taxonomy helps investors ensure that their funds are directed towards genuinely sustainable projects. This transparency reduces the risk of misleading claims about environmental and social benefits, thereby protecting investors and encouraging greater investment in green initiatives. The taxonomy serves as a reliable benchmark, enhancing trust in the authenticity of green investments and supporting the broader goal of sustainable development.

4. Boosting green finance flows from various sources, including the private sector, international financial institutions and foreign investors. By establishing clear criteria for sustainable investments,

the taxonomy creates a conducive environment for attracting diverse funding streams. This facilitates increased financial inflows towards environmentally sustainable projects, ensuring that both domestic and international investors can confidently contribute to Uganda's green finance initiatives. The taxonomy's guidelines help align the interests of various financial stakeholders with the country's sustainability objectives, promoting a unified approach to environmental stewardship and economic development.

5. Enabling the tracking of private sector investments in green and sustainable projects and measure their impact on Uganda's green development and climate change-related policies and targets. By providing a clear framework for reporting and assessment, the taxonomy helps monitor the contribution of private investments towards national sustainability goals. This ensures transparency and accountability, allowing stakeholders to gauge the effectiveness of green finance in advancing Uganda's environmental, climate and social objectives.

6. Informing and helping to shape national policies and regulations on green finance, thereby boosting the market development of green opportunities. By providing a comprehensive classification system and clear criteria for sustainable investments, the taxonomy will guide policymakers in creating regulations that promote green and sustainable finance. This, in turn, will stimulate the growth of the green finance market, encouraging more investments in environmentally sustainable projects and supporting the country's transition to a low-carbon and socially vibrant and equitable economy.

1.3 Taxonomy Implementation: Measuring Success

For the successful implementation of the NGT, it is critical to establish a robust set of indicators that will guide the assessment of its impact and effectiveness. The Government of Uganda is committed to this endeavor, recognizing that comprehensive and measurable benchmarks are essential for tracking progress and ensuring alignment with national sustainability goals.

The CFU will play a pivotal role in this process by conducting periodic assessments, providing transparency and ensuring that investments are contributing to Uganda's climate resilience and low-carbon and socially equitable development objectives. The following set of indicators are suggested to be tracked:

1. Compatibility and inter-operability of the NGT with other taxonomies which is crucial for attracting global investment (as this provides investors with confidence that their funds will be managed according to widely recognized and accepted standards) and facilitating international and regional cooperation in green finance initiatives.

2. Number of new or modified financial products that align with the NGT indicates the extent to which the taxonomy is influencing the

development of green financial products, thereby directing capital towards demonstrably sustainable activities. The number of these products can be easily quantified and monitored, providing a clear indicator of the taxonomy's impact on the financial market.

3. Annual growth rate of private sector investments in projects aligned with the NGT, that demonstrate market confidence and engagement with the taxonomy.

4. Annual increase in funding allocations from international climate funds to projects aligned with the NGT.

5. Total value of green bonds issued that are aligned with the NGT indicates the effectiveness of the taxonomy in facilitating the raising of capital for environmentally sustainable projects.

6. Number of instances where regulators reference the NGT when approving financial products or services, which is crucial for addressing consumer concerns over greenwashing, as it provides a universal standard for what qualifies as a green product, ensuring transparency and trust. By referencing the taxonomy, regulators can offer assurance that approved products genuinely meet recognized environmental standards, thereby protecting consumers and enhancing the credibility of green financial products.

The NGT is designed to be versatile, applicable to a broad spectrum of financial instruments. This includes corporate and consumer lending, project finance, small and medium enterprises' (SME) financing, green bonds, equity investments, insurance,

credit guarantees, grants, and financial advisory and technical assistance, among other financial services.

In addition to its broad range of applications, the NGT is intended for use by various market participants. Below are some of the primary users and their potential applications of the taxonomy:

Table 1. Primary users of the NGT and possible applications

NGT Users	Application framework
Policy makers and Government agencies	• Develop policies and delegated acts/regulations to support and enforce the green taxonomy; • Track and measure aligned financial flows at various economic levels, improving and harmonizing tracking systems; • Identify sectors or areas that are underfunded relative to sustainability objectives; • Support the creation of a pipeline of projects that align with the green taxonomy; • Utilize elements of the NGT to set public measures, establish standards for green financial products or green bonds, and report on economic performance, NDC and SDG monitoring;
Financial market participants and regulators	• Identify financial and real economy investment opportunities that align with the taxonomy and criteria; • Facilitate engagement with investees to ensure alignment with the taxonomy; • Assess investment portfolios to determine their alignment and exposure to the taxonomy; • Review and assess new investments for their alignment with the taxonomy criteria; • Assess the alignment of existing financial products and develop new products that meet the taxonomy standards; • Formulate and adjust investment and product policies and strategies to align with the taxonomy; • Enhance data systems and disclosure practices to enable taxonomic evaluations and improve due diligence regarding impact and contribution alignment; • Compile and understand disclosures related to taxonomy exposure, in addition to meeting regulatory requirements; • Align and complement supervisory and regulatory measures to support systemic monitoring;
Asset owners	» Collect and report disclosures in alignment with the taxonomy, specifically regarding capital expenditure, operational expenditure and turnover; » Engage with investors and capital markets to attract financing based on taxonomic and thematic alignment;

1.4 Guiding Principles for the Taxonomy Development

The NGT is designed according to the following six guiding principles to ensure its effectiveness and alignment with Uganda's environmental and sustainability goals:

Principle 1: Contribute to the implementation of national policies and achievement of targets

The NGT is intended to support and enhance Uganda's key environmental objectives as outlined in the country's updated NDC, as well as other green development and climate change policies, strategies and programs. It also aligns with corporate policies and strategies of entities like aBiFH (Agricultural Business Initiative Finance Holdings), including the Green Growth Strategy.

Principle 2: Address major environmental challenges

The framework aims to tackle Uganda's critical environmental issues, focusing on climate change mitigation and adaptation, pollution control, resource conservation and livelihood improvement. These challenges are prioritized to ensure a comprehensive environmental impact.

Principle 3: Prioritize focus sectors

The taxonomy targets priority focus sectors identified in Uganda's updated NDC for both mitigation and adaptation. This includes high-emitting sectors and those essential for enhancing resilience and adaptation to climate change impacts. By concentrating on these sectors, the taxonomy supports efforts to reduce greenhouse gas emissions and build resilience against climate change.

Principle 4: Align with international standards and best practices

In situations where local standards are not well-established, the taxonomy will refer to international standards and best practices. This alignment ensures that Uganda's efforts are in harmony with global sustainability frameworks and benchmarks.

Principle 5: Ensure compliance with ESG standards

All activities included in the taxonomy must adhere to minimum environmental and social governance (ESG) standards. This principle ensures that projects not only meet environmental goals but also address social and governance concerns, promoting overall sustainable development.

Principle 6: Commit to continuous review and development

The taxonomy framework will be subject to ongoing review and updates (at least every three years), considering policy changes, scientific advancements, technological innovations, and emerging industry needs. This continuous improvement process ensures that the taxonomy remains relevant and effective over time.

In accordance with these principles, the proposed categories in the taxonomy framework cover a comprehensive range of activities to maximize its impact on Uganda's NDC strategic pillars to transform Uganda into climate-resilient and low carbon so-:ciety by 2050 that is prosperous and inclusive, as it is defined below

Table 2. Strategic pillars of the NDC and targets by 2030

No.	Strategic Pillar	Targets by 2030
1	Promote climate-resilient and low-carbon agricultural development	• Increase proportion of the farmers practicing sustainable land management practices to **70.7%;** • Increase arable agricultural lands to **152,622** ha; • Increase climate resilient capture in fisheries to **1,700,000** tons per year; • Reduce net emissions in AFOLU sector by **24.9%** to **91.8** MtCO2e (metric tons of carbon dioxide equivalent).
2	Promote and apply land management practices that support sustainable and productive use	• Implement afforestation/ reforestation activities at **300,000** ha; • Increase area under the agroforestry practices to **1.3** mln ha; • Restore **2.5** mln ha of the forest landscape; • Halt and reverse forest loss and land degradation by 2030 and to increase forest cover to **21%**.

No.	Strategic Pillar	Targets by 2030
3	Promote climate-resilient water supply systems, increase water supply capacity and use efficiency	• Ensure **100%** coverage of the national (both urban and rural) supply; • Install **620** solar/wind powered water supply systems; • Increase the share of population with the access to basic sanitation to **68%**; • Ensure compliance with at least **80%** of the national water standards and water permit compliance by **86%;** • Develop and commence implementation of at least **23** Catchment Management Plans and ensure their **100%** compliance with the climate change adaptation;
4	Promote sustainable management of ecosystems and the use of nature-based solutions, including through community engagement	• Restore **70,000** ha of wetlands to reach the coverage to **12%**; • Restore **10,000** ha of degraded hilly and mountainous areas
5	Strengthen climate information services through improved data collection and sharing infrastructure	• Ensure that at least **50%** of LGs have climate action plans; • Ensure at least **50%** alignment and synergy between disaster risk management policy, national climate policy, and migration policy;
6	Develop and promote a clean and resilient energy system	• Achieve **75%** percent of the electrification with average consumption of the electricity per household equivalent to **578** kWh; • Increase the transmission capacity (in km of high voltage 7 transmission lines) to **6,300** km; • Increase electricity generation capacity (through use of renewable sources) to **4,200** MW; • Increase access to clean energy cooking technologies to 65% (clean energy for cooking) and 40% (biomass energy for cooking); • Rehabilitate and climate proof at least **70%** of electricity transmission infrastructure • Commission **821.8** MW of renewable energy installed capacities, including **756.8** MW from hydropower, **25** MW biogas, 20 MW solar and **20** MW wind;

No.	Strategic Pillar	Targets by 2030
		• **100%** of charcoal to be made in improved efficiency kilns; • **50%** of schools/institutions to be using improved charcoal cookstoves; • Reduce GHG emissions in this sector by 1**8.8%** to **10.1** MtCO2e;
7	Promote climate resilient and low-carbon urban planning and development	• Construct/improve **56** km of drainage channels in GKMA; • Increase efficiency of solid waste collection from **33.2%** to **70%**; • Conduct 2 climate risk and vulnerability assessments for tourism sector; • Support comprehensive physical planning and efficient waste management (solid and wastewater) for 5 cities and 15 municipalities; • Reduce emissions in the waste sector by **34.8%** to **2.09** MtCO2e;
8	Promote education and training on climate change science, and sharing of indigenous knowledge	• Integrate climate change education into the national curriculum (primary, secondary and higher institutions of learning) of at least **60%** of institutions; • Increase awareness of at least **11** m of population (49% female) on the issues of the climate change; • Develop **6** knowledge systems, integrating local, indigenous and traditional knowledge and practices, for scaling up adaptation;
9	Promote a multimodal shift to low carbon mobility and create climate-resilient transport infrastructure to support economic growth	• Ensure that at least **50%** of national road reserves are integrated with green infrastructure and vegetative reinforcement; • **1%** per year increase in alternative fuel use for all road vehicles - 60% of the increase comes from natural gas, **20%** from ethanol (E10) and **20%** from biodiesel; • Introduction of at least 200 e-buses in GKMA (Greater Kampala Metropolitan Area); • Limit the growth of the emissions by **29%** to **6.8** MtCO2e;

No.	Strategic Pillar	Targets by 2030
10	Promote a resource-efficient circular economy	• Reduce the emissions in IPPU sector by **14%** to **0.86** MtCO2e;
11	Further develop a resilient and "fit for future" health systems	• Conduct **2** climate risk and vulnerability assessments for health sector and design 30 district climate health profiles; • Develop Health National Adaptation Plan; • Improve the level of linkage between the emergency medical call system with the National Disaster response call system to **100%**; • Transform **7** National and Regional Referral Hospitals (Climate smart hospitals); • Implement by **50%** the Health sector NAP (National Adaptation Plan);

2 Step-by-Step Guidance for Determining Alignment with the NGT

2. Step-by-Step Guidance for Determining Alignment with the NGT

The process for determining whether a proposed investment project qualifies as green involves the following six steps:

Step 1: Understand the rationale of the NGT

Potential beneficiaries should first familiarize themselves with the principles outlined in the NGT. The investment project under review must adhere to the following three principles:

1. It must make a significant contribution to at least one key objective of the NGT.
2. It must not cause significant harm to any other key objectives of the NGT.
3. It must meet the minimum social standards defined by national legislation.

Step 2: Verify inclusion in the NGT

The Taxonomy Compendium, described in Section 3 of this document, lists eligible sectors, subsectors and activities that are essential for Uganda's green economy. Potential beneficiaries should identify the macro-sector related to their economic activity and then navigate to the specific activity that best matches their project.

Step 3: Evaluate against technical screening criteria

After ensuring the investment project aligns with an eligible sector, subsector, and activity, beneficiaries should assess whether it meets the technical screening criteria for making a substantial contribution towards NGT objectives. An activity must meet all the relevant specified metrics and thresholds applicable to its sector and category to be considered aligned with the NGT. This alignment should be transparently reported. If the activity fails to meet any of the required criteria, it will not qualify under the NGT.

Step 4: Evaluate against Do No Significant Harm (DNSH) criteria

Each economic activity has associated DNSH criteria outlined within the Technical Screening Criteria. Potential beneficiaries must evaluate their performance against each of the five DNSH criteria, excluding the objective to which the economic activity aims to substantially contribute. Additionally, the activity must demonstrate climate change resilience. If the activity does not meet the DNSH criteria, it is not aligned with the Green Taxonomy. Compliance should be transparently disclosed if the criteria are met

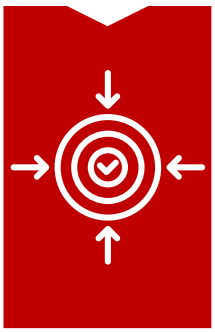
Step 5: Assess compliance with Minimum Social Safeguards (MSS)

Beneficiaries need to ensure compliance with MSS by implementing policies, procedures and governance mechanisms that align with Ugandan labour laws and international standards, including:

- The International Labour Organization (ILO) core labour conventions.
- The Organization for Economic Co-operation and development (OECD) Guidelines for Multi-national Enterprises (MNEs).
- The UN Guiding Principles on Business and Human Rights.

Labour relations in the beneficiary company should comply with national laws, including the Constitution, labour and employment laws, occupational health and safety regulations, compensation, gender and information protection arrangements.

Detailed list of the national legal regulatory acts under MSS framework are defined in Annex I. – Minimum Social Safeguards



Step 6: Conclude assessment and disclose results

If the investment project conforms to the above steps, NGT alignment can be declared. This declaration should include the collective results of all assessments, supporting details, and impact indicators.

By following these steps, potential beneficiaries can ensure that their projects align with Uganda's NGT, contributing to the nation's sustainable development goals

3 National Green Taxonomy Compendium

3. National Green Taxonomy Compendium

3.1 Mitigation

Sector classification and activity	
Macro-sector	**1.1 Forest and Logging**
Description	**1.1.1 Afforestation** Establishment of forest through planting, deliberate seeding or natural regeneration on land that, until then, was under a different land use or not used. Afforestation implies a transformation of land use from non-forest to forest, in accordance with the Food and Agriculture Organization of the United Nations (FAO) definition of afforestation, where forest means a land matching the forest definition as set out in national law, or where not available, is in accordance with the FAO definition of forest. Afforestation may cover past afforestation, as long as it takes place in the period between the planting of the trees and the time when the land use is recognized as a forest.
	1.1.2 Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event Rehabilitation and restoration of forests as defined by national law. Where national law does not contain such a definition, rehabilitation and restoration corresponds to a definition with broad agreement in the peer-reviewed scientific literature for specific countries or a definition in line with the FAO concept of forest restoration or a definition in line with one of the definitions of ecological restoration applied to forest, or forest rehabilitation under the Convention on Biological Diversity. The economic activities in this category also include forest activities in line with the FAO definition of “reforestation” and “naturally regenerating forest” after an extreme event, where extreme event is defined by national law, and where national law does not contain such a definition, is in line with the IPCC definition of extreme weather event; or after a wildfire, where wildfire is defined by national law, and where national law does not contain such a definition, as defined in the European Glossary for wildfires and forest fires. The economic activities in this category imply no change of land use and occurs on degraded land matching the forest definition as set out in national law, or where not available, in accordance with the FAO definition of forest.

Sector classification and activity	
	1.1.3 Forest management Forest management as defined by national law. Where national law does not contain such a definition, forest management corresponds to any economic activity resulting from a system applicable to a forest that influences the ecological, economic or social functions of the forest. Forest management assumes no change in land use and occurs on land matching the definition of forest as set out in national law, or where not available, in accordance with the FAO definition of forest.
	1.1.4 Conservation forestry Forest management activities with the objective of preserving one or more habitats or species. Conservation forestry assumes no change in land category and occurs on land matching the forest definition as set out in national law, or where not available, in accordance with the FAO definition of forest.
Principle	Afforestation, rehabilitation and restoration, sustainable forest management shall increase carbon sinks (or at least maintain in the case of SFM) of above and below ground carbon in comparison to a counterfactual with no conversion to forest. • **Criterion 1**: Mandatory application of the Sustainable Forest Management (SFM) Principles; • **Criterion 2**: Establish a verified baseline GHG balance of relevant carbon pools at the beginning of the afforestation/reforestation activity; • *Criterion 3*: Demonstrate continued compliance with the Sustainable Forest Management requirements and increase of carbon sinks from above and below-ground carbon over time, supported by and disclosed through a forest management plan (or equivalent) at 10-year intervals, that shall be reviewed by an independent third-party certifier and/or competent authorities;
Metric and Threshold	Continued compliance with the SFM requirements is demonstrated and disclosed at 10-year intervals through a forest management plan (or equivalent) that shall be reviewed by an independent third-party certifier and/or competent authorities; Verified GHG balance baseline is calculated for above-ground carbon pools, based on growth-yield curves for species per m^3/year/ha, carbon convertible. Calculating the GHG balance baseline requires knowledge of the area, the species and number of trees (in case of afforestation and reforestation). Using the growth-yield curves, information will be given on the annual increment in m^3/year/ha, which can be used for the basis of the GHG balance.

Sector classification and activity	
	The methodology is consistent with the approach in the Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories (IPCC Guidelines), it recommends recalculation of the amount of carbon sequestered; 1 ton of biomass representing approximately 0.5 ton of carbon. Further one ton of carbon equals 44/12 = 3.67 tons of carbon dioxide; Above ground Carbon stocks shall increase above carbon baseline over a period of 20 years. Changes in carbon stocks should be disclosed based on growth yield curves in 10year intervals through a forest management plan (or equivalent instrument) that shall be reviewed by an independent third-party certifier and/or competent authorities;
Do Not Significant Harm	Key environmental aspects span across all five objectives and are summarized as follows: • Ability of forests to adapt to a changing climate and ensure the long-term ability of the forests to sequester carbon; • Impact on water resources as well as on water quality; • Pollution to water, air, and soil, and risks associated from the use of pesticides and fertilizer; • Impacts on biodiversity and ecosystems from intensification and conversion of land of high ecological value to forests and illegal logging; The DNSH criteria below should be considered in combination with the SFM requirements of the forest mitigation Taxonomy (Criterion 1). The criteria can be informed by applying forest certification using independent third-party schemes that are regularly audited. Compliance shall be reported through a forest management plan (or equivalent) as per criterion 3 of the forest mitigation Taxonomy. **1. Adaptation** Refer to the screening criteria for DNSH for climate change adaptation Annex I; **2. Water** Identify and manage risks related to water quality and/or water consumption at the appropriate level. Ensure that water use/conservation management plans, developed in consultation with relevant stakeholders, have been developed and implemented;

Sector classification and activity	
	Ensure legal compliance by fulfilling the requirements of Ugandan water legislation Identify and manage risks related to water quality and/or water consumption at the appropriate level and in alignment with the National strategies. Where water use/ conservation management plans are required by Ugandan legislation, these plans are to be developed in consultation with relevant stakeholders; **3. Pollution** Minimize the use of pesticides and favor alternative approaches or techniques, such as non-chemical alternatives to pesticides. With the exception of occasions that this is needed to control pest and diseases outbreaks. Adapt the use of fertilizers to what is needed to prevent leeching of nutrients to waters; Take well documented and verifiable measures to avoid the use of active ingredients that are listed in the Stockholm Convention, the Rotterdam Convention, the Montreal Protocol on Substances that Deplete the Ozone Layer, or that are listed as classification Ia or Ib in the WHO recommended Classification of Pesticides by Hazard; Prevent pollution of water and soil in the forest concerned and undertake clean up measures when it does happen; **4. Ecosystems** Take measures to ensure sustained or improved long term conservation status at the landscape level; In designated conservation areas, actions should be demonstrated to be in line with the conservation objectives for those areas. No conversion of habitats specifically sensitive to biodiversity loss or of high conservation value such as grasslands and any high carbon stock area (e.g. peat lands and wetlands), and areas set aside for the restoration of such habitats in line with national legislation; Develop a forest management plan (or equivalent) that includes provisions for maintaining biodiversity. Evaluate the ecosystem service provision with the aim to not decrease the amount and quality of ecosystem services provided; Forests are monitored and protected to prevent illegal logging, in compliance with national laws; Promote close-to-nature forestry or similar concepts depending on the local requirements and limitations; Select native species or species, varieties, ecotypes and provenance of trees that adequately provide the necessary resilience to climate change, natural disasters and the biotic, pedologic and hydrologic condition of the area concerned, as well as the potential invasive character of the species under local conditions, current and projected climate change

Sector classification and activity	
Macro-sector	**1.2 Agriculture**
Description	**1.2.1 Certified agriculture projects** Agriculture projects utilizing international certification schemes which have climate change mitigation components **1.2.2 Management of soil and biomass for net carbon sequestration** Transition from temporary crops or pastures to agroforestry systems (e.g., cocoa, fruit trees or forestry) and agrosilvopastoral system. Change land use towards systems with greater carbon sequestration (such as agroforestry systems), which have better soil protection and are consistent with their vocation. Conserve water resources. **1.2.3 Other agricultural practices: Introduction of polycultures or associated crops in permanent crops** Introducing polycultures or crops associated with compatible species (preferably native timber or fruit trees) protects the soil, increases carbon and nitrogen fixation, diversifies production and increases resilience to climate variability. **1.2.4 Other agricultural practices: Implementation of clean energy and energy efficiency measure** Install equipment to save energy and take advantage of its renewable sources, including methane gas and solar energy. Equipment maintenance and improving fuel saving routines. **1.2.5 Other agricultural practices: biodigesters** Incorporate biodigesters (organic fertilizer and methane). Biogas can be used as fuel in kitchens, for heating and lighting, or to power an engine that generates electricity. There is also a fertilizer called biol.
Principle	Both of the principles set out here must be fulfilled: **Principle 1**: Demonstrate substantial avoidance or reduction of GHG emissions from production and related practices; and **Principle 2**: Maintain existing sinks and increase sequestration (up to saturation point) in above- and below-ground carbon stocks.

Sector classification and activity	
Metric and Threshold	**1.2.1 Certified agriculture projects** • Eligible certifications schemes include: • Climate Bonds certification (bond certification); • Crop certification; • Global GAP; • Roundtable on Sustainable Soy; • Bonsucro (sugar); • Better Cotton Initiative; • Roundtable on Sustainable Biomaterials **1.2.2 Management of soil and biomass for net carbon sequestration** • Project length of at least five years; • Reduced tillage; • Avoided erosion; • No open burning; • Evidence that soil carbon sequestration is likely to be maintained for 20 years or more (secure land rights, low threat of conversion, contractual commitments) or demonstrate 50% higher level of sequestration **1.2.3 Other agricultural practices: Introduction of polycultures or associated crops in permanent crops** Direct eligibility **1.2.4 Other agricultural practices: Implementation of clean energy and energy efficiency measure** Direct eligibility for renewable energy and methane gas. Fuel saving subject to 20% criteria. **1.2.5 Other agricultural practices: biodigesters** Direct eligibility

Sector classification and activity	
Do Not Significant Harm	Key environmental aspects to be considered for investments in Agriculture span across all other five objectives and are summarized as follows: • Ability of farming systems to adapt to a changing climate; • Impact on water quantity, water quality and water ecosystems; • Impacts on air quality; • Inefficiencies in the production system including nutrient management; • Pollutant and nutrient run-off and leaching; • Impacts on habitats and species, e.g. through conversion of areas, intensification of existing arable land, and invasive alien species. Note that areas of environmental risk are highly geographically variable. Guidance should be sought from the relevant competent national or regional authority to identify areas or issues of importance and relevance within the area or project concerned; **1. Adaptation** Refer to the screening criteria for DNSH for climate change adaptation. **2. Water** Identify and manage risks related to water quality and/or water consumption at the appropriate level. Ensure that water use/conservation management plans, developed in consultation with relevant stakeholders, have been developed and implemented; Ensure legal compliance by fulfilling the requirements of Ugandan water legislation. Identify and manage risks related to water quality and/or water consumption at the appropriate level and in alignment with the national strategies. Where water use/conservation management plans are required by Ugandan legislation, these plans are to be developed in consultation with relevant stakeholders. **Circular economy and waste prevention and recycling** Activities should minimize raw material use per unit of output, including energy through increased resource use efficiency;

Sector classification and activity	
	Activities should minimize the loss of nutrients (in particular nitrogen and phosphate) leaching out from the production system into the environment. Activities should use residues and by-products the production or harvesting of crops to reduce demand for primary resources, in line with good agricultural practice; **Pollution** Activities ensure that nutrients (fertilizers) and plant protection products (e.g. pesticides and herbicides) are targeted in their application (in time and area treated) and are delivered at appropriate levels (with preference to sustainable biological, physical or other non-chemical methods if possible) and with appropriate equipment and techniques to reduce risk and impacts of pesticide use on human health and the environment (e.g. water and air pollution) and the loss of excess nutrients; The use only of plant protection products with active substances that ensure high protection of human and animal health and the environment. **Ecosystems** Activities ensure the protection of soils, particularly over winter, to prevent erosion and run-off into water courses/ bodies and to maintain soil organic matter; Activities do not lead to the conversion, fragmentation or unsustainable intensification of high-nature-value land, wetlands, forests, or other areas of high-biodiversity value. This includes highly biodiverse grassland spanning more than one hectare that is: i) natural, namely grassland that would remain grassland in the absence of human intervention and that maintains the natural species composition and ecological characteristics and processes; or ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority; Activities should not result in a decrease in the diversity or abundance of species and habitats of conservation importance or concern and contravene existing management plans or conservation objectives; Where activities involve the production of novel non-native or invasive alien species, their cultivation should be subject to an initial risk assessment and on-going monitoring in order to ensure that sufficient safeguards are in place to prevent escape to the environment;

Sector classification and activity	
Macro-sector	**1.3 Manufacturing**
Description	1.3.1 Production of biomass energy utilization equipment Manufacture of collection, crushing, transportation, and storage equipment for agricultural by-products such as straw and rice husk; Manufacture of biomass-power generators and heating equipment, marsh gas and biogas production equipment, biomass solid and liquid fuel production equipment, and other equipment making use of biomass energy.
Principle	The manufacture of low carbon technologies that result in substantial GHG emission reductions in other sectors of the economy;
Metric and Threshold	Directly eligible, provided that product related emissions are at least the level of best available techniques (i.e. utilisation of green energy technologies by company itself).
Do Not Significant Harm	The main potential significant harm to other environmental objectives from the manufacture of low carbon technologies is associated with: • The (potential) use of toxic substances and generation of toxic wastes (both at the manufacturing stage as well as at other stages of the product/equipment lifecycle); and • The potential for polluting emissions to air, water and soil from the manufacturing process; **Adaptation** Refer to the screening criteria for DNSH for climate change adaptation Annex I. **Water** Identify and manage risks related to water quality and/or water consumption at the appropriate level. Ensure that water use/conservation management plans, developed in consultation with relevant stakeholders, have been developed and implemented. **Circular Economy** Embodied carbon emissions should represent less than 50% of the total carbon emissions saved by the use of the energy efficient equipment.

Sector classification and activity	
	Pollution Compliance with national legislation on air pollution. **Ecosystems** Ensure an Environmental Impact Assessment (EIA) has been completed in accordance with the national legislation or international standards (e.g. IFC Performance Standard 1: Assessment and Management of Environmental and Social Risks) and any required mitigation measures for protecting biodiversity/eco-systems, in particular UNESCO World Heritage and Key Biodiversity Areas (KBAs), have been implemented. For sites/operations located in or near to biodiversity-sensitive areas (including the Natura 2000 network of protected areas as well as other protected areas), ensure that an appropriate assessment has been conducted in compliance with the provisions of the national provisions or international standards (e.g. IFC Performance Standard 6). For sites/operations, ensure that a site-level biodiversity management plan exists and is implemented in alignment with the IFC Performance Standard 6. Biodiversity Conservation and Sustainable Management of Living Natural Resources all necessary mitigation measures are in place to reduce the impacts on species and habitats; and a robust, appropriately designed and long-term biodiversity monitoring and evaluation programme exists and is implemented;

Sector classification and activity	
Macro-sector	**1.4 Electric power generation, transmission and distribution**
Description	**1.4.1 Electricity generation using solar photovoltaic technology** Construction or operation of electricity generation facilities that produce electricity using solar photovoltaic (PV) technology. **1.4.2 Electricity generation using concentrated solar power (CSP) technology** Construction and operation of facilities using solar thermal power to generate electricity. **1.4.3 Electricity generation using wind power** Construction and operation of electricity generation facilities that produce electricity from wind power. **1.4.4 Electricity generation from bio-energy** Construction and operation of electricity generation installations that produce electricity exclusively from biomass, biogas or bioliquids wastes, excluding electricity generation from blending of renewable fuels with biogas or bioliquids.
Principle	• Support a transition to a net-zero emissions economy; • Avoidance of lock-in to technologies which do not support the transition to a net-zero emissions economy; • Ensure that economic activities meet best practice standards; • Ensure equal comparability within an economic activity with regards to achieving net-zero emissions economy target; • Where necessary, incorporating technology-specific considerations into secondary metrics and thresholds
Metric and Threshold	**1.4.1 Electricity generation using solar photovoltaic technology** **1.4.2 Electricity generation using concentrated solar power (CSP) technology** **1.4.3 Electricity generation using wind power** Facilities shall have no more than 15% of electricity generated from non-renewable sources.

Sector classification and activity	
	1.4.4 Electricity generation from bio-energy 80% GHG emission reduction compared to fossil fuel baseline.
Do Not Significant Harm	The main potential significant harm to other environmental objectives from the installation and operation of photovoltaic (PV) panels relate to: 1. The PV installation siting: impacts on ecosystems and biodiversity if built in a designated conservation area or other areas with important ecosystem and biodiversity value. 2. The impacts from the production and end-of-life management of the PV systems and its component/materials: potentially significant environmental impacts are associated with the sourcing/production of materials and components of PV systems; The main potential significant harm to other environmental objectives from CSP is associated with: 1. the construction of the installation and the substantial land-take associated with the installation; 2. impacts to birdlife from the high temperatures generated by the plant; 3) impacts of the cooling system on water resources; In spite of the crucial contribution of wind energy to mitigating climate change, there may be conflicts arising between its deployment and nature conservation at a local level. The main environmental exposures to be considered as a Do No Significant Harm (DNSH) criteria, in the most stringent sense, include: 1. Underwater noise created in the installation of bottom-fixed offshore wind turbines; 2. The composite waste generated from both on- and offshore wind turbine blades at the end of their lifetime The possible disturbance, displacement or collision of birds and bats by the construction and operation of wind farms; 3. The possible deterioration of water ecosystem associated to the construction of offshore wind farms; 4. The possible visual impacts created by landscape change in the installation of wind turbines;

Sector classification and activity	
Macro-sector	**1.5 Water supply, sewage and waste management**
Description	**1.5.1 Sewage sludge treatment – anaerobic digestion** Construction and operation of facilities for the treatment of sewage sludge by anaerobic digestion with the resulting production and utilisation of biogas. **1.5.2 Collection and transport of non-hazardous waste in source segregated fractions** Separate collection and transport of non-hazardous waste in single or comingled fractions aimed at preparing for reuse or recycling. **1.5.3 Composting of agricultural bio-waste** Construction and operation of dedicated facilities for the treatment of separately collected bio- waste through composting (aerobic digestion) with the resulting production and utilisation of compost.
Principle	**1.5.1 Sewage sludge treatment – anaerobic digestion** Net GHG emission reduction from sewage sludge treatment through the capture and utilization of the generated biogas in various forms and applications, often displacing fossil fuels. **1.5.2 Collection and transport of non-hazardous waste in source segregated fractions** Net GHG emission reductions through reuse and high quality recycling of waste, which are enabled by the separate collection and transport of source-segregated non-hazardous waste fractions. Reuse and recycling activities reduce GHG emissions by displacing alternative waste management options (e.g. landfilling and incineration) and alternative raw material sourcing options with higher GHG emission intensity. **1.5.3 Composting of agricultural bio-waste** Net GHG emission reduction through avoidance of GHG emissions compared to alternative options for bio-waste management and from the production of compost that can be used as fertilizer/soil improver displacing synthetic fertilizers and peat (e.g. in horticulture).

Sector classification and activity	
Metric and Threshold	**1.5.1 Sewage sludge treatment – anaerobic digestion** Anaerobic digestion of sewage sludge treatment is eligible provided that (cumulative): methane leakage from relevant facilities (e.g. for biogas production and storage, energy generation, digestate storage) is controlled by a monitoring plan; the produced biogas is used directly for the generation of electricity and/or heat, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel (e.g. as bio CNG) or as feedstock in chemical industry (e.g. for production of H2 and NH3). No threshold applies. **1.5.2 Collection and transport of non-hazardous waste in source segregated fractions** Separate collection and transport of non-hazardous waste is eligible provided that: source segregated waste (in single or co-mingled fractions) is separately collected with the aim of preparing for reuse and/or recycling. No threshold applies. **1.5.3 Composting of agricultural bio-waste** Composting of bio-waste is eligible provided that (cumulative): • the bio-waste is source segregated and collected separately; • anaerobic digestion is not a technically and economically viable alternative; • the compost produced is used as fertilizer/soil improver. No threshold applies.
Do Not Significant Harm	**1.5.1 Sewage sludge treatment – anaerobic digestion** The main potential significant harm linked to this activity is related to:

Sector classification and activity	
	• emissions to air, soil and water from the operation of the anaerobic digestion plant which may lead to emissions of pollutants that have significant impacts on human respiratory systems and on ecosystems through acidification and/or eutrophication. The most relevant emissions are resulting from the sludge storage as well as from the subsequent combustion of biogas, such as Sulphur dioxide, nitrous oxide and particulates. • the subsequent use of the resulting digestate as fertilizer/ soil improver which may also result in soil and water pollution due to contaminants in the digestate. Compliance with relevant EU and respective national law as well as consistency with national, regional or local wastewater management strategies and plans is a minimum requirement. **1.5.2 Collection and transport of non-hazardous waste in source segregated fractions** The main potential significant harm linked to this activity is related to: • emissions of collection vehicles that cause harm to human health and the environment; • mixing source segregated waste fractions that could impair subsequent material recovery and recycling. 1.5.3 Composting of agricultural bio-waste The main potential significant harm linked to this activity is related to: • emissions to air, soil and water from the operation of the composting plant; • the use of the resulting compost as fertilizer/soil improver which may also result in soil and water pollution due to contaminants in the compost.

Sector classification and activity	
Macro-sector	**1.6 Construction**
Description	**1.6.1 Renovation of existing buildings** Energy-saving renovation of existing buildings and energy-use systems of buildings. **1.6.2 Construction of new buildings** Construction of new buildings.
Principle	**1.6.1 Renovation of existing buildings** The renovation of existing buildings to improve their energy performance makes a substantial contribution to climate change mitigation by reducing energy consumption and GHG emissions for the remaining operational phase of the buildings, and by avoiding emissions that would be associated with the construction of new buildings. **Condition for non-eligibility**: to avoid lock-in and undermining the climate mitigation objective, the renovation of buildings occupied for the purpose of extraction, storage, transportation or manufacture of fossil fuels is not eligible. **Use of alternative schemes as proxies**: outside EU Member States, established schemes such as "green building" certifications or building regulations and standards may be used as alternative proof of eligibility, provided that this is verified by the Sustainable Finance Platform. The organisation responsible for the scheme will be able to apply for official recognition of its scheme by presenting evidence that a specific level of certification/regulation can be considered equivalent (or superior) to the taxonomy mitigation and DNSH threshold for the relevant climatic zone and building type. The Sustainable Finance Platform will assess the evidence and approve or reject the application **1.6.2 Construction of new buildings** The construction of new buildings designed to minimize energy use and carbon emissions throughout the lifecycle can make a substantial contribution to climate change mitigation by saving large part of the energy and carbon emissions that would be associated with conventionally designed buildings. C**ondition for non-eligibility:** to avoid lock-in and undermining the climate mitigation objective, the construction of new buildings designed for the purpose of extraction, storage, transportation or manufacture of fossil fuels is not eligible.

Sector classification and activity	
	Use of alternative schemes as proxies: outside EU Member States, established schemes such as 'green building' certifications or building regulations and standards may be used as alternative proof of eligibility, provided that this is verified by the Sustainable Finance Platform. The organisation responsible for the scheme will be able to apply for official recognition of its scheme by presenting evidence that a specific level of certification/regulation can be considered equivalent (or superior) to the taxonomy mitigation and DNSH threshold for the relevant climatic zone and building type. The Sustainable Finance Platform will assess the evidence and approve or reject the application.
Metric and Threshold	**1.6.1 Renovation of existing buildings** The building renovation leads to a reduction of primary energy demand (PED)/energy consumption/ GHG emissions of at least 30%. **1.6.2 Construction of new buildings** The GHG emissions/ energy consumption/Primary Energy Demand (PED) of the building resulting from the construction, is at least 10 % lower than the threshold set by a relevant national/international nearly zero-energy building requirements.
Do Not Significant Harm	The main potential for significant harm to the other environmental objectives associated with the renovation of existing buildings is determined by: • Lack of resistance to extreme weather events (including flooding), and lack of resilience to future temperature increases in terms of internal comfort conditions (only for large buildings): • Excessive water consumption due to inefficient water appliances; • Landfill and/or incineration of construction and demolition waste that could be otherwise recycled/reused; • Presence of asbestos and/or substances of very high concern in the building materials; The unprotected handling of building components that are likely to contain substances of concern (e.g. asbestos containing materials) and of any hazardous construction and demolition waste arising from the building renovation; Indirect damage to forest ecosystems due to the use of timber products originating from forests that are not sustainably managed (only for large buildings).

3.2 Adaptation

Sector classification and activity	
Macro-sector	**2.1 Agriculture**
Description	**2.1.1 Installation and operation of water management system for agricultural use in the fresh water stressed districts** Installation and operation of high-efficiency irrigation measure (e.g. drip irrigation) , rainwater collection facilities, water recycling and treatment facilities for agriculture land in the freshwater stressed districts. **2.1.2 Construction and operation of climate information communication technology infrastructure for agricultural productivity** Construction and operation of information management and communication infrastructure for early warning of climate-related disasters (such as drought, flooding, hurricane, etc.) that will reduce the agricultural outputs. **2.1.3 Monitoring and treatment services to prevent, monitor and treat the climate-related pathogens and diseases** Monitoring and treatment services to prevent, monitor and treat the presence of pathogens and diseases. **2.1.4 Research, development and dissemination of climate resilient seeds and crops** Research, development and dissemination of seeds and crops that are resilient to drought, heat, flood, pests, disease or increased soil salinity. **2.1.5 Implementation of smart agriculture systems to increase the climate resilience of agricultural production and post-harvest handling** Construction and operation of smart agriculture systems (e.g. precision agriculture, sensor controlled pivot "fertigation" and similar) up to local climate resilience standards. **2.1.6 Research, development and dissemination of climate resilient livestock breeds** Research, development and dissemination of climate resilient livestock breeds.

Sector classification and activity	
Principle	• **All activities** must contribute to reducing climate risks, improving resilience, and enhancing adaptive capacity; • **All activities** must avoid causing significant harm to other environmental objectives, including water resources, soil quality, biodiversity and pollution control; • **For climate information & early warning systems (2.1.2)**: The activity must be accessible and actionable, ensuring that climate risk data is available to and usable by local agricultural communities; • **For climate-resilient livestock breeds (2.1.6)**: The activity must ensure that climate-resilient livestock systems are implemented in a way that promotes sustainable land and water management, preventing overgrazing and biodiversity loss.
Metric and Threshold	**2.1.1 Installation and operation of water management system for agricultural use in the fresh water stressed districts** • **Water efficiency** – implement high-efficiency irrigation systems (e.g., drip irrigation) that reduce water consumption compared to conventional methods ; • **Water resilience** – rainwater harvesting and water recycling systems must support sustainable agricultural water use; • **Flood resilience** – infrastructure must integrate sustainable drainage systems to manage extreme rainfall events; **2.1.2 Construction and operation of climate information communication technology infrastructure for agricultural productivity** • **Coverage area** – the system must provide early warning coverage for agricultural land at risk; • **Accuracy & timeliness** – climate forecasts and alerts should be issued with sufficient lead time before extreme events; • **Adoption and use** – farmers in vulnerable areas should be provided with actionable, locally relevant data;

Sector classification and activity	
	2.1.3 Monitoring and treatment services to prevent, monitor and treat the climate-related pathogens and diseases • Early detection capacity – the system must rapidly detect and respond to emerging climate-driven pests and diseases; • Surveillance frequency – climate-related pest and disease monitoring should follow regional best practices for agricultural health monitoring; • Effectiveness – adaptive pest/disease control strategies should follow integrated pest management principles; **2.1.4 Research, development and dissemination of climate resilient seeds and crops** • **Drought & flood resistance** – developed crops must meet recognized standards for drought, heat, flood, and pest resilience; • **Adoption rate** – climate-resilient crop varieties should be promoted in climate-vulnerable districts with supporting extension services; • **Soil adaptation** – Salt-tolerant crop varieties should be developed based on regional soil conditions; **2.1.5 Implementation of smart agriculture systems to increase the climate resilience of agricultural production and post-harvest handling** • **Resource use efficiency** – climate-smart agriculture should enhance input efficiency (e.g., fertilizer, water) compared to conventional methods; • **Climate data integration** – precision agriculture technologies should integrate real-time climate data to support adaptive farming; • **Post-harvest loss reduction** – smart storage and logistics should support resilience against climate-induced losses;

Sector classification and activity	
	2.1.6 Research, development and dissemination of climate resilient livestock breeds • **Drought and heat tolerance** – climate-resilient livestock breeds should be selected for ability to withstand temperature extremes and drought conditions; • **Disease resistance** – livestock should be bred for higher resistance to climate-sensitive diseases; • **Adoption rate** – breeding and dissemination should align with region**al livestock adaptation programs;**
Do Not Significant Harm	Agricultural investments must comply with DNSH principles to ensure they support adaptation while preventing environmental degradation. The following key environmental objectives must be addressed: 1. Climate resilience & adaptation; 2. Water management; 3. Circular economy & resource efficiency; 4. Pollution prevention & control; 5. Ecosystem & biodiversity protection Each investment must be assessed based on regional environmental risks and must integrate measures to mitigate potential harm. **1. Climate resilience & adaptation** • Investments in agriculture must enhance the ability of farming systems to adapt to climate variability and extreme weather conditions; • Activities must not increase vulnerability to climate change (e.g., reliance on unsustainable inputs, short-term adaptation that worsens long-term resilience); • Compliance with the screening criteria for DNSH on climate change adaptation is required.

Sector classification and activity	
	2. Water management • **Water use efficiency** – investments must not increase water stress and should enhance sustainable water use; • **Water quality protection** – activities must not pollute water bodies or cause nutrient leaching that degrades water quality; • **Water management plans** – where required under Ugandan law, investments must implement water conservation and management plans, developed in consultation with relevant stakeholders; **4. Circular economy & resource efficiency** • Activities must minimize raw material consumption per unit of output, including efficient use of water, fertilizers, and energy; • Investments should promote nutrient cycling, particularly in managing nitrogen and phosphorus runoff to prevent water pollution; • By-products and residues from agricultural production should be reused or repurposed, reducing the demand for primary resources; **5. Pollution prevention & control** • Targeted use of inputs – fertilizers and plant protection products (pesticides, herbicides) must be precisely applied to minimize environmental impact; • Reduction of pollutant runoff – activities must not contribute to pesticide and fertilizer leaching into water bodies; • Sustainable pest control – preference must be given to biological, physical, or non-chemical alternatives where possible; • Regulated chemical use – only approved, low-toxicity active substances should be used for plant protection, ensuring high safety standards for human, animal, and environmental health; **6. Ecosystem & biodiversity protection** • Soil conservation – activities must protect soil against erosion and degradation, particularly during seasonal transitions (e.g., winter cover crops);

Sector classification and activity	
	• No conversion of high-biodiversity land – Agricultural expansion must not result in the conversion or fragmentation of high-nature-value land, wetlands, forests, or other critical biodiversity areas; • Prevention of habitat loss – activities should not lead to the decline of key species or ecosystems and must not violate conservation plans; • Safeguards against invasive species – Cultivation of non-native or novel species must undergo risk assessment and be subject to ongoing monitoring to prevent unintended environmental impacts; **DNSH criteria for climate-resilient livestock production** The livestock sector presents distinct environmental risks, requiring specific safeguards. Investments in climate-resilient livestock must address the following key areas: 1. **Climate resilience of farming systems** – Livestock production must not contribute to increased vulnerability to climate change (e.g., reliance on feedstocks that may become unsustainable); 2. **Water resources protection** – wastewater from intensive livestock rearing must be treated to prevent contamination of water bodies; 3. **Sustainable manure management** – manure must be managed to reduce emissions, water pollution, and nutrient runoff; 4. **Air pollution control** – livestock production must limit methane, ammonia, and dust emissions through best-available techniques; 5. **Habitat and species protection** – grazing activities must not cause land degradation, biodiversity loss, or overgrazing;

Sector classification and activity	
Macro-sector	**2.2 Financial services and insurance**
Description	Uganda faces multiple climate risks and climate-focused non-life insurance should provide financial protection against the following hazards: • **Drought** – insurance for agricultural losses, water scarcity impacts, and prolonged dry spells affecting food security; • **Flooding** – coverage for property damage, agricultural losses, and business interruptions caused by excessive rainfall and poor drainage; • **Heavy precipitation** – protection against infrastructure and asset damage caused by extreme rainfall events; • **Storms** – financial security for sectors affected by intense storms, particularly in agriculture and infrastructure; • **Landslides** – insurance protection against slope failures in mountainous regions like the Elgon and Rwenzori areas; • **Subsidence** – coverage for infrastructure and landowners affected by soil erosion and ground movement linked to climate factors; • **Wildfires** – protection for assets, forests, and agricultural land affected by prolonged dry spells and uncontrolled fires; **The role of non-life insurance in climate adaptation** Climate-related insurance in Uganda is not just a financial safety net but also a proactive tool for: • **Risk management cycle** – identifying, analyzing, planning, implementing, and evaluating climate risks before disasters occur; • **Disaster management cycle** – supporting efforts to prevent, protect, prepare, respond, and recover from climate-related disasters; • **Financial sector resilience** – encouraging investment in climate adaptation, infrastructure resilience, and sustainable risk management;

Sector classification and activity	
	• **Agricultural stability** – providing parametric insurance for farmers to mitigate risks from droughts, floods and pest outbreaks; • **Public-Private Partnerships** – facilitating collaborations between insurers, government agencies, and development partners to expand climate risk coverage, particularly for vulnerable communities;
Principle	To qualify as adaptation-aligned under Uganda's financial and insurance sector, activities must comply with the following principles: **Principle 1**: Supporting adaptation of other economic activities • The activity must enhance resilience by reducing climate-related risks for other sectors and stakeholders, beyond its immediate operations; • It should introduce, promote, or finance innovative technologies, governance frameworks, financial solutions, or capacity-building initiatives that support adaptation; • It should address financial, technological, and capacity barriers that hinder adaptation in key climate-vulnerable sectors, such as agriculture, infrastructure, water management and energy; **Principle 2**: Climate risk integration in decision-making • Activities must incorporate climate risk assessments in their financial and underwriting processes; • Risk assessments must consider: » Current and projected climate variability (temperature shifts, extreme weather, water stress); » Uncertainty across multiple future climate scenarios (worst-case and best-case projections); » Alignment with sectoral, regional, and national climate adaptation plans; **Principle 3**: No maladaptation and systemic resilience • Financial and insurance products must not inadvertently increase climate risks for others (e.g., poorly planned flood protection increasing downstream risk; • Investments must be aligned with Uganda’s National Adaptation Plan (NAP), Nationally Determined Contributions (NDCs) and sectoral climate policies;

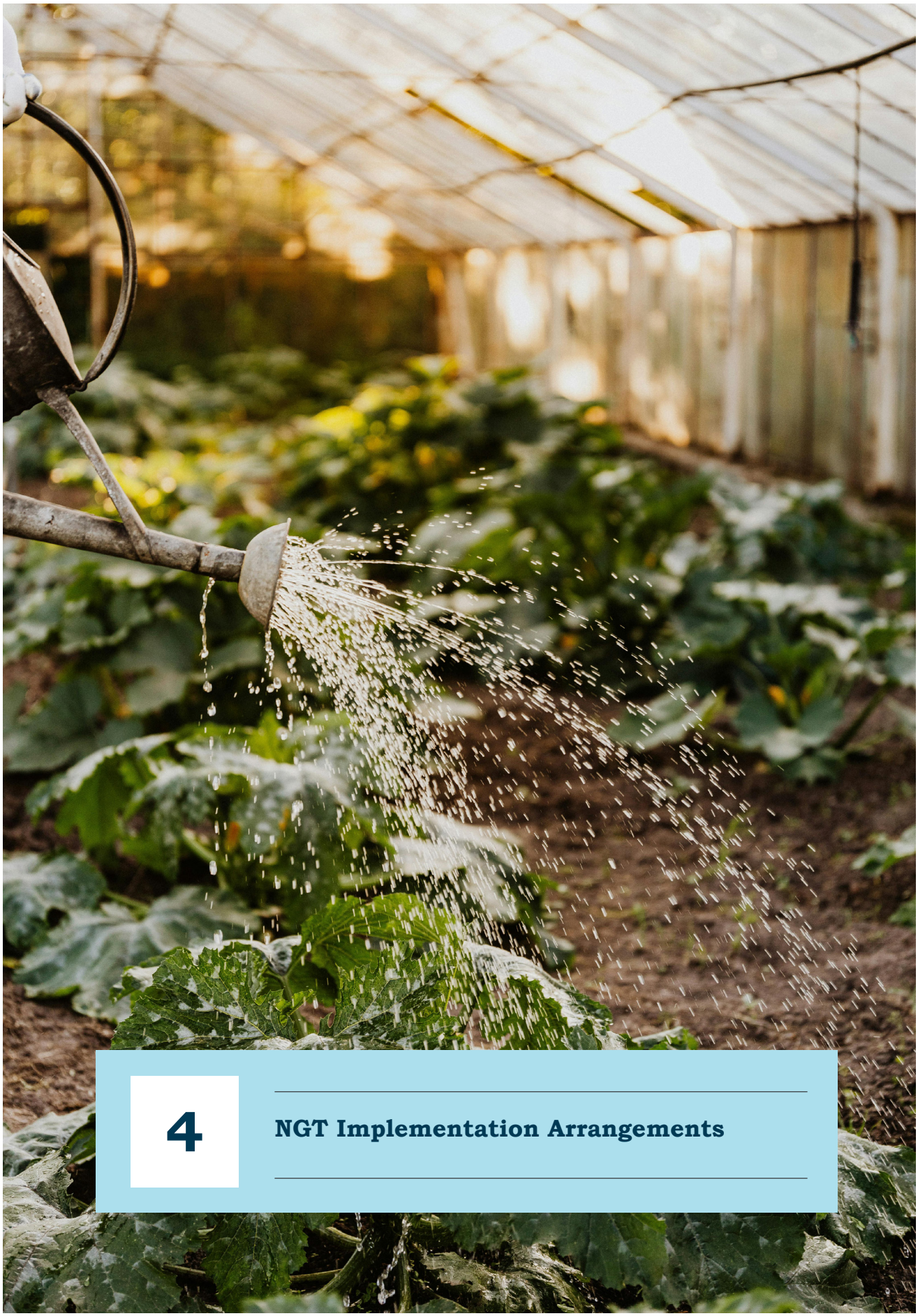
Sector classification and activity	
	Principle 4: Adaptation outcomes must be measurable and monitored • Financial instruments and insurance mechanisms must enable monitoring, reporting, and evaluation of adaptation impacts; • Risk reduction must be measurable using predefined indicators that track progress over time; • Where possible, climate risk assessments and adaptation financing should be reviewed periodically to reflect updated climate data and evolving risks;
Metric and Threshold	Directly eligible
Do Not Significant Harm	Insurers must ensure that insurance products, investment decisions, and underwriting practices do not cause significant harm to other environmental objectives. This involves assessing the insured activity's compliance with DNSH thresholds across five key environmental dimensions: 1. Climate change mitigation • Avoid insuring activities that increase greenhouse gas (GHG) emissions unless there is a clear climate adaptation benefit (e.g., improved resilience of critical infrastructure); • Ensure that adaptation-focused insurance does not promote maladaptation (e.g., insuring activities that lock in high-carbon infrastructure with long-term climate risks); • Encourage insurance coverage for low-carbon, climate-resilient infrastructure and nature-based solutions (e.g., flood-resistant buildings, climate-smart agriculture); **Key requirement**: The insured activity must not significantly contribute to increased emissions in a way that undermines Uganda's mitigation and adaptation objectives. **2. Sustainable use and protection of water and marine resources** • Do not insure projects that degrade water resources or increase water stress in vulnerable regions (e.g., unsustainable groundwater extraction, industrial activities without proper water management plans); • Promote insurance products that encourage sustainable water use (e.g., incentives for water-efficient irrigation systems in agriculture); • Ensure that insured infrastructure integrates water conservation measures to support long-term climate adaptation;

Sector classification and activity	
	Key requirement: The insured activity must not increase water scarcity risks or reduce access to clean water, particularly in drought-prone areas of Uganda. **3. Transition to a circular economy** • Support insurance products that incentivize resource efficiency in construction, agriculture, and manufacturing; • Ensure insured businesses incorporate waste reduction and sustainable materials in their operations; • Avoid insuring high-waste activities that do not align with Uganda's sustainable development goals.
	Key requirement: The insured activity must not generate excessive waste or contribute to unsustainable resource extraction. **4. Pollution prevention and control** • Ensure that insured activities comply with pollution control regulations (e.g., businesses must have waste management and pollution reduction strategies); • Do not insure activities that contribute to excessive air, water, or soil pollution (e.g., industries that release untreated wastewater or hazardous chemicals into the environment); • Encourage insurance coverage for businesses that integrate pollution reduction strategies into their adaptation measures; **Key requirement**: The insured activity must not cause significant pollution that undermines Uganda's environmental and climate adaptation goals. 5. Protection and restoration of biodiversity and ecosystems • Do not insure activities that contribute to deforestation, habitat destruction, or ecosystem degradation; • Ensure that insured infrastructure and agriculture projects integrate ecosystem-based adaptation (e.g., promoting agroforestry and wetland restoration); • Encourage insurance policies that support ecosystem resilience, including climate-smart farming and sustainable land-use practices; **Key requirement**: The insured activity must not lead to biodiversity loss or harm natural ecosystems, particularly in climate-sensitive regions.

Sector classification and activity	
Macro-sector	**2.3 Construction**
Description	**2.3.1 Construction of climate-resilient warehouse and storage systems for agricultural buffer stocks as a measure to improve disaster risk preparedness and management** Construction and operation flood-proof warehouses and storage systems for agricultural buffer stocks . The warehouse and storage system should be up to local climate resilience standards. **2.3.2 Construct physical structures and install equipment to protect the livestock against climate stress** Construct physical structures and install equipment to protect the livestock against heat stress (e.g. adequate cooling, air flow, evaporative systems, water misting and ventilation); elevated livestock shelters (e.g. raised foundations); protection of livestock against heat stress (e.g. shade screens or shade cloth structures). **2.3.3 Construction and maintenance of flood and management measures for existing agricultural facilities** Construction and maintenance of flood and coastal erosion management measures for existing tourism and agricultural facilities. (e.g. install flood defenses, increase drainage capacity, diversion of flood flows away from areas at risk, flood resilient building materials, sustainable drainage systems, raise level of structures).
Principle	The following principles ensure that activities under this sector align with climate adaptation goals, disaster risk management, and sustainability best practices. **1. Climate resilience & disaster preparedness** • All construction activities must integrate climate risk assessments to ensure resilience against extreme weather events such as floods, heatwaves, and storms; • Structures must be designed to withstand projected climate hazards based on Uganda's climate projections (e.g., rainfall intensity, heat stress, flooding zones); • Integration of early warning systems and risk monitoring technologies in warehouse and livestock protection structures is encouraged.
	Key requirement: Climate-resilient infrastructure must be built to withstand Uganda's evolving climate risks and improve disaster risk preparedness.

Sector classification and activity	
	2. Sustainable building materials and construction practices • Use climate-resilient and sustainable construction materials (e.g., flood-resistant concrete, energy-efficient roofing, durable insulation); • Ensure that warehouses, livestock shelters, and flood defenses use locally available and low-carbon materials wherever possible; • Construction and maintenance should prioritize water- and energy-efficient solutions (e.g., rainwater harvesting, passive cooling, and solar energy integration); **Key requirement**: All structures must be built with materials and techniques that minimize environmental impact while ensuring climate durability. **3. Water and flood risk management** • Flood-proofing measures must be integrated into the construction of agricultural warehouses, storage facilities, and livestock shelters (e.g., elevated foundations, sustainable drainage systems); • Flood defense structures should not increase flood risks elsewhere, ensuring upstream and downstream resilience (e.g., flood diversion must not intensify risks in other areas); • Coastal and riverbank protection measures should align with ecosystem-based solutions, such as mangrove restoration, wetland protection, and sustainable land management; **Key requirement:** Construction activities must enhance Uganda's water resilience and flood protection strategies without worsening risks for nearby communities or ecosystems. **4. Biodiversity and ecosystem protection** • Construction of climate-resilient infrastructure should not lead to deforestation, wetland degradation, or loss of biodiversity • Where possible, infrastructure should integrate nature-based solutions, such as green roofs, vegetative reinforcements and natural flood defenses; • Drainage and water management systems must prevent erosion, soil degradation, and water pollution from construction activities;
	Key requirement: All structures must protect surrounding ecosystems and incorporate nature-based solutions where feasible.

Sector classification and activity	
	5. Maintenance and long-term adaptation capacity • Periodic maintenance must be integrated into all infrastructure projects to prolong lifespan and maintain climate resilience; • Infrastructure must be designed to allow for adaptive upgrades, considering future climate scenarios and technological advancements; • Maintenance strategies should prioritize local workforce training, ensuring long-term sustainability and capacity-building; **Key requirement:** All climate-resilient structures must have long-term maintenance plans to ensure continued effectiveness and adaptability to future climate conditions.
Metric and Threshold	**2.3.1 Construction of climate-resilient warehouse and storage systems for agricultural buffer stocks as a measure to improve disaster risk preparedness and management** Meet local climate-resilient standards. **2.3.2 Construct physical structures and install equipment to protect the livestock against climate stress** Directly eligible, if meets the principles. **2.3.3 Construction and maintenance of flood and management measures for existing agricultural facilities** Directly eligible, if meets the principles.
Do Not Significant Harm	The main potential for significant harm to the other environmental objectives associated with the construction of new buildings is determined by: • Excessive energy consumption and operational carbon emissions; • Excessive water consumption due to inefficient water appliances; • Landfill and/or incineration of construction and demolition waste that could be otherwise recycled/reused; • Presence of asbestos and/or substances of very high concern in the building materials; • Presence of hazardous contaminants in the soil of the building site; • Inappropriate building location: impacts on ecosystems if built on greenfield and especially if in a conservation area or high biodiversity value area; • Indirect damage to forest ecosystems due to the use of timber products originating from forests that are not sustainably managed;



4 NGT Implementation Arrangements

4. NGT Implementation Arrangements

4.1 Summary

A robust implementation framework is essential to ensure the successful rollout and utilization of the NGT. The framework must enable effective governance, transparency and adaptability, ensuring that the taxonomy fulfills its primary objectives of mobilizing green investments, guiding financial flows towards sustainable activities and aligning Uganda's financial sector with global climate finance standards.

Global best practices indicate that strong governance structures, clear reporting mechanisms, and stakeholder engagement significantly enhance the effectiveness of a green taxonomy. Countries such as the EU and China have demonstrated that structured governance and dynamic adaptation to evolving economic and environmental priorities ensure taxonomy relevance and long-term impact.

The implementation of the NGT will be anchored in a well-defined institutional structure, continuous capacity building, periodic review mechanisms, and integration with Uganda's broader climate finance strategy. Key components of this framework include:

- **The Steering Committee** will provide high-level strategic oversight and validation for the NGT, ensuring alignment with Uganda's national development objectives, climate commitments, and financial sector priorities. Its primary role will be to review and approve the Annual Work Programme (AWP), guide policy direction, and validate updates to the taxonomy based on national and global developments. The CFU within MoFPED will act as the lead implementation entity, responsible for the design, execution, and coordination of the AWP, stakeholder engagement, investment tracking, and periodic reporting to the Steering Committee. The Steering Committee will convene biannually to assess progress, approve updates, and provide guidance for adaptive implementation;

- A dedicated **Secretariat** housed within the CFU under MoFPED, responsible for designing and coordinating the implementation of the AWP. This includes ensuring stakeholder engagement, tracking progress and aligning activities with Uganda's national and international green finance commitments;

- Structured AWP for effective implementation – the Secretariat, under the CFU, will develop and execute AWPs to operationalize the NGT. These plans will define priority sectors, strategic objectives, key performance indicators (KPIs), timelines, and financial resource allocations for implementation. Each

plan will outline specific activities, including capacity-building programs, stakeholder engagement initiatives, financial sector alignment strategies, and sector-specific policy integration. To ensure adaptability, each AWP will undergo an annual review process, led by CFU and validated by the Steering Committee. This process will assess taxonomy adoption, investment flows, policy coherence, and stakeholder feedback to ensure continued relevance with evolving national and global green finance standards. Adjustments will be based on emerging investment trends, sectoral performance, and policy developments to ensure optimal impact;

- **Annual reviews and adaptive management,** assessing taxonomy adoption, investment flows, policy coherence, and stakeholder feedback to maintain alignment with evolving national and global green finance standards;

4.2 Steering Committee

A Steering Committee comprising representatives from key government ministries, agencies, business associations, civil society organizations, academia and regional authorities will oversee the NGT implementation. This body will ensure that the taxonomy is well-aligned with Uganda's national development goals and sectoral policies. Key ministries and agencies to be included:

1. Ministry of Finance, Planning and Economic Development – lead coordinating agency;
2. Ministry of Water and Environment – technical guidance on climate and environmental policies;
3. Ministry of Energy and Mineral Development – integration with renewable energy and low-carbon investments;
4. Ministry of Agriculture, Animal Industry and Fisheries – ensuring alignment with sustainable agricultural finance;
5. National Planning Authority – policy alignment with Uganda's National Development Plan (NDP);
6. National Environment Management Authority – oversight of environmental safeguards and compliance;
7. Private sector representatives and financial institutions – ensure representation of key financial sector players, including commercial banks, institutional investors, and business associations, to provide market-driven insights and enhance private

sector alignment with the taxonomy's strategic direction;

8. Civil society and academic institutions – facilitate broad-based representation to ensure inclusivity, transparency, and evidence-based decision-making, leveraging research and stakeholder perspectives to strengthen the taxonomy's relevance and impact;

The Steering Committee must be geographically and sectorally balanced, ensuring that voices from vulnerable communities and regions, as well as groups (e.g. women and youth) are represented, thereby enhancing local engagement and addressing region-specific climate challenges. Business associations and CSOs should focus on integrating the private sector and civil society perspectives, ensuring broad support for the taxonomy.

4.3 Implementation

The CFU within MoFPED will act as the guardian of the NGT and function as the Secretariat to the Steering Committee. This unit will:

- **Design and execute structured AWPs,** outlining priority sectors, investment pathways, stakeholder engagement strategies and awareness-building initiatives;
- **Track and assess green investment flows**, monitoring the extent to which public and private financial flows align with the taxonomy;
- **Ensure compliance with international best practices**, including alignment with GCF, EU Taxonomy, and global sustainable finance frameworks;
- **Facilitate stakeholder engagement**, serving as the central point of interaction for regulatory agencies, financial institutions, and investors;
- **Manage reporting and adaptive updates**, ensuring periodic revisions to reflect evolving climate, economic, and technological developments;

4.4 Support to the Implementation of NGT

To ensure the effective rollout and utilization of the taxonomy, readiness support will be focused on the following key areas:

1. **Budgeting and funding through the GCF Readiness Support** - the implementation of the NGT will be supported by a comprehensive, multi-faceted GCF Readiness Support Programme, as outlined in Uganda's GCF Country Programme. This funding will enable Uganda to establish a robust institutional, regulatory, and market-driven framework that ensures the NGT is

successfully mainstreamed into the country's financial, investment and policy landscapes. Key areas of the proposed Readiness Support:

- **Institutional strengthening and governance capacity** – enhancing the technical, operational, and coordination capacity of the CFU within MoFPED to lead NGT implementation, including strategic oversight, reporting, and multi-stakeholder engagement;
- **Policy and regulatory integration** – aligning the NGT with Uganda's National Climate Finance Strategy, sectoral investment policies, and global sustainable finance standards to ensure a coherent, enabling environment;
- **Capacity building and financial sector readiness** – providing training, technical assistance, and learning platforms for key stakeholders, including financial institutions, regulatory bodies, private sector actors, and project developers, to ensure they can effectively apply the NGT criteria in investment decision-making;
- **Development of technology-driven tracking and reporting mechanisms** – establishing digital platforms, monitoring frameworks, and impact assessment tools to track financial flows and investment alignment with the NGT, reinforcing transparency and credibility in Uganda's green finance market;
- **Private sector mobilization and market-based incentives** – engaging banks, insurers, and institutional investors to scale the adoption of green financial products, develop taxonomy-aligned investment vehicles, and establish risk-sharing mechanisms to de-risk sustainable investments;
- **Pilot projects and demonstration initiatives** – supporting sector-specific pilot initiatives to test taxonomy applications, generate real-world insights, and refine implementation strategies before wider rollout;
- **Long-term sustainability and resource mobilization** – establishing a roadmap for sustained financing beyond GCF support, leveraging additional funding from bilateral donors, development finance institutions (DFIs) and domestic financing mechanisms;

By providing comprehensive technical, financial, and institutional support, the GCF Readiness Programme will ensure that Uganda's NGT is effectively implemented, widely adopted, and continuously strengthened to drive sustainable investments at scale.

2. **Development and execution of AWPs** that will serve as the primary implementation mechanism for the NGT, ensuring a structured and results-oriented approach. These programmes will be developed and coordinated by the CFU as the Secretariat and validated by the Steering Committee to ensure alignment with Uganda's climate finance priorities and international best practices. Each AWP will outline priority sectors, strategic objectives, key performance indicators (KPIs),

and timelines, ensuring coherence and accountability in taxonomy implementation. These programmes will:

- **Strategic sectoral prioritization** – identify and prioritize sectors for taxonomy adoption, ensuring a targeted focus on high-impact industries that contribute most to Uganda's green transition and sustainable development goals;
- **Stakeholder engagement and collaboration** – facilitate structured collaboration among key actors, including government ministries, regulatory agencies, financial institutions, private sector players, and development partners to ensure broad-based ownership and effective integration of the taxonomy into financial and investment frameworks;
- **Capacity building and knowledge sharing** – implement training programs, technical workshops and institutional support initiatives to enhance the capacity of financial institutions, policymakers, and project developers in applying the taxonomy criteria effectively;
- **Testing and validation through pilot projects** – develop and implement pilot initiatives and case studies to demonstrate taxonomy application, generate real-world insights, and refine implementation strategies before wider rollout;
- **Public awareness and advocacy campaigns** – conduct nationwide awareness and education initiatives targeting financial institutions, investors, and businesses to enhance understanding and buy-in for the taxonomy's role in mobilizing sustainable finance;
- **Monitoring, reporting and adaptive management** – establish clear metrics and monitoring frameworks to track the impact of the taxonomy, assess financial flows, and ensure periodic reporting to the Steering Committee, allowing for timely adjustments and continuous improvement;

3. **Annual reviews and monitoring** - a robust monitoring mechanism will be established to assess taxonomy implementation progress, identify challenges, and integrate lessons learned. This will include:

- **Indicators to track taxonomy adoption** and its impact on green investments.
- **Stakeholder-led reviews** to ensure continued relevance and alignment with Uganda's climate and economic priorities.
- **Annual reporting to the Steering Committee**, outlining achievements, gaps, and recommended actions.

4. **Capacity building for CFU and key stakeholders** - capacity-building efforts will be embedded within the AWP to ensure that training, knowledge transfer, and institutional strengthening are aligned with Uganda's climate finance priorities. This will include:

- **Institutional strengthening for CFU** – supporting CFU's leadership in AWP design, coordination, and

execution to ensure seamless NGT adoption;

- **Targeted training for financial institutions and policymakers** – specialized workshops on green finance mechanisms, risk assessment, taxonomy application, and compliance with global standards;
- **Practical implementation tools** – developing sector-specific guidance documents, case studies, and digital finance tools to facilitate taxonomy adoption;

5. **Stakeholder engagement and awareness raising** - targeted outreach will be conducted to enhance awareness and understanding of the taxonomy across:

- **Financial institutions** – supporting commercial banks, insurers, and investors in aligning products with the taxonomy;
- **Policymakers and regulatory agencies** – ensuring policy coherence and enforcement mechanisms;
- **Project developers and the private sector** – demonstrating taxonomy benefits and application through case studies and pilot projects;

6. **Integration with national climate finance strategies** - the NGT will be integrated into Uganda's broader climate finance ecosystem, including:

- **The National Financing Vehicle (NFV)** – ensuring that taxonomy principles align with national climate funding mechanisms;
- **GCF and other climate funding initiatives** – maximizing access to international finance opportunities;
- Other national policies and frameworks – aligning with Uganda's National Development Plan, Green Growth Strategy and Climate Change Act;

4.5 Private Sector and Financial Institutions in NGT Implementation

The private sector and financial institutions will play a pivotal role in the operationalization of the NGT by integrating its principles into investment decisions, financial product structuring, and sectoral implementation. Ensuring private sector alignment with the taxonomy will enhance capital mobilization for sustainable development, strengthen green financial market confidence, and facilitate sector-wide adoption. Key contributions of the private sector to NGT implementation:

- Alignment of financial products with the NGT – banks, insurers and investment firms will incorporate NGT principles into lending practices, sustainability-linked bonds, and risk assessment frameworks to ensure green financing flows toward eligible activities;
- Sector-specific guideline development – industry representatives will collaborate with regulatory bodies to refine technical screening criteria, enhance sectoral eligibility guidance, and ensure the taxonomy remains practical for real-world investment decisions;
- Green financial reporting and market disclosure – financial institutions will adopt standardized reporting mechanisms aligned with the NGT, ensuring transparency in green investment flows and reinforcing Uganda's credibility in sustainable finance;
- Scaling private sector participation in green finance – business associations, corporates, and SMEs will be engaged in capacity-building initiatives, pilot projects, and case studies to mainstream taxonomy adoption across industries;
- Support for the development of market-based incentives – the private sector will contribute insights into the design of incentives, risk mitigation tools and blended finance models to de-risk and attract capital for green investments;

4.6 Strengthening Implementation through International Best Practices

To further enhance the private sector's contribution to Uganda's green finance ecosystem, it is essential to align national efforts with global trends and best practices, ensuring consistency with international sustainable finance frameworks.

From international experiences, additional elements will be adopted to strengthen Uganda's NGT implementation:

- **Public-private partnerships** – encourage collaboration between government and private sector players to grow green finance markets;
- **Technology-driven tracking systems** – develop digital tools for monitoring climate finance flows and assessing environmental impact;
- **Periodic review and revision** – ensure structured updates every 2–3 years to maintain alignment with technological advances, financial trends, and evolving climate goals;

5 ANNEXES

Annex I. Policy, Regulatory and Financial Incentives

No.	Strategic Pillar	Policy, regulatory and financial incentives
1	Promote climate-resilient and low-carbon agricultural development	• Climate-smart agricultural policies; • Weather index-based insurance schemes; • Low-interest loans for climate-resilient inputs; • Carbon farming incentives; • Fiscal incentives for climate-smart agricultural practices and support for access to green financing;
2	Promote and apply land management practices that support sustainable and productive use	• Land tenure reforms; • Subsidies for sustainable land management practices and payments for ecosystem services to incentivize reforestation and soil health maintenance
3	Promote climate-resilient water supply systems, increase water supply capacity and use efficiency	• Water tariffs and subsidies for efficient water technologies; • Climate-resilient infrastructure grants; • Integrated water resource management policies with financial support for water conservation projects;
4	Promote sustainable management of ecosystems and the use of nature-based solutions, including through community engagement	• Conservation finance mechanisms; • Eco-compensation programs (like Payments for Ecosystem Services); • Incentives for the protection and restoration of ecosystems through tax breaks for nature-based solutions;
5	Strengthen climate information services through improved data collection and sharing infrastructure	• Grants for upgrading meteorological infrastructure; • Financial support for developing climate data-sharing platforms; • Public-private partnerships to enhance climate data access;
6	Develop and promote a clean and resilient energy system	• Feed-in tariffs for renewable energy; • Green bonds for energy projects; • Tax incentives for clean energy investments, along with regulatory frameworks promoting decentralized energy systems and energy storage;

7	Promote climate resilient and low-carbon urban planning and development	• Urban greening grants; • Incentives for sustainable construction materials; • Subsidies for retrofitting buildings; • Policies supporting low-carbon urban transport systems;
8	Promote education and training on climate change science, and sharing of indigenous knowledge	• Grants for climate education programs; • Financial support for research on indigenous knowledge; • Incentives for institutions integrating climate change into curricula;
9	Promote a multimodal shift to low carbon mobility and create climate-resilient transport infrastructure to support economic growth	• Tax/custom and financial subsidies for electric vehicles and infrastructure; • Incentives for public transportation projects; • Financial support for resilient transport infrastructure development;
10	Promote a resource-efficient circular economy	• Tax incentives for recycling and reuse; • Green bonds for circular economy projects; • Regulatory mandates for waste reduction in industries;
11	Further develop a resilient and “fit for future” health systems	• Climate-resilient health infrastructure grants; • Financing for health systems to address climate-related risks; • Financial support for the integration of climate resilience into healthcare planning

Ministry of Finance, Planning and Economic Development

Address:

Plot 2-8 Apollo Kaggwa Road,
P.O.Box 8147, Kampala, Uganda
Email: finance@finance.go.ug
Website:www.finance.go.ug