



STRAIGHT TO THE POINT

- » Uganda's NDC priority is in adaptation, specifically:
 - Reducing vulnerability in agriculture and livestock, forestry, infrastructure (including transport), water, energy, health, and disaster risk management.
 - Scaling up of Sustainable Land Management (SLM) and Climate Smart Agriculture (CSA) efforts to increase resilience at the grassroots level.
- » Through its NDC, Uganda has committed to reducing its emissions by 22 percent by 2030 (including land use, land use change, and forestry), with actions focused in energy, forestry, and wetlands.
- » Uganda is in the process of adopting the Uganda Green Growth Development Strategy (GGDS), which provides a pathway for inclusive, resilient, and low-emission economic development and socio-economic transformation.
- » Estimates suggest that roughly USD 3.9 billion is required to implement the country's entire suite of climate actions over the next 15 years, with domestic sources covering 30 percent of costs and international sources covering 70 percent.
- » The Ministry of Finance, Planning and Economic Development (MoFPED), National Planning Authority, and the Climate Change Department (CCD)—within the Ministry of Water and Environment—have worked together to mainstream climate action into national and sector plans and budgets.

BACKGROUND

ECONOMIC GROWTH THAT SUPPORTS CLIMATE ACTION

Uganda's National Development Plan II aims to move the country into lower-middle income status by 2020, and it has ambitious annual GDP growth targets to match this goal. Uganda's remarkable GDP growth during the mid-1990s and early-2000s has since slowed due to regional civil unrest stemming from conditions in South Sudan; adverse and irregular weather; and credit rating constraints. Between 2011 and 2016, GDP growth held between 4 and 5 percent annually. Forecasts predict similar rates in the near future, below annual economic growth targets.¹

To achieve national development goals, the government's number one economic priority is in infrastructure, with several large projects underway across the country, including the modernization of roads networks; upgrades to the Entebbe International Airport; and the commissioning of the Karuma and Isimba Hydroelectric Power Stations (600MW and 183.5MW, respectively).² Uganda is also working with other countries in the East Africa Community on the East Africa Regional Railway Master Plan, which will extend trade and transport routes throughout the region and help reduce transport costs of retail goods and services. Additional growth, required to achieve national economic development targets, is projected to come from exploration and drilling of oil, which was recently discovered and a potential major driver of the country's economy. However, exploring oil as the source of GDP growth will present a challenge to achieving the country's climate goals and targets.

¹ <https://www.pwc.com/ug/en/assets/pdf/economic-outlook-second-edition.pdf>
² <https://www.pwc.com/ug/en/assets/pdf/economic-outlook-second-edition.pdf>



Climate change impacts will continue to affect economic growth, especially as nearly a quarter of the country's USD 25 billion GDP (2016) is based on a highly climate-dependent agriculture sector.³ Uganda's primary concerns related to climate change are variability in regional rainfall patterns and increases in temperature, both which may have profound effects on key crop value chains (including coffee, rice, maize, banana, beans, sorghum, and sweet potatoes), agricultural processing (drying and storage), and farm-based livelihoods. Decreases in rainfall during wet seasons will greatly affect agricultural production and hydro-electric generation, which currently provides over 75 percent of the national grid's electricity. These changes will more severely affect the most vulnerable households who depend on local agricultural production for sustenance and income.

COUNTRY AMBITION

PRIORITIZING ADAPTATION WITH INSTITUTIONAL REFORMS

In response to its climate risks, Uganda's development agenda is intertwined and influenced by several key national guiding policies that provide a framework for overall climate action planning and implementation. While a lot of work has already been done to align climate policies and plans, including Sustainable Development Goals (SDGs), Nationally Determined Contributions (NDCs), and National Adaptation Programme of Action (NAPA), it is important to ensure that climate action is spread throughout government systems, actors are coordinating, and any project or program is complementary (not duplicative) of similar efforts. Key national guiding policies related to climate change planning and implementation include:

- » The Uganda Vision 2040 — Aims to transform the country from a peasant to a modern, prosperous, and competitive upper-middle income economy through promoting growth, employment, and socio-economic transformation, while recognizing the need to promote climate resilient low-carbon development and a green economy.
- » The Second National Development Plan (NDP II) (2015/2016 - 2019/2020) — Articulates strategies toward achieving the country's Vision 2040, as well as provides a guide for the allocation of resources through the Medium-Term Expenditure Framework. Climate change is mainstreamed in the NDP II, including NDC priority actions.
- » The National Climate Change Policy (NCCP) (2015) and Costed Implementation Strategy- Provides direction for key sectors that will be affected by the impacts of climate change; facilitates adaptation; and strengthens coordinated efforts amongst sectors toward climate resilient development. It requires mainstreaming climate change into national, local, and sectoral plans and budgets. It also includes a detailed estimate of total costs to implement the policy, delineated by sector, plan, and action.
- » The Green Growth Development Strategy (GGDS) (2015- 2030) and implementation plan — Finalized in August 2017 with support from the United Nations Development Programme (UNDP) and the Global Green Growth Institute (GGGI), aligns with the Uganda Vision 2040 and foresees economic development and socio-economic transformation, premised on principles of a green economy such as equity, environmental sustainability, resource efficiency, and climate change adaptation and mitigation.

³ <http://www.worldbank.org/en/country/uganda/overview>



- » The Climate Change Bill (in development)
 - Being prepared for submission and consideration by Cabinet and Parliament.

Once passed into law, it will guide and regulate implementation of the NCCP, the NDC, and other climate change policies.

At the sectoral level, efforts are still underway to ensure climate change is mainstreamed into governmental policies and institutional frameworks through sectoral policies.⁵ Some of these sectoral policies were developed before climate change became a high-level policy and development priority, and although they align with the NDP II, they have not been systematically aligned with the country's NDC and climate change objectives. Local level policies also include District Development Plans (DDPs) that are aligned with NDP II and reflect the priorities of each of the 135 districts and local governments in Uganda. The DDPs provide the main entry point for climate change priorities, particularly the integration of the NDC into local government decision-making systems.

As the country moves toward activating these policies, it is in the process of (a) establishing institutional frameworks that will disseminate action across levels of government; (b) coordinating relevant actors (including those outside the government, such as the private sector, multilateral and bilateral partners, and civil society organizations) to rally behind the country's climate ambitions; (c) identifying and articulating roles and responsibilities for each actor; and (d) establishing monitoring and evaluation (M&E) frameworks for increased accountability and transparent reporting of progress toward future goals.

There is already significant work being done to articulate national objectives on climate change mitigation and adaptation. To respond to climate change impacts, the Government of Uganda has successfully leveraged international support to better understand its risks and vulnerabilities to projected climate change impacts. While more attention has been given to adaptation efforts, there is also work being done to limit increases in greenhouse gas (GHG) emissions as the country prioritizes economic development strategies. This is reflected in the country's NDC commitment to reduce emissions by 22 percent (including land use, land use change, and forestry (LULUCF)) by 2030, and potentially by 30 percent with assistance from the international community.

Uganda's NDC prioritizes adaptation. The country will continue to work on reducing its vulnerabilities and addressing adaptation in agriculture and livestock, forestry, infrastructure (with an emphasis on human settlements, social infrastructure, and transport), water, energy, health, and disaster risk management sectors. Sustainable Land Management (SLM) and Climate Smart Agriculture (CSA) will be scaled up to increase resilience at the grassroots level while fostering gender and social equity.

In addition to policy frameworks, strategic plans, and budgeting processes focused on priority sectors, there are other longer-term ideas being explored for future implementation. Over time, Uganda is pursuing several ambitious projects for climate action implementation. It is very close to finalizing both a GGDS and a Climate Change Bill (still in draft form). Beyond these items, there are other ambitions being considered and analyzed to consider feasibility, general structure, delegates, and partnerships to champion these items. Another initiative currently under consideration is a national budget tagging and tracking system that will allow national budget planners to identify and track expenditures for climate-related projects and identify gaps in funding. Through coordinated efforts with development partners and international communities, the country will be better able to quickly fill funding gaps with a better understanding of project needs and potential sources.

⁵ These policies include National Environmental Management Policy, National Policy for the Conservation and Management of Wetland Resources, National Water Policy, National Forest Policy, National Agricultural Policy, Energy Policy for Uganda, Renewable Energy Policy, Oil and Gas Policy and Transport Policy, and Disaster Preparedness and Management Policy, among others.



STATE OF PLAY

MAINSTREAMING CLIMATE ACTION

Uganda has made considerable progress in developing the policy and institutional frameworks to support national climate change responsiveness. While these institutional frameworks work to build their footing and capacities are being developed to champion planning and implementation, Uganda is steadily marching toward embedding national budgeting and finance decisions into climate and NDC implementation measures. There are also efforts in place to develop indicators and M&E systems to track progress toward mainstreaming climate change throughout government systems and the implementation of the National Climate Change Policy (NCCP).

The Climate Change Department (CCD), within the Ministry of Water and Environment (MWE), is responsible for overall coordination of all climate change work in-country, including guiding implementation of the NCCP and the NDC. The CCD Commissioner serves as the National Focal Point for the United Nations Framework Convention on Climate Change (UNFCCC), responsible for climate change reporting to the Government of Uganda and the UNFCCC. The CCD is also responsible for sharing climate change information; providing policy and strategic guidance on climate response; supporting communication and outreach on climate change; and ensuring the integration of climate change concerns into overall national, sectoral, and local planning processes. The National Planning Authority (NPA) plays a complementary coordination role in the overall integration of climate change actions into national, sectoral, and sub-national plans.

There are three governance mechanisms to ensure inter-ministerial and cross-sector coordination:

- » Established under the National Environmental Policy, the National Climate Change Policy Committee (also known as the Policy Committee on Environment) provides guidance on implementing the NCCP and reports on resource use and needs for policy implementation. The Committee, chaired by the Prime Minister, brings together Ministers across multiple sectors, including local government; gender, labor, and social development; finance and planning for economic development; agriculture, animal industry, and fisheries; water and environment; energy and mineral development; and lands, housing, and urban development.
- » The National Climate Change Advisory Committee provides technical input to the National Climate Change Policy Committee. The committee is chaired by the Minister for Water and Environment and brings together technical representatives of government departments along with representatives from private-sector companies, civil society, academia, and district authorities.
- » The CCD and the National Planning Authority also established the National Projects Development Coordination Committee, an inter-ministerial multi-sectoral committee with outside representation from the private sector and civil society, to develop bankable projects in line with the Paris Agreement.

At the local government level, the District Natural Resources Officer (the district focal point on climate change) supports the integration of climate change policies into District Development Plans and budgets. These officers sit on the district technical planning committee, as well as the district risk reduction and management committees (DDMC) and the environment committees. These committees are critical for planning local government participation in NDC implementation.

⁸ <http://blogs.worldbank.org/climatechange/new-climate-finance-model-morocco-rewards-low-carbon-policies>



As these actors are mobilizing to carry forward climate and NDC actions, the MWE and the Ministry of Finance, Planning and Economic Development (MoFPED) are working to ensure that climate change is mainstreamed into budgeting and national finance decisions. Recently, MoFPED began requiring that climate change considerations be incorporated in national budgeting decisions. During the 2016/17 Budget Call Circular, MoFPED required that all ministries submit Budget Framework Papers (BFP) for 2017/18 only after adequately budgeting for climate action within their annual budget requests. To do so, they must demonstrate to the MWE evidence of climate change considerations within their BFPs. This mandate to mainstream climate change in the national budgeting process advances climate action in several key ways:

- » Provides a process of ensuring that climate change activities get resources needed for implementation;
- » Sends a strong signal that the national government is committed to investing in smart climate and green economic development priorities; and
- » Allows budget officials to track resources and identify gaps in funding needs for climate action.

Uganda is also making headway in developing M&E systems to track progress of climate actions. Through the Output Budget Tool of the Results-based Tool, the CCD, in partnership with the Africa Climate Change Resilience Alliance (ACCRA), developed 51 national indicators for climate change, informed through consultation with ministries, departments, agencies, local governments, districts, and Civil Society Organizations (CSOs). These indicators advance climate action in several crucial ways by:

- » Tracking climate action and mainstreaming into local government plans and budgets;
- » Providing a mechanism to integrate and track climate action in national development plans,
- » local government development plans, and sector plans; and
- » Creating a performance assessment system for the implementation of the NCCP.

The country is also in the process of developing sectoral strategic investment plans. Ongoing support will be needed to ensure that sector investment plans are well-aligned with the country's NDC goals and targets.

NDC PARTNERSHIP ENGAGEMENT

COORDINATING, CAPACITY BUILDING, AND COMMUNICATION FOR SUCCESS

Uganda is effectively engaged with the international community to carry forward NDC implementation and climate change work collaboratively. Uganda joined the NDC Partnership during the United Nations Climate Change Conference in 2016 (COP22). Since then, they have actively engaged with the NDC Partnership to identify areas of intervention, challenges, and opportunities facing NDC implementation. In June 2017, the NDC Partnership and implementing partners facilitated the "Strategic Dialogue on Achieving Uganda's Climate Goals," to identify pathways forward for NDC implementation and corresponding Sector Strategic Investment Plans that connect financing with action plans to get projects off the ground. In August 2017, a follow-up mission was organized to build off previous conversations and prioritize initial support activities from the NDC Partnership to Uganda on NDC implementation.

⁹ <http://www.greenclimate.fund/-/development-of-argan-orchards-in-degraded-environment-dared>



Some work between development partners is already organized by sector. Toward energy targets and actions, the German Federal Enterprise for International Cooperation (GIZ) is already providing technical assistance to Uganda in developing new renewable projects and policies. They are well positioned to assist in the development of an energy sector strategic investment plan. The World Bank, in collaboration with Denmark (through the Danish International Development Agency (DANIDA)), has a local presence within the infrastructure sector and could provide technical assistance in development of a water sector strategic investment plan. The World Resources Institute (WRI) has done extensive research to uncover linkages between SDGs and NDCs. As a member of the NDC Partnership, they have the opportunity to provide assistance in ensuring that these international sustainable development and climate targets are reflected in national and sub-national performance indicators.

Other members within the NDC Partnership also have a strong local presence in Uganda on climate planning activities. Since the CCD was established, UNDP, through the Low Emissions Capacity Building (LECB) project, has built institutional and technical capacity in key sectors; supported the development of the GHG inventory unit and the national GHG inventory system; supported the development of the GGDS; and designed several Nationally Appropriate Mitigation Actions (NAMAs) through highly consultative stakeholder engagement processes. Finance has been accessed to implement two NAMAs, including a project on wastewater treatment with funding from the Global Environment Facility (GEF) and a project to support greening public schools with funding from the NAMA Facility.

In its planned support to Uganda on NDC-related activity, UNDP will focus on implementation of mitigation actions, strengthen the national GHG inventory system and create systems for gender responsive NDC implementation. Toward supporting adaptation initiatives, UNDP has also recently provided support for developing a proposal to the GCF for the “Building Resilient Communities, Wetland Ecosystems and Associated Catchments in Uganda” project. The project, which was awarded USD 24 million from the GCF, with USD 2 million from UNDP and USD 18 million from Uganda in co-financing, aims to restore wetlands; diversify local livelihoods; and strengthen the resilience of local communities.⁶

Finally, to build information systems on climate change impacts and monitoring systems, Uganda secured USD 4 million from the Least Developed Country Fund, with support from UNDP, to implement the “Strengthen Climate Information and Early Warning Systems in Uganda to Support Climate Resilient Development” project. Aligned with Uganda’s National Adaptation Programme of Action (NAPA), this project will allow Uganda to monitor long-range climate impacts, detect extreme events, and more quickly deliver response mechanisms that protect local people and economies.⁷

Building on the momentum of these existing efforts, there are several ambitious climate projects the Government of Uganda is seeking to move forward now, including:

- » Passage of a Climate Change Bill;
- » Establishment of a climate levy with revenues to be earmarked for financing climate action or the creation of an (autonomous) climate fund, which could receive funds from development partners, the private sector, and the government;
- » Development of robust green sectoral investment plans; and
- » Development of an expenditure tracking system to monitor resource allocation and use for climate action and NDC measures.

⁶ <http://www.greenclimate.fund/-/building-resilient-communities-wetlands-ecosystems-and-associated-catchments-in-uganda>
⁷ <http://adaptation-undp.org/projects/ldcf-ews-uganda>



Some groundwork has already been laid for these projects and some are in advanced stages (including the Climate Change Bill). Ongoing support, that can be provided through the NDC Partnership, will be needed to ensure that each project is funded, implemented, and monitored toward its intended objective.

OPPORTUNITIES FOR PARTNERSHIP

EXPAND THE TEAM TO SUPPORT CAPACITY BUILDING AND TECHNICAL ASSISTANCE

Uganda's main challenge is how to move from policies and plans to action. Given current institutional structures, capacity needs, ambitions for budgeting and finance structures, and M&E obligations, there are several key areas of intervention where the NDC Partnership can offer assistance by:

- » Providing technical assistance to MoFPED in tracking national climate change finance inflows and expenditures and strengthening its capacity in assuming its role as a National Designated Agency for the Green Climate Fund.
- » Supporting capacity building in sectors to develop Sector Development Plans (SDPs) that integrate NDC and SDG objectives and actions where appropriate.
- » Providing technical assistance on screening the compatibility between sectoral strategies and NDC and SDG objectives and actions.
- » Supporting the CCD, MWE, and NPA in building capacity within sectors with regard to climate change planning, tracking, and development of bankable climate change project proposals aligned to national goals and guidelines of targeted financing windows.
- » Supporting the NPA and the CCD in undertaking climate change and NDC awareness campaigns, and disseminating relevant documents in sectors and local governments.
- » Supporting the development and implementation of a robust GHG Inventory system and MRV framework that can be applied across key sectors as well as provide tools to support both frameworks.
- » Undertaking mitigation potential assessments across all sectors and supporting the selection, through a cost benefit analysis, design, and implementation of key mitigation actions and adaptation measures.
- » Supporting the CCD and the MWE to strengthen the capacity of climate change officials in national and sub-national levels in developing mitigation tools, collecting data, and reporting on mitigation and adaptation actions.

When climate action ambitions are as extensive and integrated as they are in Uganda, it's an "all-hands on deck" approach, requiring deep coordination across sectors, ministries, and the development partner community. The country is actively engaging with and accepting technical advice and guidance from external partners to push forward very progressive and forward-thinking policies and projects. As it does, Uganda will need to align these efforts with the work already being done by existing partners and complementary projects currently underway and planned by other development partners. Additionally, harmonization could be strengthened amongst the government's coordination mechanisms, specifically the National Climate Change Policy Committee, the National Climate Change Advisory Committee, and the National Projects Development Coordination Committee, by identifying and defining the roles and responsibilities of each committee. With stronger coordination, these groups have the power to more efficiently develop and implement Uganda's climate policies and programs. The NDC Partnership has an



opportunity to assist Uganda in coordinating development partners' efforts and funding programs toward the country's climate ambitions. This will require discussion and agreement on separate, but corresponding, tasks.

As the country is moving quickly through policy into budgeting, it is also considering M&E systems to ensure that projects are working toward future goals and adjusting course where necessary or when opportunities for more efficient implementation arise. While work has been completed to develop and integrate climate change indicators for local planning and budgeting needs, there are other data and information systems needed for Uganda's suite of climate programs. Some of these needs include:

- » An analysis of the NDC to establish baselines and costed implementation strategies (mirrored to the NCCP Cost Implementation Strategy);
- » An improved data collection system, linked with the National Statistics Office; and
- » Establishment of a robust MRV system that can be equally applied to goals and targets within the SDGs, NAP, NDCs, GGDS, NCCP, and NDP II, as well as across sub-levels of government.

Additionally, there are extensive policy frameworks in Uganda that set the stage for climate change planning and implementation. There are also identified focal points to lead and deliver on climate change action. While these actors are in various stages of developing capacities and project efforts, there is a need to build capacity and re-activate various committees to advise on climate action priorities and implementation of the NDC. There is also a need to ensure that the various policies in effect are aligned with each other so that efforts to implement any one of them are not redundant. This is especially true of the SDGs, NAP, NDCs, and GGDS, where effects are economy-wide and have large implication across sectors and ministries. As this work gets underway, the NDC Partnership members are already planning and implementing several projects that are working toward the country's NDC goals.

Throughout the process of developing policy frameworks, establishing budgeting and finance structures, and ensuring complementary and well-aligned M&E systems, there will always be a need to improve communication of climate information and policies with relevant stakeholders. Climate planners and policymakers must identify better ways of sharing climate data and information, policies and plans, and national objectives with all stakeholders, including the public and vulnerable communities; national and sub-national policymakers; the private sector; and civil society organizations. Two-way knowledge exchange is necessary; Uganda is responsible for learning from other countries and sharing its experiences with peers across borders.

SOUTH-SOUTH EXCHANGE: TRADING EXPERIENCES ON CLIMATE MAINSTREAMING

As countries across the world start to implement NDCs and explore pathways toward achieving the goals expressed therein, Uganda, like all countries, can learn from other country experiences through south-south dialogues, best practice models, and processes by which other countries planned, financed, and implemented large investment projects that achieve national adaptation and mitigation goals.

While exploring the potential for a national climate fund and strengthening its existing environment fund, Uganda can draw from the Rwandan experience of establishing the Rwanda Green Fund⁸, largely seen as a successful model of consolidating domestic and international financing to manage an in-country climate grant fund, supporting private, public, and civil society-led projects that contribute to national economic development and climate change goals.



Uganda also has much to share through south-south dialogues with other countries with similar development challenges and ambitions, especially when it comes to M&E systems. As other countries embark on implementing projects and tracking progress toward targets, they have much to learn from Uganda's efforts to mainstream climate action into planning and budgeting decisions.

These are but some of the engagements in process that aim to assist Uganda in carrying forward its climate ambitions. The NDC Partnership can assist Uganda with ensuring these activities are well coordinated and work toward achieving overarching NDC goals.

NDC Country Outlook

UGANDA

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The NDC Partnership is guided by its partners and assisted by a Support Unit hosted by the World Resources Institute (WRI). The Partnership is co-chaired by the Governments of Germany and Morocco.

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