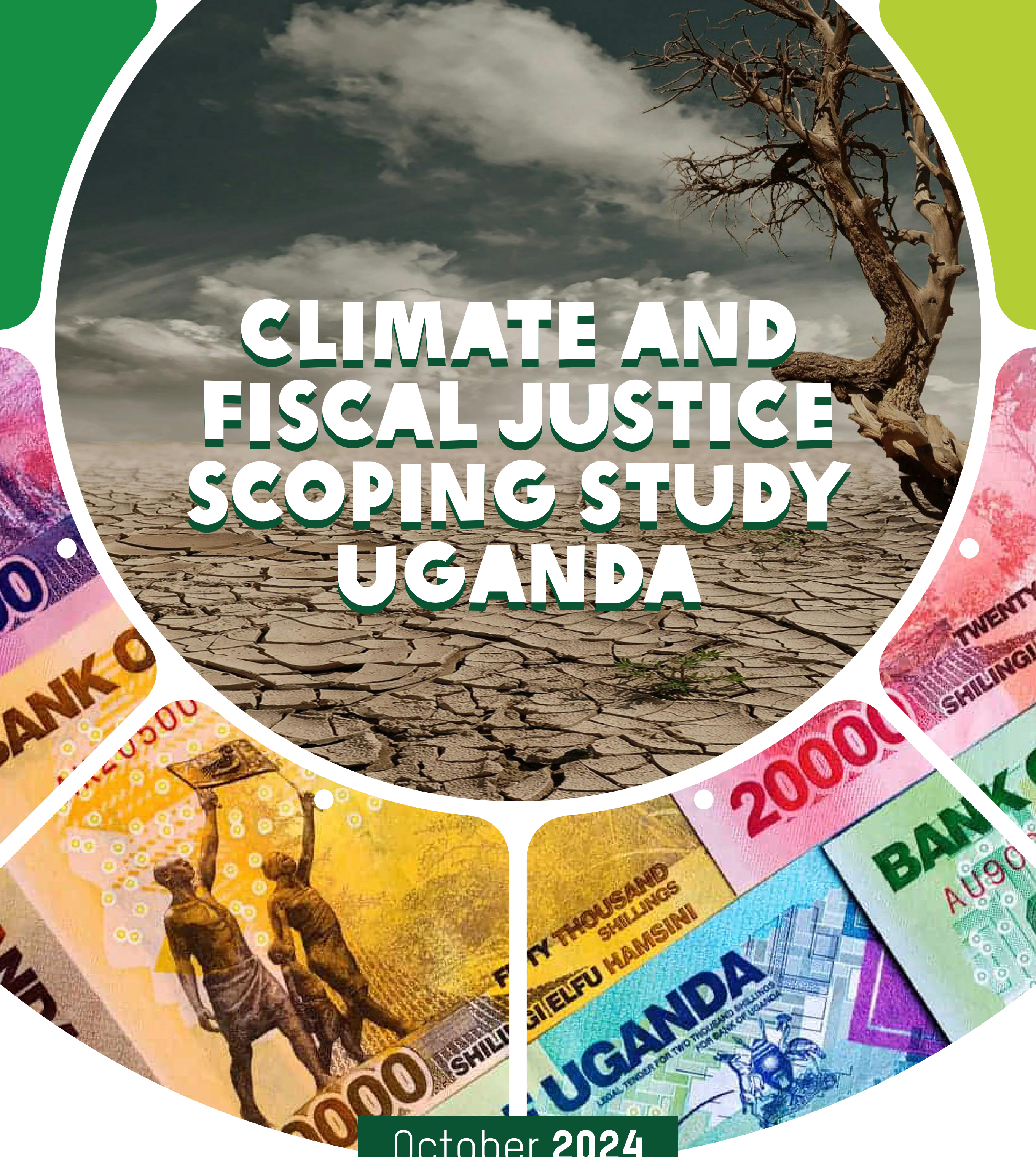


CLIMATE AND FISCAL JUSTICE SCOPING STUDY UGANDA

October **2024**

ACODE

Ministry of Foreign Affairs of the Netherlands

OXFAM

CLIMATE AND FISCAL JUSTICE SCOPING STUDY

UGANDA

October **2024**

FOREWORD BY FRANCIS SHANTY ODOKORACH

FRANCIS SHANTY ODOKORACH

Like elsewhere in the world, Uganda continues to face the multifaceted challenge of climate change. The impacts of climate change are far-reaching. Communities in many parts of Uganda, such as the Mount Elgon region, are already vulnerable and are grappling with socioeconomic losses due to climate change.

The Government of Uganda and many organizations are increasingly spending more on disaster risk reduction and adaptation, as much as response. However, there is still a lot more that needs to be done by the government to avert a future of floods, droughts and other adverse impacts of climate change in our communities that drive people further into poverty.

This Climate and Fiscal Justice Scoping Study provides a comprehensive analysis of the climate change challenge facing Uganda through a fiscal justice lens. It analyses the magnitude of the climate change threat, and how fiscal justice instruments can be leveraged for effective response. Financing being one of the instruments, this report focuses on the sources of financing for climate change-related interventions in Uganda.

The interventions fit directly into the country's planning processes, including the Third National Development Plan, FY 2020/21–2024/25, which is mindful of the effects of climate change on development and the need to address it. The report further breaks down interventions in the national budget over a period of six years, clearly highlighting financing efforts and the gaps therein.

These are exceptionally important as the country seeks resources to address the adverse effects of climate change, channelled towards mitigation and adaptation. The report analyses allocations of climate financing at the national level and to selected local governments. This is key as local governments are the level closest to the communities most vulnerable to climate change.

The report provides an overview of climate financing in Uganda, then explores the social and financial accountability of climate finance at national and local government levels; national and local climate budget monitoring and advocacy strategies; and key lessons and opportunities for influencing equitable climate finance flows; before concluding with recommendations for improving climate and fiscal justice at the national level, as presented in the respective sectors.

As Oxfam, we hope to engage with the different stakeholders mentioned in the report and encourage them to take a keen interest in addressing the issues raised and identifying steps to address the recommendations it makes. It is my hope that this report will foster constructive dialogue and raise awareness on the need to address climate-related challenges in a transparent and accountable way for the country's development.

I would like to end by expressing my appreciation for all the key stakeholders acknowledged in this report. Thank you for your immeasurable contribution to generating this knowledge, a key tool for influencing. Lastly, I would like to express my appreciation to the Dutch Government for continuing to invest in Oxfam and the country at large to fight inequality and injustice.

FRANCIS SHANTY ODOKORACH

Country Director

Oxfam in Uganda

FOREWORD BY ALFRED OKOT OKIDI

ALFRED OKOT OKIDI

Permanent Secretary, Ministry of Water and Environment

It is a pleasure to engage, share and compare notes on thematic areas that affect the environment for the country's development through the Ministry of Water and Environment.

First of all, I am delighted to note that despite the challenges of climate change and the adverse effects it has, Uganda has made strides to contribute to its mitigation and adaptation through fiscal justice. This report makes an exceptional effort to understand the financing dynamics of climate interventions both domestically and externally through loans and grants, at both the national and local government levels. We extend our gratitude to Oxfam for the interest and efforts taken in understanding these financing dynamics for mitigation and adaptation in climate-related interventions in the country, and the contributions of each stakeholder.

At the Ministry of Water and Environment, we have openly engaged with different stakeholders in addressing climate change with an open and holistic approach. We pledge to continue working with the different actors – civil society, private sector and fellow government entities – to enhance inclusive and efficient solutions to climate change for socioeconomic transformation.

We pledge to work with the different actors to address the recommendations set out in this report. I further call on other relevant stakeholders to read and utilize this resourceful study, which puts forward practical recommendations to address the challenges of climate change in Uganda. I implore you all to make a difference through management of waste, biodiversity conservation and replenishment of the environment for faster and more sustainable response to climate change.

I hope you enjoy reading the report.

ACKNOWLEDGEMENTS

Oxfam in Uganda would like to thank the Dutch Ministry of Foreign Affairs for its support, which enabled the development of this report under the FAIR for ALL Programme.

This is report the result of the hard work of the Advocates Coalition for Development and Environment (ACODE), who undertook the study in the capacity of a consultant; in particular, we recognize the contributions made by Onesmus Mugyenyi and Jonas Mbabazi. The knowledge and passion put into the development of the report cannot be underestimated. We would like to acknowledge the research done by Hans Peter Dejgaard and Tallulah Cherry at INKA Consult, which is included in the report. At the national level, we extend our gratitude to the Ministry of Finance, Planning and Economic Development and the Ministry of Water and Environment. Special thanks are extended to Kasese, Nebbi, Nwoya and Zombo district local governments for their significant contributions made to the report as respondents.

We also acknowledge the contribution of fellow civil society respondents from Tree Talk Plus, Environmental Management for Livelihood Improvement (EMLI), African Centre for Trade and Development (ACTADE), Environmental Alert, Civil Society Budget Advocacy Group (CSBAG), Makerere University, Civil Society Coalition on Oil and Gas (CSCO), International Union for Conservation of Nature (IUCN), Climate Action Network Uganda (CAN-U), Southern and Eastern Africa Trade Information and Negotiations Institute (SEATINI) Uganda and Uganda Coalition for Sustainable Development (UCSD).

The contribution of the Oxfam team that took centre stage in coordinating this study is also appreciated: Jackson Muhindo, Judith van Neck, Bertram Zagema, Madelon Meijer, Dorah Ntunga and Sophie Nampewo Njuba.

TABLE OF CONTENTS

Ministry of Foreign Affairs of the Netherlands

OXFAM

LIST OF FIGURES

LIST OF TABLES

ACODE Ministry of Foreign Affairs of the Netherlands OXFAM

ACRONYMS AND ABBREVIATIONS

ACODE	Advocates Coalition for Development and Environment
AF	Adaptation Fund
AFDB	African Development Bank
BTI	Budget Transparency Initiative
CAN-U	Climate Action Network Uganda
CFU	Climate Finance Unit
CIF	Climate Investment Funds
COP	Conference of Parties
CRS	Creditor Reporting System
CSBAG	Civil Society Budget Advocacy Group
CSO	Civil society organization
DCF	Decentralized Climate Finance
DRR	Disaster risk reduction
EAC	East African Community
GCF	Green Climate Fund
GDP	Gross domestic product
GEF	Global Environment Facility
GHG	Greenhouse gas
IPCC	Intergovernmental Panel on Climate Change
LDCS	Least Developed Countries
LIFE-AR	Least Developed Countries Initiative for Effective Adaptation and Resilience
LOCAL	Local Climate Adaptive Living Facility
MDAS	Ministries, departments and agencies
MDB	Multilateral development bank
MEL	Monitoring, evaluation and learning
MOFPED	Ministry of Finance, Planning and Economic Development
MOLG	Ministry of Local Government
NBFP	National Budget Framework Paper
NCCA	National Climate Change Act

NCCP	National Climate Change Policy
NDA	National Designated Authority
NDC	Nationally Determined Contribution
NDP	National Development Plan
OECD	Organisation for Economic Co-operation and Development
SDGS	Sustainable Development Goals
UNFCCC	United Nations Framework Convention on Climate Change
AFD	Agence Française de Développement

EXECUTIVE SUMMARY

This report looks at the climate change challenge facing Uganda using a lens of fiscal justice, and analyses the magnitude of the threat and how fiscal and justice instruments can be leveraged for effective response. Uganda is projected to see droughts of heightened frequency, intensity and duration by 2030, which will severely affect productivity in growing areas for temperature-sensitive crops such as coffee and tea. Uganda is ranked 12th most vulnerable to climate change out of 192 countries and is also one of the least prepared, ranking 163rd out of 192 countries in terms of readiness to deal with the climate crisis.[1]

The severe threat posed by climate change and the accompanying loss and damage it brings put issues of climate fiscal justice under scrutiny. Specifically, there is uncertainty around the adequacy of public finance management systems to respond to climate change in terms of equity-responsive budgetary allocation and tracking of climate finance. Equally important is whether richer countries are honouring their legal obligations in channelling climate finance to low-income countries in line with Article 9 of the Paris Agreement. It is evident that the current scale of financing falls short of the challenges at hand and requires urgent intervention to support low-income countries that are already grappling with the dire effects of climate change.

This contrast between the climate change threat and the inadequacy of the response in terms of fiscal justice measures calls for an in-depth analysis to ascertain the magnitude of the challenge and to put forward appropriate recommendations that will help to foster climate change-responsive fiscal justice systems. Specifically, this study seeks to:

- **Review the current state of play regarding climate action planning and budgeting in Uganda;**
- **Elaborate approaches and tools to support citizen-led local and national climate change budget monitoring and advocacy work;**
- **Identify and explain opportunities for influencing climate finance flows; and**
- **Propose recommendations for building inclusive climate change-responsive fiscal justice systems.**

1 https://www.iied.org/sites/default/files/pdfs/2023-11/22091g.pdf

Additionally, the study is guided by terms of reference that highlight concerns around climate fiscal justice, with a greater focus on adaptation than on mitigation. This Uganda study is the first of its kind and is intended not only to guide national actors but also to complement similar studies to be undertaken in Nigeria and Vietnam. A synthesis report of these studies will be elaborated in due course.

The scoping study involved a blend of quantitative and qualitative analysis using secondary data drawn from a literature review and primary data collected by stakeholder engagement through purposive sampling. Specifically, the methodology entailed a review of literature, key informant interviews with representatives from central and local governments, analysis of the OECD's Creditor Reporting System (CRS), consultative meetings with targeted interest groups and consultations and validation with the Oxfam Country Office in Uganda.

The report is structured in six chapters: (1) an introduction; (2) an overview of climate financing in Uganda; (3) social and financial accountability of climate finance at national and local government levels; (4) national and local climate budget monitoring and advocacy strategies; (5) key lessons and opportunities for influencing equitable climate finance flows; and (6) recommendations for improving climate and fiscal justice at the national level.

1 OVERVIEW OF CLIMATE FINANCE IN UGANDA

The concept of climate finance is still in its nascent stages in Uganda, with existing policy and institutional frameworks having been established less than a decade ago. This means that climate finance tracking and accountability are also still evolving, with a number of tools being tested by both state and non-state actors. There is no globally accepted definition of climate finance, though the United Nations Framework Convention on Climate Change (UNFCCC) defines it as 'local, national or transnational financing – drawn from public, private and alternative sources of financing – that seeks to support mitigation and adaptation actions that will address climate change'.1 However, the absence of a globally endorsed definition continues to obstruct effective access to climate finance from global finance windows by low-income countries such as Uganda.

Climate change and climate finance are global phenomena with local impacts, which implies that policy, planning and legal landscapes are shaped globally before cascading to the national level. The global climate finance architecture comprises several funding mechanisms that support the implementation of climate change adaptation and mitigation actions. Key among these are the Green Climate Fund (GCF), the Adaptation Fund (AF) and the Global Environment Facility (GEF).

Uganda's climate finance comes from two main sources: the national budget and external international sources, including climate change funds and multilateral development banks (MDBs). However, the country's public financing of climate change is still meagre and is beset by structural challenges that hamper accurate quantification and reporting. The prominent multilateral and international institutions that lead on climate finance in Uganda include the World Bank, the African Development Bank (AfDB) and United Nations agencies. In addition, there are bilateral financing mechanisms based on partnerships between the Government of Uganda and other governments such as those of Germany (through GIZ and KfW), France (through AFD), Japan (through JICA) and the United States (through USAID), among others.

The top 10 bilateral sources of climate finance flowing to Uganda between 2015 and 2021 were Germany, France, the United Kingdom, the United States, Denmark, Japan, Sweden, the Netherlands, Belgium and Norway. Analysis of international climate finance inflows split by ratio of adaptation and mitigation finance for the period 2015–21 indicates a slight bias towards adaptation, with

US$992m committed to adaptation compared with US$708m for mitigation and US$536m for cross-cutting projects.

On average, 30% of climate-marked projects between 2015 and 2021 had a gender equality marker of either 'significant' (1) or 'principal' (2). Of these, 28.3% had a gender marker of 'significant' while 1.8% had a gender marker of 'principal'. This indicates that, in general, gender has been mainstreamed as an important but not a principal objective of climate-related projects in Uganda.

Climate finance flows to the country via three main types of instrument: grants, concessional debt and non-concessional debt. Research by the OECD and INKA Consult indicates that for the period 2015 – 21 around 50% (US$1.125bn) of all climate finance delivered was in the form of grants, compared with 44% (US$984m) through concessional debt instruments and 6% (US$126m) via non-concessional debt instruments. There are also non-classified forms of climate finance such as funding that comes via technical assistance.

A review of climate finance inflows to Uganda's regional peers such as Kenya and Ethiopia indicates that the country still lags behind in attracting adequate funding. This is attributed to capacity gaps such as the preparation of bankable project proposals aligned to different climate finance funding mechanisms. Additionally, comparisons between climate finance inflows reported by global organizations such as the OECD and those reported by the Government of Uganda show big differences. This is partly attributed to a subjective interpretation of what constitutes climate finance, different methodologies and the inadequacy of government systems for tracking and reporting off-budget climate change projects implemented with direct support from development partners and non-state actors.

The 2015 Public Finance Management Act (Amended) gives the mandate for receiving and disbursing any form of finance and external support to the Ministry of Finance, Planning and Economic Development (MoFPED). MoFPED is the national focal institution and National Designated Authority (NDA) for the GCF. It also chairs the NDA Steering Committee, which is comprised of relevant stakeholders in the climate change space. Meanwhile, the Ministry of Water and Environment is the accredited agency for the Adaptation Fund and a key partner in all projects prepared for AF support. An equally important framework is the National Climate Change Act (2021), which confers the obligation of mobilizing climate finance on the ministers responsible for Finance and for Water and Environment.

2 CLIMATE FINANCE ACCOUNTABILITY: SOCIAL AND FINANCIAL ACCOUNTABILITY OF CLIMATE FINANCE AT NATIONAL AND LOCAL LEVELS IN UGANDA

The criteria for receiving international climate finance in Uganda are laid out by MoFPED. This involves three steps: (i) inception meetings between climate finance sources and the Government of Uganda; (ii) formalization of partnerships through letters requesting support; and (iii) signing of memorandum of understanding and agreements.

While there are still challenges around the actual tracking of climate finance flows in Uganda, there are also frameworks that are used to audit, monitor and report on public expenditure, including climate change-related expenditure. Several policy and planning frameworks exist at the national level that demonstrate government commitment to climate action. These policies and plans contain costed interventions and policy commitments that illuminate climate finance needs. They include the National Climate Change Policy (NCCP, 2015); the updated Nationally Determined Contribution (NDC, 2022–30); the National Development Plan III (NDPIII, 2020/21–24/25), specifically under the Natural Resources, Environment, Climate Change, Land and Water Management Programme; and the National Climate Change Act (2021).

Uganda's updated NDC embodies enhanced ambition in its targets for combating climate change. While the first NDC targeted a reduction in greenhouse gas (GHG) emissions of 22% by 2030, the updated NDC targets a 24.7% reduction over the same timeframe.2 The updated NDC also contains 48 climate change adaptation interventions across sectors (agriculture, forestry, water, infrastructure, energy, risk management, manufacturing, industry, cities, built environment and disaster risk reduction, among others). It is estimated that it will cost US$28.1bn over five years. Uganda has committed to mobilize domestic resources to the tune of US$4.1bn (unconditional interventions) to cover an estimated 15% of the total cost, while the remainder of US$24bn (85%) will be sought from intervention sources in line with Article 9 of the Paris Agreement. This implies that achievement of the NDC targets is dependent on compliance with climate justice principles by higher-income countries honoring their pledges.

As already noted, Uganda still lacks functional stand-alone social and financial accountability frameworks and mechanisms for climate finance. This can be attributed to the still nascent state of policy and strategy response in this area. Nonetheless, it has national frameworks that address public expenditure through a social and financial lens. These include the Certificate of Climate Change Responsive Budgeting; the National Certificate of Compliance of the National Budget to the NDP; the Quarterly Budget Monitoring and Accountability Reports; the National Budget Framework Papers; and the Local Government Performance Assessment Manual. However, there is no fully-fledged framework or policy that provides for equitable distribution of climate finance.

At the local government level, the Intergovernmental Fiscal Transfers Reform Program (2021) seeks not only to ensure equity across local governments but also equity within them. Indeed, fiscal equity is embodied in conditional sector grants and the Discretionary Development Equalization Grant, whose performance indicators include adequacy and equity. The downside of the conditional grant for the water and environment sector is that it is largely directed towards water, sanitation and hygiene, with minimal or no resources allocated to environment and climate change.

Currently, there is no functional system or framework designated for tracking and tagging domestic climate finance. Tracking of climate finance is undertaken as part of mainstream annual budget tracking, which does not have the level of detail required to accurately track climate finance. However, MoFPED is currently developing a Climate Change Budget Tagging Tool in partnership with the World Bank.

One of the challenges involved in monitoring climate finance is the fact that it is integrated into wider sector budgets such as energy, transport, urbanization, agriculture, and water and environment. This is usually exacerbated by the absence of climate change codes within the budget system to enable tracking and reporting of climate finance-related expenditures. This implies that influencing and monitoring of climate finance expenditure must follow the mainstream budgeting cycle, though with a climate finance lens. The 2015 Public Finance Management Act (Amended) sets out milestones that underpin the budgeting cycle, and these can be leveraged to influence and monitor climate finance expenditure. They include budget preparation, budget approval, budget implementation, budget monitoring and accountability reporting.

Uganda is in the early stages of implementing a decentralized climate finance mechanism. The current Intergovernmental Fiscal Transfers Reform Program outlines processes and procedures for decentralizing the overall budget to local governments through conditional and unconditional grants. In its current

ACODE Ministry of Foreign Affairs of the Netherlands OXFAM

form, climate finance constitutes a minuscule part of this decentralized finance architecture. There are ongoing partnerships between the government (particularly the Ministry of Water and Environment and MoFPED) and development partners to develop a functional decentralized climate finance mechanism aimed at enhancing flows to local governments, who are on the front line of climate change. These include the Local Climate Adaptive Living Facility (LoCAL) and the Least Developed Countries Initiative for Effective Adaptation and Resilience (LIFE-AR).

The Local mechanism, collaboratively implemented by the Government of Uganda and the UN Capital Development Fund, is a decentralized national mechanism for financing locally led climate change adaptation, to empower and enable districts and communities to contribute to combating the adverse effects of climate change. The LIFE-AR initiative is a mechanism established to support least developed countries in achieving the LDC 2050 Vision.3 It seeks to address structural challenges that have rendered the current climate finance landscape ineffective for LDCs, who are facing the biggest impacts of climate change.

3 NATIONAL AND LOCAL CLIMATE BUDGET MONITORING AND ADVOCACY STRATEGIES

Ensuring national and local climate budget monitoring requires inclusive participation at all stages of the budget cycle, starting with budget preparation. This includes participatory budgeting and involves a number of tools and approaches used by local civil society to track climate finance accountability. These include the production of Shadow Reports/Citizens Alternative Budgets; strategic partnerships with government; proactive participation in the budget cycle; periodic civil society-led budget performance monitoring follow-ups; and alignment of civic interventions with government systems and processes.

Existing tools and approaches for climate and fiscal justice are not without challenges; for example:

- **They are still highly concentrated at the central/national level.**
- **They are mostly oriented to the budget planning and preparation segment of the budget cycle.**
- **They are skewed to tracking the quantity of climate finance rather than its quality.**
- **There is irregular deployment of tracking tools, with demand driven by funders.**
- **There is a low level of dissemination of report findings.**

4 CLIMATE FINANCE ADMINISTRATION AND GOVERNANCE: LESSONS AND OPPORTUNITIES FOR INFLUENCING EQUITABLE CLIMATE FINANCE FLOWS

The decision taken at COP26 in 2021 to double adaptation finance provides a significant opportunity for a rapid increase in locally led adaptation finance to Uganda. Experience has already been gained from LIFE-AR and LoCAL in decentralizing climate finance for locally led adaptation projects. There are further learning opportunities to be gained from the Financing Locally-Led Climate Action Program (FLLoCA) in Kenya, which covers all 47 counties of the country and establishes the first national-scale model of devolved climate finance. This study suggests that a task force should be established with relevant civil society organization (CSO) networks working on climate change, relevant ministries, and staff from LoCAL and LIFE-AR to gather key learnings from these programmes, as well as from FLLoCA in Kenya.

A number of transparency and accountability approaches have been developed by state and non-state actors over the years that can be leveraged to support advocacy on climate programming, budgeting and tracking. These include the Certificate of Compliance of the Annual Budget to the NDP and the Certificate of Climate Change Responsive Budgeting (mentioned above); the Budget Transparency and Accountability Initiative; and the Citizens Budget Report.

It is imperative to ensure that climate finance does not compound existing inequalities by facilitating the implementation of projects that combat climate change but perpetuate existing gender and income inequalities. There are some low-hanging fruits in the form of forthcoming government-led flagship processes and documents that civil society can influence to ensure that their conceptualization and goals are weighted towards social inclusiveness and equity targets and indicators. These include the following:

- **Participation in the planning cycle and formulation of the Fourth National Development Plan (2025/26–2029/30);**
- **Maximizing participation in the formulation of the National Climate Finance Strategy;**
- **Establishing strategic partnerships with the Climate Finance Unit within MoFPED and other stakeholders;**
- **Advocating for the development of regulations for the National Climate Change Act.**

5 RECOMMENDATIONS

Based on the review and analysis of climate finance expenditure tracking, accountability and reporting, the following recommendations are suggested.

- **Widen the focus of advocacy and monitoring beyond budgetary allocations to actual releases and disbursements of expenditure.**
- **Civil society should propose and advocate for stringent penalties for government agencies not complying with climate-responsive budgeting.**
- **Fast-track a local definition of climate finance for harmonized reporting and tracking.**
- **Enhance civic participation in budget implementation and monitoring.**
- **Establish independent climate finance accountability and tracking frameworks.**
- **Build the capacity of local governments in climate finance accountability and tracking.**
- **Influence multilateral development banks for results at scale.**
- **Enhance partnerships with bilateral agencies and multilateral development banks to increase adaptation flows for locally led adaptation action.**
- **Ugandan CSO networks should establish a task force with ministries for speeding up locally led adaptation finance.**
- **Develop a CSO-based locally led adaptation action and finance framework to track adaptation finance flows and progress towards resilience-building.**
- **Integrate climate change into local government performance assessment frameworks.**

1.0 INTRODUCTION

This report presents the climate change challenges facing Uganda through a fiscal justice lens in order to analyse the magnitude of the climate change threat and how fiscal and justice instruments can be leveraged for effective response. The Sixth Assessment Report by the Intergovernmental Panel on Climate Change (IPCC AR6)[4] confirms that the effects of climate change are manifesting themselves more rapidly than projected, which heightens the urgency to act. Specifically, Uganda is projected to register heightened frequency, intensity and duration of drought by 2030, which will severely affect the productivity of growing areas across the country for temperature-sensitive crops such as coffee and tea. Uganda is ranked 12th most vulnerable to climate change out of 192 countries and is also one of the least prepared, ranking at 163rd out of 192 countries in terms of readiness to deal with the climate crisis.[5]

The frequency and severity of extreme weather events experienced attest to Uganda's high degree of vulnerability to climate change. For instance, within a span of just two months (April–May 2023), the country suffered three significant climate change-induced disasters which involved colossal economic and infrastructural losses, as well as loss of life. Torrential rains destroyed the River Katonga Bridge, cutting off the southwestern part of the country; mudslides in the Rwenzori region resulted in the loss of 18 lives; and there were also landslides in Bulambuli district, with the loss of seven lives. The fact that Uganda is in Africa, which accounts for only 4% of global greenhouse gas (GHG) emissions yet disproportionately faces the challenges of climate change,[6] brings issues of climate and fiscal justice to the fore.

1.1 CONTRAST BETWEEN CLIMATE CHANGE THREAT AND RESPONSE

The stark threat posed by climate change and the losses and damages that accompany it put issues of climate fiscal justice under scrutiny. There is uncertainty around the adequacy of public finance management systems to respond to climate change in terms of equity-responsive budgetary allocation and tracking of climate finance. Equally important is whether richer countries are honouring their legal obligations to send climate finance to lower-income countries in line with Article 9 of the Paris Agreement. It is evident that the current scale of financing falls short of the challenge at hand and that urgent intervention is required to assist low-income countries that are already grappling with the dire effects of climate change.

1.2 RATIONALE AND TERMS OF REFERENCE

The contrast between the climate change threat and the currently inadequate response in terms of fiscal justice measures calls for an in-depth analysis to ascertain the magnitude of the challenge at hand and to put forward appropriate recommendations that will support the development of climate change-responsive fiscal justice systems. Specifically, this study seeks to:

- **Review the current state of play regarding climate action planning and budgeting in Uganda;**
- **Elaborate approaches and tools to support citizen-led local and national climate change budget monitoring and advocacy work;**
- **Identify and explain opportunities for influencing climate finance flows; and**
- **Propose recommendations for building inclusive climate change-responsive fiscal justice systems.**

Additionally, the study is guided by terms of reference that asked a number of questions about concerns around climate fiscal justice, with a greater focus on adaptation than on mitigation. This Uganda study is the first of its kind and is intended not only to guide national actors but also to complement similar studies that will be undertaken in Nigeria and Vietnam. A synthesis report of the studies will be elaborated in due course.

1.3 METHODOLOGY AND APPROACH

The scoping study involved a blend of quantitative and qualitative analysis, using secondary data drawn from a literature review and primary data collected from stakeholder engagement through purposive sampling. Specifically, the methodology entailed the following:

- **Literature review:** The ACODE research team reviewed various government policy documents on climate change and climate financing. These included policies, laws and budget framework papers for ministries, departments and agencies (MDAs) and for local governments.

- **Key informant interviews:** The study included key informant interviews with respondents from central and local governments. Central government respondents were drawn from the Ministry of Water and Environment; the Ministry of Energy and Mineral Development; the Ministry of Finance, Planning and Economic Development (MoFPED); the National Planning Authority (NPA); and the National Environment Management Authority (NEMA). Local government respondents were drawn from districts where pilot initiatives are being undertaken on decentralized climate financing, such as the Local Climate Adaptive Living (LoCAL) facility. The districts included Nebbi, Nwoya, Kasese and Zombo.
- **The report leveraged a working paper produced by Danish consultancy firm INKA Consult** that analysed international climate finance to Uganda for the period 2015 – 21, based on the 'Climate Change: OECD DAC External Development Finance Statistics' dataset of the OECD's Creditor Reporting System (CRS).[7]
- **Consultative meetings with targeted interest groups:** Consultative meetings were held with selected stakeholders to generate information on opportunities for influencing climate finance flows and/or new methodologies to inform civil society on pragmatic strategies that can be adopted to influence national decisions on climate finance. These included national civil society organization (CSO) networks, activist groups and stakeholders from central and local government. Specifically, consultations were held with government agencies such as MoFPED, the NPA, the Ministry of Local Government and the Ministry of Water and Environment and with representatives of local district governments such as Kasese, Zombo, Nebbi and Nwoya, which are pilot districts under the LoCAL facility (a performance-based climate resilience grant). The CSOs consulted included the Civil Society Budget Advocacy Group (CSBAG), Climate Action Network Uganda (CAN-U), Environment Management for Livelihood Improvement (EMLI), Tree Talk Uganda, African Centre for Trade and Development (ACTADE), International Union for Conservation of Nature (IUCN), Southern and East African Trade Information and Negotiations Institute (SEATINI), Environmental Alert and Uganda Coalition for Sustainable Development.
- **Consultations and validation with Oxfam office:** Preparation of the report benefited from a series of meetings and consultations with the Oxfam country office to quality assure its contents and a clear interpretation

of the terms of reference. These consultations provided comments for incorporation in the main report.

1.4 STRUCTURE OF THE REPORT

The Introduction quantifies the challenge of the climate change threat and inadequacies in response, owing to a number of underlying factors. It also presents the rationale, objectives and methodology adopted in drafting the report. Section 2 provides an overview of climate financing in Uganda by elaborating on the policy, planning and institutional context and its alignment with the global climate finance landscape. Section 3 examines the social and financial accountability of climate finance at national and local government levels and indicates mechanisms for influencing and monitoring expenditure of climate finance. Section 4 explains national and local climate budget monitoring and advocacy strategies with a focus on tools and approaches, while section 5 elucidates key lessons and opportunities for influencing equitable climate finance flows. Section 6 of the report contains recommendations for improving climate and fiscal justice at the national level.

2.0 OVERVIEW OF CLIMATE FINANCE IN UGANDA

The concept of climate finance is still in its nascent stages in Uganda, with the existing policy and institutional frameworks established less than a decade ago. This implies that tracking and accountability of climate finance is also still evolving, with a number of tools being tried by state and non-state actors. This section explains what constitutes climate finance while elaborating on the policy, planning and institutional landscape of such finance.

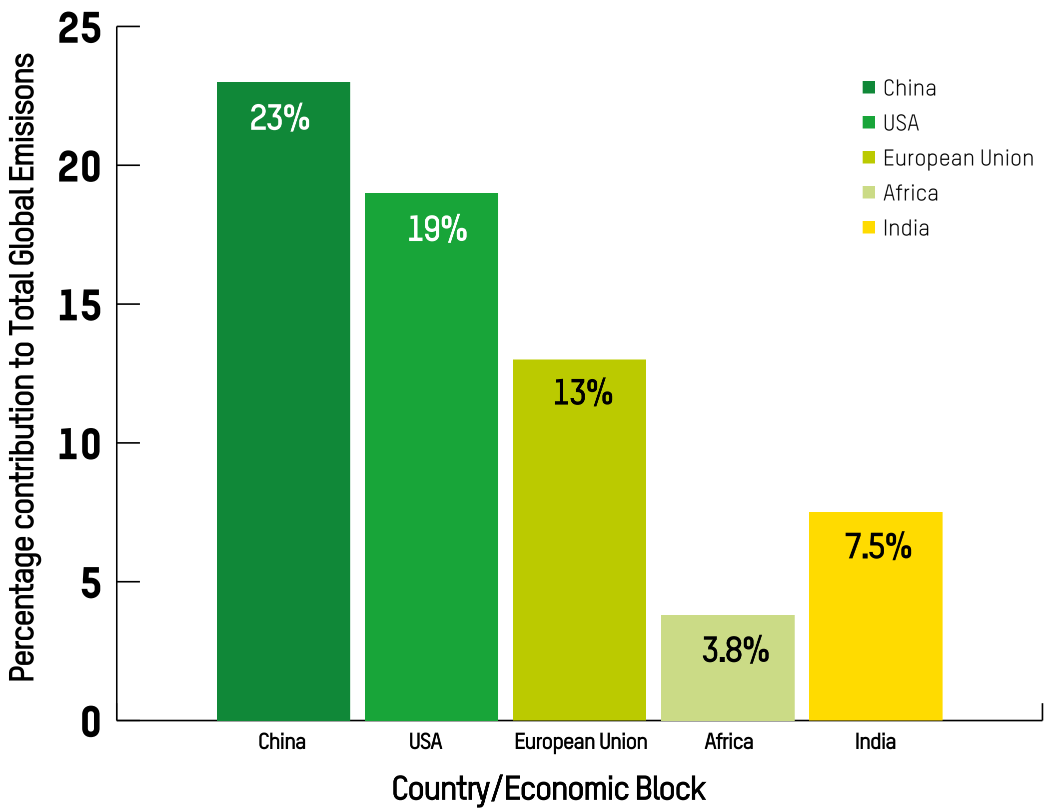
2.1 DEFINING CLIMATE FINANCE

Although there is no globally accepted definition of climate finance, the United Nations Framework Convention on Climate Change (UNFCCC) defines it as 'local, national or transnational financing – drawn from public, private and alternative sources of financing – that seeks to support mitigation and adaptation actions that will address climate change'.[8] Relatedly, the UNFCCC Least Developed Countries Group proposed an operational definition of climate finance at COP27 (November 2022) as 'funding that is new and additional to overseas development assistance (ODA), aiming at: (i) reducing the vulnerability of, and maintaining and increasing the resilience of, human and ecological systems to negative climate change impacts; (ii) reducing emissions, and enhancing sinks, of greenhouse gases; and (iii) averting, minimizing and addressing loss and damage to impacts of climate change'.[9] There are also working definitions coined by multilateral and development banks and by the private sector.

Since Uganda is a party to the UNFCCC and the Paris Agreement, the local understanding of climate finance is aligned with the UNFCCC working definition. A recent report by the Ministry of Finance, Planning and Economic Development (MoFPED) defines climate finance as all forms of finance earmarked for climate change adaptation and/or mitigation actions.[10] Although national flagship documents such as the National Climate Change Policy (2015), the National Climate Change Act (2021) and the updated Nationally Determined Contribution (NDC) reflect climate finance concerns, none of them offers a national definition of climate finance. This can be attributed to the global dynamics of climate change, with policies and definitions shaped globally (at the UNFCCC level) and accompanied by localization by partner states. As such, this report relies on the definition used by MoFPED to establish what constitutes climate finance. It also draws on the OECD's database with Rio markers of donor-funded development projects.

Notably, the absence of a globally endorsed definition of climate finance continues to obstruct effective access to such funding by lower-middle-income countries such as Uganda from global climate finance windows. Article 9 of the Paris Agreement obligates higher-income countries to provide financial resources to assist their lower-income counterparts in implementing adaptation and mitigation actions, owing to the latter's historically low share of emissions and disproportionate vulnerability to the effects of climate change. This is illustrated in Figure 1, which shows that Africa accounts for only 3.8% of global GHG emissions compared with 23% for China, 19% for the USA and 13% for the European Union.

Figure 1: Global GHG emissions contribution by country/economic bloc



Source: Constructed based on data from the 2022 UNEP Emissions Gap Report[11]

2.2 CLIMATE FINANCE POLICY, PLANNING AND LEGAL FRAMEWORK

Climate change and climate finance are global phenomena with local impacts, implying that their policy, planning and legal landscapes are shaped globally before cascading to the national level. As such, discussion of Uganda's climate finance landscape is preceded here by a review of the global landscape (as defined by UNFCCC), which provides the context for Uganda's climate finance policy and institutional response.

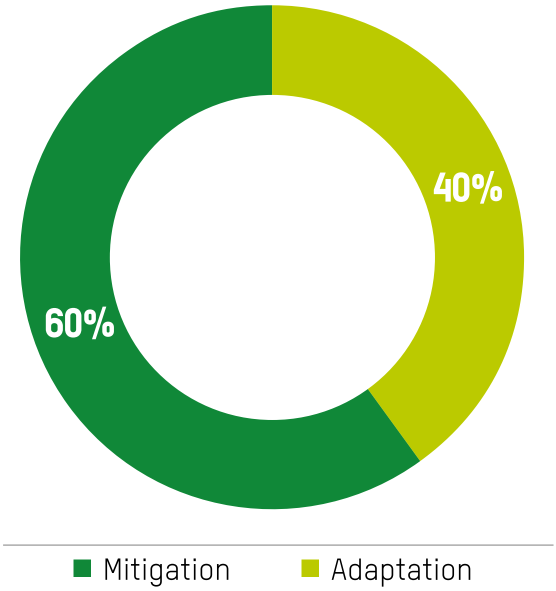
2.3 GLOBAL CLIMATE FINANCE LANDSCAPE

The global climate finance architecture comprises a number of different funding mechanisms targeting the implementation of climate change adaptation and mitigation actions. Key among these are the following:

2.3.1 Green Climate Fund (GCF)

The Green Climate Fund is the largest climate fund in the world and the operating entity of the official funding mechanism of the UNFCCC. The GCF is a critical element of the Paris Agreement on climate change, and was set up to deliver climate finance for low-emission and climate-resilient development pathways. The GCF is currently capitalized to the tune of US$12.41bn, with 216 projects under implementation, accessed in 2023.[12] As a formal funding mechanism of the UNFCC, it supports projects geared towards realizing the Paris Agreement target of limiting increases in temperature to well below 2°C, and preferably 1.5°C, compared with pre-industrial levels. The GCF provides financing through various instruments including grants and concessional loans.

Figure 2: GCF funding by climate change remediation strategy, as of March 2023



Source: GCF Annual Performance Report 2022.

As illustrated in Figure 2, the GCF continues to prioritize mitigation projects over adaptation projects, yet adaptation projects are more urgent for lower-income countries like Uganda, owing to their limited capacity to adapt to the devastating effects of climate change. While both mitigation and adaptation projects are important, it is crucial either to ensure parity between the two or to allocate more (about 70%) to adaptation, given that at COP26 high-income nations were urged to at least double their collective provision of adaptation finance from 2019 levels by 2025, to achieve a balance between the two. The GCF's mitigation-inclined portfolio structure casts doubts on the appreciation of climate justice principles at the global level.

It is important to note that Uganda is accredited by the GCF and has a running project, 'Building Resilient Communities, Wetland Ecosystems and Associated Catchments in Uganda'. Approved in 2016, this eight-year, grant-based adaptation project has a total value of US$44.3m. This comprises direct GCF financing estimated at US$24.1m and government co-financing of US$20.2.1m, translating into a co-financing percentage of 45.5%. The project is expected to reach a total of 4.8 million people (800,000 directly and four million indirectly).

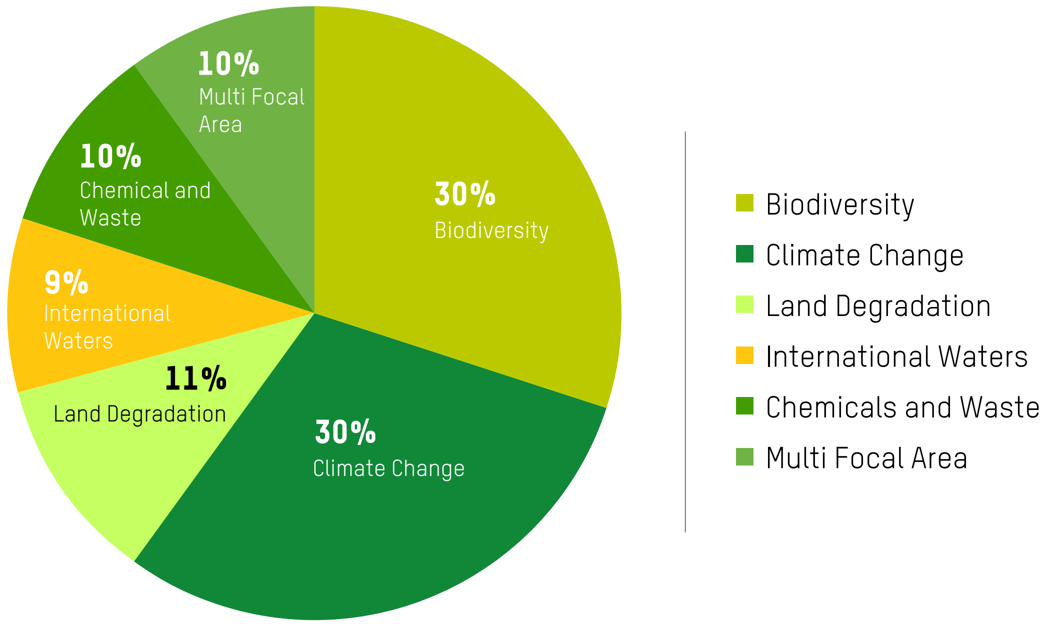
2.3.2 Adaptation Fund (AF)

The Adaptation Fund was set up to finance adaptation projects and programmes in low- and middle-income country parties to the Kyoto Protocol that are highly vulnerable to the adverse impacts of climate change. The AF is capitalized to the tune of more than US$850m in projects in such countries.[13] In terms of impact, it points to US$998m allocated to climate adaptation activities, 608,580 hectares of natural habitats preserved or restored, 139 concrete localized adaptation projects and 38 million people in low- and middle-income countries benefiting from its activities,[14] accessed in 2023. Uganda has direct access to the AF through the Ministry of Water and Environment, which is an accredited entity. Currently, Uganda is implementing two projects funded by the AF. The first, 'Enhancing Community Adaptation to Climate Change through Climate-Resilient Flood Early Warning, Catchment Management and Wash Technologies in Mpologoma Catchment, Uganda', has an estimated value of US$9,5m.[15] The second, 'Enhancing Resilience of Communities to Climate Change through Catchment-based Integrated Management of Water and Other Resources', is a regional project involving Uganda and neighbouring countries, and is worth US$7,8m.[16]

2.3.3 Global Environment Facility (GEF)

Founded in October 1991, the GEF is one of the pioneer climate funds and the largest multilateral fund targeting investments in climate change, biodiversity and land degradation. It is also one of the financial mechanisms for the UNFCCC, working with the GCF to enhance synergies in and coordination of climate finance. The GEF has two climate adaptation funds, the Special Climate Change Fund (SCCF) and the Least Developed Countries Fund (LCDF), which seek to significantly increase support for urgent and immediate adaptation priorities. During its eighth replenishment (GEF-8), in June 2022, 29 countries jointly pledged more than US$5.33bn, a 30% increase from the previous funding cycle replenishment. Under GEF-8, each LDC will have US$20m for country project support from the LDCF. Uganda was allocated US$20m for the four-year period 2023–27 to implement interventions under each of the three components of the Rio Conventions:[17] climate change under UNFCCC, biodiversity under the Convention on Biologoical Diversity (CBD) and sustainable land management under the UN Convention to Combat Desertification (UNCCD).

Figure 3: GEF investment allocation by result areas, as of December 2022



Source: Constructed based on data from GEF Monitoring Report (2022).[18]

Figure 3 illustrates the GEF's holistic approach to addressing all environment- and climate change-related challenges, given their interdependence. Although biodiversity loss and climate change account for the highest allocations given their scientifically based urgency, the other challenges are equally life-threatening. For the System of Transparent Allocation of Resources (STAR) GEF-8 allocation, Uganda secured a total amount of US$11.5m for the period 1 July 2022 to 30 June 2026 (Table 1).

Table 1: GEF-8 STAR allocation to Uganda for the period 2022–26

Focus area	Amount allocated (US$)
Biodiversity	5,615,157
Climate change	2,000,000
Land degradation	3,928,071
Total	**11,543,229**

Source: GEF website.[19]

2.4 CLIMATE FINANCE WINDOWS FOR UGANDA

Uganda's climate finance comes from two main sources: the public sector through annual budgetary allocations at the national level; and external international sources that involve climate change funds, such as the GEF and the AF, and multilateral development banks. Linked to the global finance landscape, Uganda's climate finance architecture is comprised of the following delivery mechanisms.

- **Public financing through the conventional annual National Budget:** This source and delivery mechanism is still meagre and is beset by structural challenges that undermine accurate quantification and reporting.
- **Multilateral and international agencies:** These include MDBs such as the African Development Bank (AfDB) and the World Bank, which are the climate finance delivery mechanisms for national projects under the GEF, the AF and the LDCF. Other delivery channels under this window include UN agencies. This is currently a significant delivery mechanism for climate finance, with ongoing projects financed by the AF and the GCF.
- **Bilateral financing mechanisms:** These are based on partnerships between the Government of Uganda and other governments. Examples of these delivery channels include GIZ under the German government, AFD under the French government, JICA under the Japanese government and USAID under the US government, among others.
- **Direct programme and project support:** This includes climate finance support that goes directly to projects and programmes, some of which are implemented by non-state actors.

Table 2 shows the leading multilateral and bilateral providers of climate finance to Uganda between 2015 and 2021.

Table 2: Uganda's multilateral and bilateral climate finance sources, 2015 – 21

Top providers giving over US$ 10m in the 7 year period	Total Climate Finance Committed (USD)	Number of Projects Committed
WB	713,468,807	83
AfDB	300,236,703	16
Germany	241,763,760	108
EU Institutions (excl. EIB)	220,663,894	17

France	96,070,308	23
United Kingdom	93,666,305	88
United States	75,235,829	230
Denmark	64,200,360	35
Japan	59,692,493	92
Sweden	57,763,713	37
GCF	53,185,106	2
Netherlands	46,713,506	31
GEF	39,026,574	57
Belgium	33,252,639	92
Norway	26,254,424	70
IFAD	24,582,799	14
EIB	15,777,662	2
Austria	15,196,446	71
Ireland	12,763,040	122
Korea	12,489,904	58

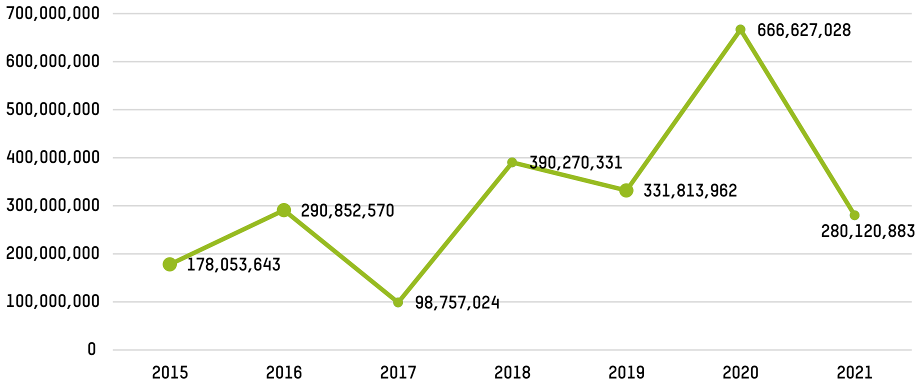
Source: INKA Consult, based on OECD DAC CRS dataset

Table 2 shows that for the period 2015 – 21 the US$713m committed to Uganda by the World Bank and the US$300m committed by the AfDB amount to almost as much as all the other providers put together. This suggests that Ugandan CSO networks could be more active in influencing these two development banks. This might be more efficient than putting a lot of resources into targeting the GCF and the AF, which provide much less funding for Uganda than the two development banks.

2.4.1 Climate finance inflows over the years 2015–21

For the period 2015 – 21, Uganda is reported to have implemented 1,531 climate-responsive projects, which are estimated to have cost US$2,2bn,[20] with a steady increase in the number of projects implemented annually. Specifically, it is estimated that 2021 saw the highest number of projects at 354, while 2015 had the lowest number of projects at 122. On average, US$319m was committed annually to over 219 projects, although this was not evenly distributed across the years in the reporting period. Figure 4 shows the total climate finance received each year, according to OECD data.

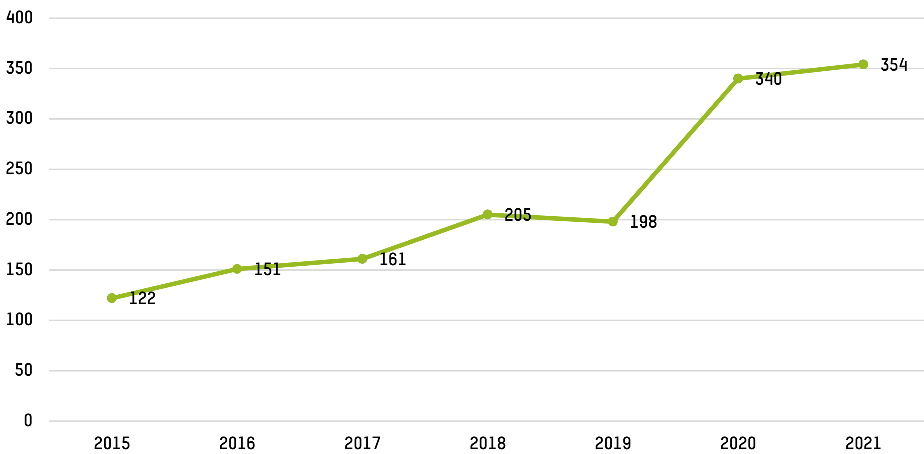
Figure 4: Trends of Uganda's climate finance inflows, 2015–21 (US$)



Source: INKA Consult, based on OECD DAC CRS dataset. All figures US$.

From Figure 4, it is clear that Uganda's climate finance inflows have been growing over the years, albeit at an uneven pace with a number of spikes and dips. The peak observed in 2020 is attributed to the commencement of large-scale projects commissioned by the World Bank. Analysis by INKA Consult indicates that in 2020 alone the World Bank commissioned 51 climate-related projects in Uganda, totalling US$565.2m in climate finance. It is, however, crucial to ascertain whether these projects had climate change resilience and adaptation as their primary objective or whether they were mainstream development projects with secondary climate change outcomes. Figure 5 indicates the number of projects funded by these climate finance inflows.

Figure 5: Trend of climate change-related projects implemented in Uganda

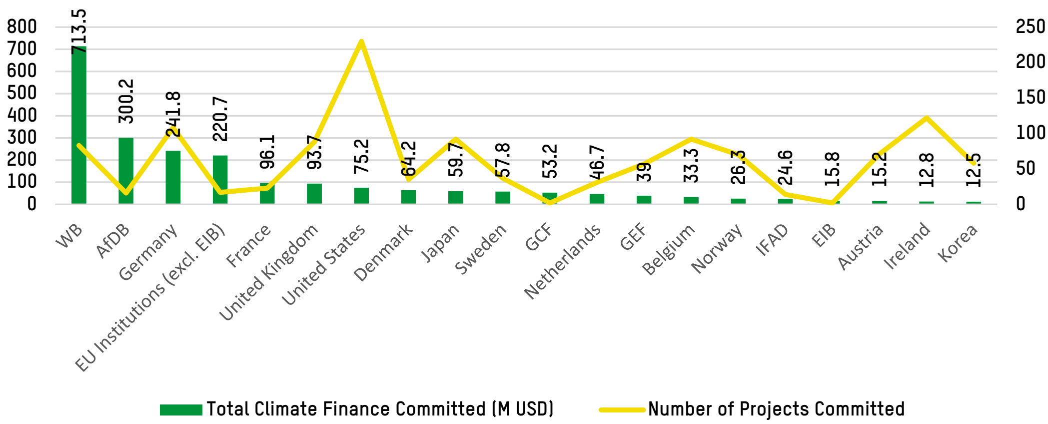


INKA Consult, based on OECD DAC CRS dataset.

2.4.2 Climate finance from multilateral development banks

Multilateral sources, in particular multilateral development banks, are the biggest contributors to Uganda's international climate finance inflows. An analysis of climate finance data for the period 2015–21 by INKA Consult shows that the World Bank was the largest provider of climate finance to the country, having committed US$713m over that time. Other significant sources include the AfDB, which committed US$300m over the period, and European institutions (excluding the European Investment Bank (EIB)), which committed US$221m. In terms of projects, the World Bank's commitments were spread over 83 projects, compared with 16 projects for the AfDB, but it seems that the latter funds larger individual projects – an average of US$19m per project compared with US$9m for World Bank projects.

Figure 6: Uganda's top multilateral sources and number of projects for climate finance, 2015 – 21

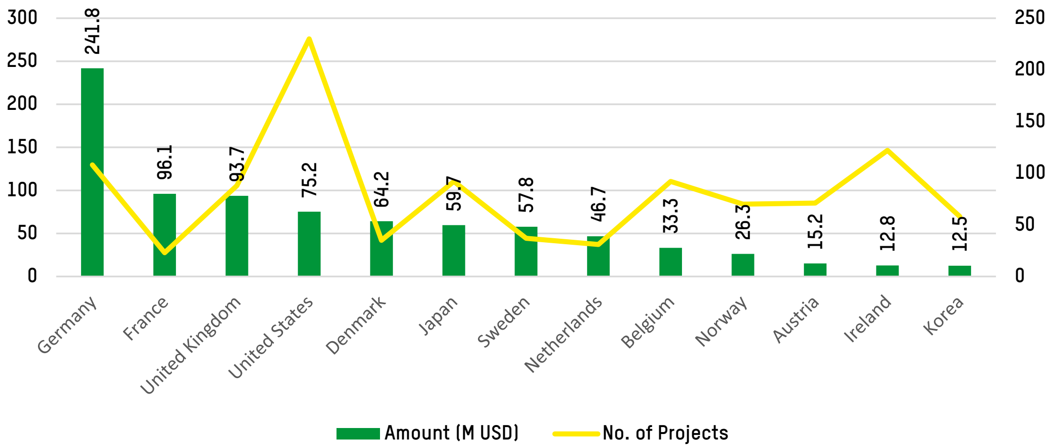


Source: Compiled based on OECD DAC CRS dataset 'Data on Uganda's Climate Finance Flows'

2.4.3 Bilateral sources of climate finance

Uganda also receives a significant proportion of its climate finance from bilateral sources through direct partnerships with other governments. Figure 7 illustrates climate finance by bilateral source and the number of projects implemented during the period 2015 – 21.

Figure 7: Uganda's climate finance and projects by bilateral source, 2015 – 21

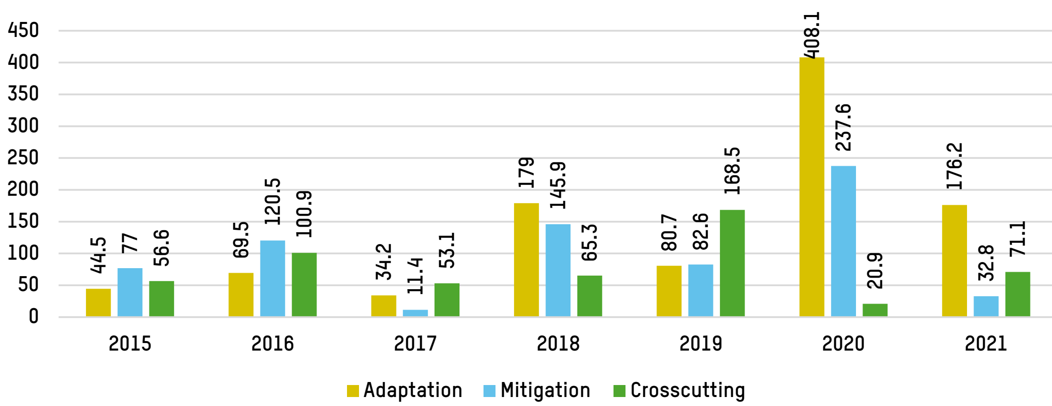


Source: Compilation based on OECD DAC CRS dataset

2.4.4 Categorization of Uganda's climate finance inflows by mitigation and adaptation

An analysis of Uganda's international climate finance inflows split by ratio of adaptation and mitigation for the period 2015 – 21 indicates a slight bias towards adaptation finance, with US$992m committed to adaptation compared with US$708m for mitigation and US$536m for cross-cutting activities (Figure 8).

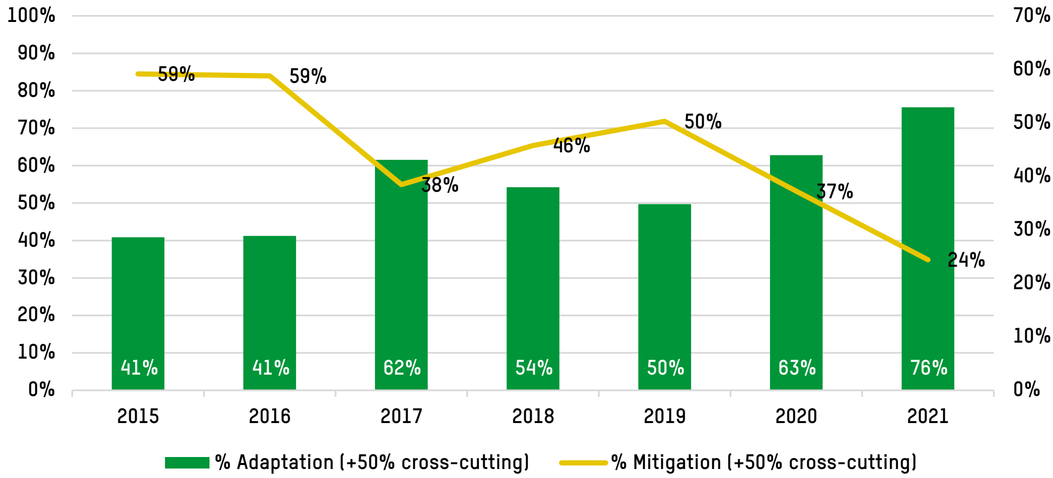
Figure 8: Climate finance share by adaptation, mitigation and cross-cutting, Million US$



Source: Compilation based on OECD DAC CRS dataset

Splitting the cross-cutting finance equally between mitigation and adaptation gives a proportion of 56% for adaptation compared with 44% for mitigation for the period 2015–21. It is important to note that adaptation finance has been prioritized more in recent years. A review by year indicates that in 2015 and 2016 only 41% of finance was earmarked for adaptation, compared with 59% for mitigation. However, the proportion of adaptation finance grew over the seven years, peaking in 2021, when 76% of climate finance was earmarked for adaptation.

Figure 9: Climate finance cross-cutting component – balance of adaptation versus mitigation



Source: Compilation based on OECD DAC CRS dataset

2.4.5 Climate finance flows by financial instrument

Uganda's climate finance flows through three main types of instrument: grants, concessional debt and non-concessional debt. The analysis by INKA Consult, based on OECD data, indicates that for the period 2015 – 21, 50% (US$1.125bn) of all climate finance delivered was in the form of grants, compared with 44% (US$984m) as concessional debt instruments and 6% (US$126m) as non-concessional debt instruments. In addition, non-classified forms such as climate finance, come through technical assistance.

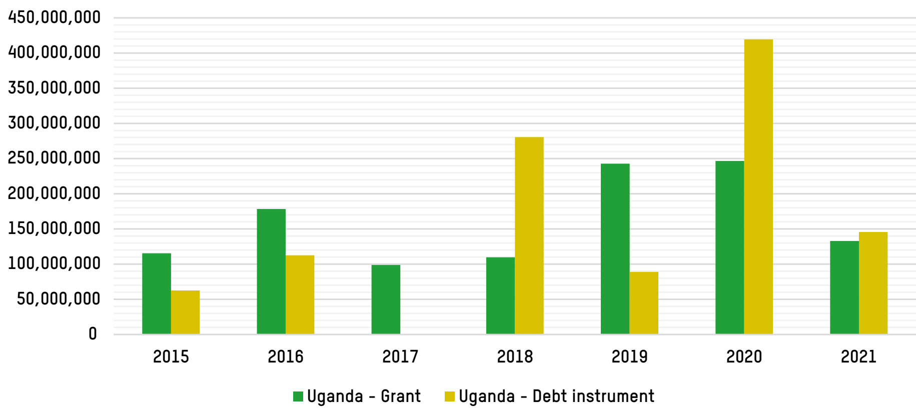
Table 3: Climate inflows by financial instrument (US$)

Climate finance by financial instrument	Grant	%	Concessional debt instruments	%	Non-concessional debt instruments	%	Non classified	%
2015	115,434,824	65%	62,618,819	35%	0	0%	0	0%
2016	178,322,644	61%	106,348,726	37%	6,181,200	2%	0	0%
2017	98,757,024	100%	0	0%	0	0%	0	0%
2018	109,793,914	28%	235,246,112	60%	45,230,305	12%	0	0%
2019	242,812,193	73%	89,001,769	27%	0	0%	0	0%
2020	246,667,767	37%	408,507,570	61%	11,022,930	2%	428,761	0%
2021	132,978,263	47%	82,355,687	29%	63,317,576	23%	1,469,358	1%
Grand total / average	**1,124,766,629**	**50%**	**984,078,682**	**44%**	**125,752,011**	**6%**	**1,898,119**	**0%**

Source: Compilations based on OECD DAC CRS. All figures US$.

As shown in Table 3, analysis indicates that the figures vary year by year. In 2017, for example, all climate finance (100%) was delivered in the form of grants, compared with 2018 when only 28% of the total was delivered as grants. No non-concessional loans were provided in 2015, compared with 23% of the total in 2021. This implies a considerable increase in repayments due to big increases in interest rates, as explained in the Oxfam Climate Finance Shadow Report.[21]

Figure 10: Climate finance inflows by financial instrument (grant vs debt – US$)



Source: Compilation based on OECD DAC CRS dataset

2.4.6 Grant equivalence

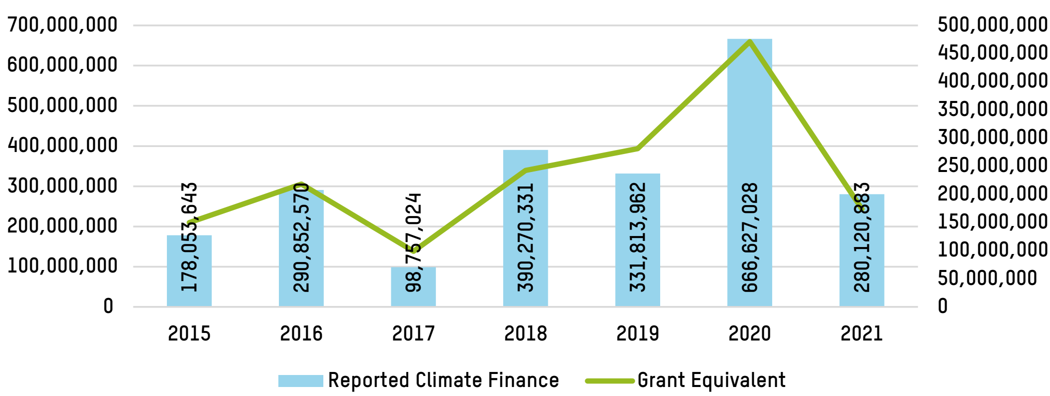
The grant equivalence is obtained by multiplying the face value of a loan by its grant element.[22] Concessional and non-concessional debt instruments require repayment but, despite this, the face value of a loan is reported as climate finance (i.e. a US$10m loan is reported as the same amount of climate finance as a US$10m grant). However, it is possible to estimate the grant equivalence of these loans to gain a clearer picture of the total net flow of climate finance to Uganda (better taking into account re-flows from loan repayments).

This methodology forms the basis of Oxfam's Climate Finance Shadow Report.[23] The methodology implies that all non-concessional debt instruments have a grant equivalence of 0%, and all grants are 100%. A percentage reduction is applied to concessional loans according to the average grant equivalence reported by the donor under the OECD-DAC CRS.

Using the grant equivalence measure, the total climate finance provided to Uganda over the period 2015–21 was reduced from US$2.236bn to US$1.635bn. This is US$601m less than the amount originally reported (Figure 11).

The effect of taking the grant equivalence measure changes over the years, due to the relative proportions of grants and debt instruments. In 2018 and 2021, for instance, the total reported amount was reduced by 38% using the grant equivalence, due to the high proportion of debt instruments provided in those years. The year with the highest absolute reduction was 2020, when US$195m was removed from the total committed when taking the grant equivalence measure.

Figure 11: Total climate finance compared with grant equivalent (US$)

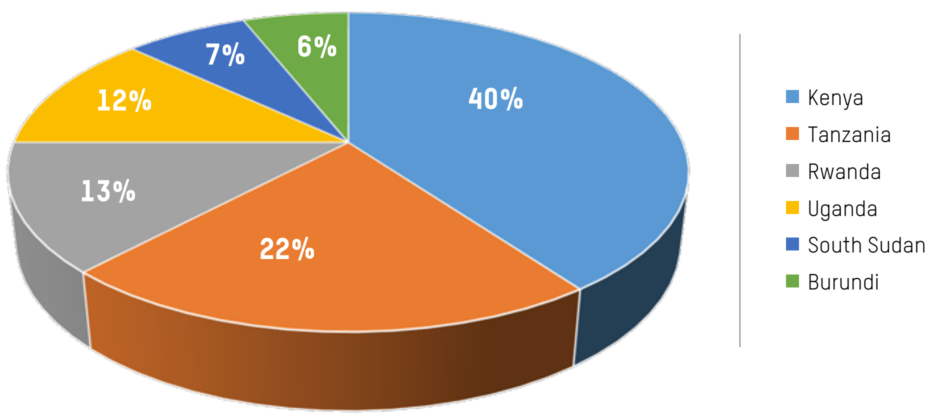


Source: Compilation based on OECD DAC CRS dataset

2.4.7 Comparison with other countries/quantity received by country

A review of climate finance inflows to regional peers, such as Kenya, indicates that Uganda lags behind in terms of attracting climate finance. This is attributed to capacity gaps such as the preparation of bankable project proposals aligned to different climate finance funding mechanisms. Figures 12 and 13 indicate how Uganda compares with other members of the East African region in terms of climate finance inflows, according to the East African Community (EAC) Climate Finance and Mobilization Strategy.[24]

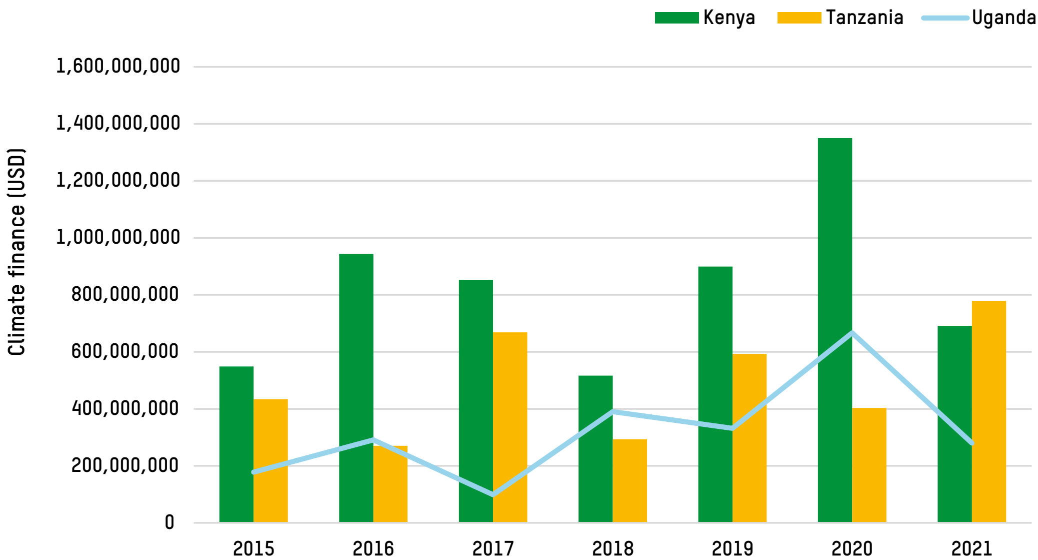
Figure 12: Climate finance flows to the East African Community, by country



Source: Constructed based on EAC Climate Finance Mobilization and Access Strategy dataset.[25]

Another factor that accounts partly for Uganda's low climate inflows relative to those of its neighbours is limited private sector participation in the climate finance space. It should be noted that the private sector is a critical source of climate finance whose potential remains largely untapped.

Figure 13: Climate finance inflows for Uganda, Kenya and Tanzania



Source: Constructed based on the EAC Climate Finance Access and Mobilization Strategy.

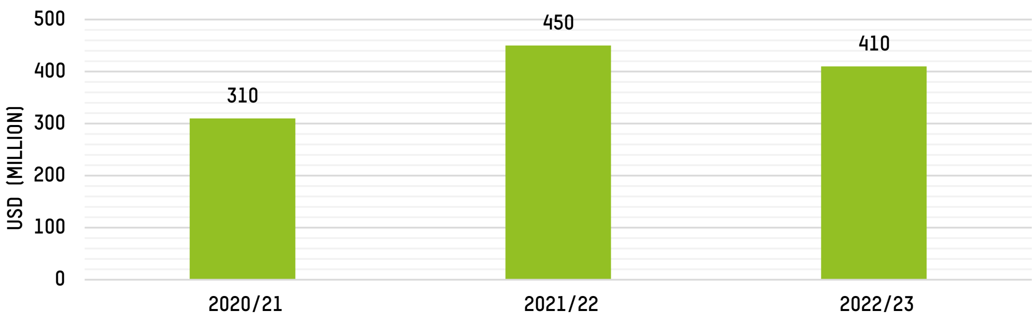
2.4.8 Mismatches in climate finance reporting

A comparison between climate finance inflows reported by global organizations such as the OECD and those reported by the Government of Uganda reveals big differences in the figures. This is partly attributed to the subjective interpretation of what constitutes climate finance, different methodologies and the inadequacy of government systems to track and report on off-budget climate change projects implemented under direct project and programme support by development partners and non-state actors. For instance, whereas OECD reports indicate that Uganda's climate finance inflows peaked in 2020 at over US$666m, partly owing to a number of projects commissioned by the World Bank that were estimated to have brought in over US$565m of climate finance, MoFPED reports a total of less than US$310m in climate finance inflows for the same year, less than half the figure reported by the OECD.[26]

According to MoFPED, Uganda has registered an overall increase in climate finance inflows over the years. A review of inflows over the last three years indicates mixed results marked by spikes and dips. Climate finance inflows rose from slightly over US$300m in FY 2020/21 to US$450m in FY 2021/22. This is attributed to disbursements on various ongoing projects under the GCF and the AF and direct support through bilateral engagements.

Inflows dipped from US$450m in FY 2021/22 to US$400m in FY 2022/23, which is attributed to disruption of the climate finance space caused by the COVID-19 pandemic. However, there is an ongoing revival and it is anticipated that climate finance inflows are on track to bounce back in subsequent financial years.

Figure 14: Uganda's climate finance inflows, Million US$



Source: MoFPED Report on Public Debt, Grants, Guarantees and Other Financial Liabilities (2022/23)

While climate finance inflows into the country continue, a number of challenges remain, including the following:

- **Limited capacity among state and non-state actors to mobilize climate finance through the preparation of bankable project proposals;**
- **Lack of a functional framework for tracking and reporting on climate finance inflows from domestic and international sources. This is further worsened by a lack of clarity on a definition of climate finance;**
- **Weak coordination of climate finance efforts among state and non-state actors, which undermines effective tracking and reporting; and**
- **Weak institutionalization of climate finance, especially at the local government level despite local governments being on the front line of climate change.**

2.4.9 Frameworks that guide and organize climate finance inflows

The Ugandan government has established mandatory mechanisms and frameworks to organize and guide the inflow of funds from external international sources. The 2015 Public Finance Management Act (Amended) gives MoFPED the mandate for receiving any form of finance and external support. This implies that all climate financial support should be channelled through MoFPED before disbursement to respective line ministries, departments and agencies (MDAs). Specifically, the following frameworks exist to guide climate finance inflows from different sources.

Table 4: Frameworks that guide and organize climate finance inflows

National Designated Agency Steering Committee	MoFPED is the national focal institution and National Designated Agency (NDA) for the the Green Cimate Fund. It also chairs the NDA Steering Committee, which is comprised of relevant stakeholders in the climate change space. Specifically, MoFPED has developed national guidelines for the preparation of concept notes targeting the GCF. It acts as a clearing house for all project concepts earmarked for the GCF by issuing letters of 'no objection' ahead of submission to the Fund. This process clears the way for the inflow of climate finance for projects to be funded by the GCF and the Government of Uganda. Additionally, MoFPED is the national focal institution for the Global Environment Facility and has put in place frameworks such as a desk officer to coordinate all activities relating to climate finance inflows from the GEF.
Accredited agency for the Adaptation Fund	The Ministry of Water and Environment is the accredited agency for the Adaptation Fund and a key partner in all projects prepared for AF support. It partners with MoFPED in undertaking all activities to ensure a smooth flow of climate finance designated to implement national and regional projects supported by the AF.
National Climate Change Act (2021)	An equally important framework is the National Climate Change Act (2021), which confers the obligation of mobilizing climate finance on the ministers of Finance and of Water and Environment. It stipulates that these ministers should establish mechanisms that incentivize climate finance inflows from both state and non-state actors.

2.4.10 Criteria for receiving international climate financing

The criteria for receiving international climate finance are laid out by MoFPED, and involve the following steps.

- **Inception meetings between climate finance sources and the Government of Uganda:** The process commences with bilateral engagements between MoFPED and representatives of organizations that intend to offer climate finance. These meetings focus on understanding the form of support offered, the priority sectors of the funding organization and how these align with national development priorities. This negotiation meeting also provides an opportunity to discuss potential pathways for the support, fiduciary issues and potential beneficiaries. In subsequent meetings, the roles and responsibilities become clearer and more stakeholders such as line ministries and the Solicitor General are involved in the negotiations.

- **Formalization of partnership through a request for support letters:** The inception meeting and other preliminary meetings are followed by a letter requesting support initiated by MoFPED. The letter elaborates on requests for support in areas agreed upon in the inception meeting and in preliminary follow-up meetings. The letter is signed off by the Permanent Secretary/Secretary to Treasury of MoFPED and dispatched to the funding source. Copies are shared with relevant line agencies directly responsible for the sector where the intended support falls. For instance, if support is earmarked for the establishment of a solar farm in a rural area, the Ministry of Energy and Mineral Development will be involved and copied in directly.

- **Signing of memorandum of understandings and agreements:** The request for support letter is followed by a memorandum of understanding initiated by both parties i.e. the Ministry of Finance and the potential funder of a given project. The aide-memoire clarifies the roles and responsibilities of both parties and any conditions that may result in termination of the partnership. It further includes timelines for each of the milestones agreed upon in that partnership. This is followed by the disbursement of financial resources by the funding source to commence the implementation of deliverables.

2.5 GENDER ASPECTS AND CLIMATE FINANCE IN UGANDA

Parties to the Paris Agreement have recognized the importance of incorporating aspects of gender equality into climate flows, and a gender action plan was established at COP23 in 2017. On average, 30% of climate-marked projects in the period reviewed have a gender equality marker of 'significant' (1) or 'principal' (2).

Table 5: Gender aspects of climate change

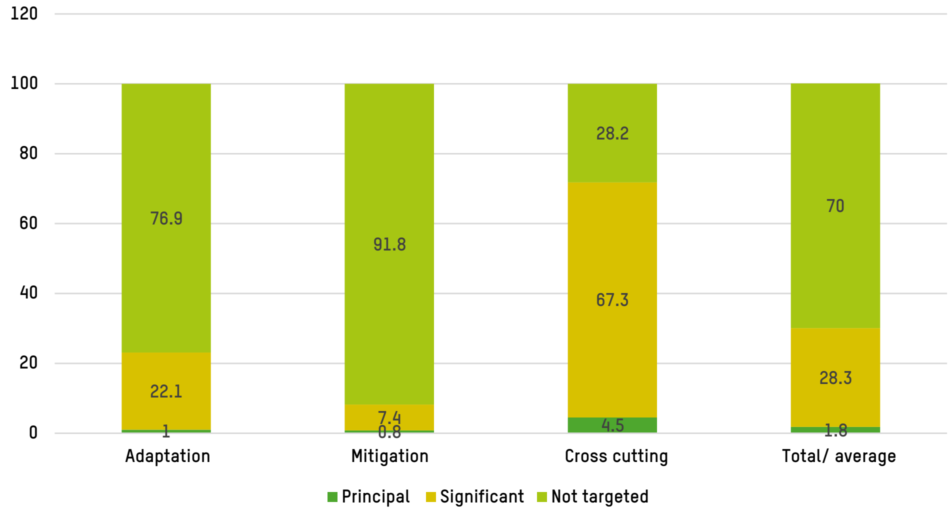
Percentage of climate-related projects with a gender marker	'Principal' gender equality marker (2)	'Significant' gender equality marker (1)	Not targeted
Adaptation	1.0%	22.1%	76.9%
Mitigation	0.8%	7.4%	91.8%
Cross-cutting	4.5%	67.3%	28.2%
Total/average	1.8%	28.3%	70.0%

Source: Compilations based on OECD DAC CRS dataset

As shown in Table 5, 28.3% of climate finance projects have a gender marker of 'significant', which indicates that gender has been mainstreamed as an important but not the principal objective, while 1.8% have a gender marker of 'principal'.

Projects that integrate gender are concentrated in cross-cutting finance, with a total of 72% of all projects having a gender marker of 1 or 2, with 4.5% reporting gender to be a principal objective. In contrast, mitigation projects have very low levels of gender markers, with just 8% of all projects assigned a gender marker of 1 or 2. Adaptation has approximately the average, with 23% of all adaptation projects having a gender marker of 1 or 2.

Figure 15: Percentage of projects with a gender equality marker



Source: INKA Consult, based on OECD DAC CRS dataset.

3.0 CLIMATE FINANCE ACCOUNTABILITY: ANALYSIS OF THE SOCIAL AND FINANCIAL ACCOUNTABILITY OF CLIMATE FINANCE AT NATIONAL AND LOCAL LEVELS IN UGANDA

While there are still challenges with the actual tracking of climate finance flows in Uganda, frameworks exist that are used to audit, monitor and report on public expenditure, including climate change-related expenditure. The development of climate finance accountability frameworks is still in its nascent stages, with most existing climate change policies and laws skewed to support the integration of climate change into development planning and budgeting. However, with remarkable success to date in integrating climate change into national development policies and plans, efforts to develop stand-alone monitoring, reporting, verification and accountability frameworks and systems for climate action, and particularly climate finance, are gaining traction.

To establish the functionality of climate finance social and financial accountability frameworks, it is pertinent to review the policy and planning context around climate change in Uganda.

3.1 CONTEXT FOR CLIMATE CHANGE INVESTMENTS: PLANS, POLICIES AND STRATEGIES

A number of policy and planning frameworks exist at the national level that illustrate government commitment towards climate action. These policies and plans contain costed interventions and policy commitments that illuminate climate finance needs. They include:

- **National Climate Change Policy (NCCP, 2015):** This provides guidance on national climate change policy and identifies centres of institutional responsibility. The policy stipulates that 70% of Uganda's climate finance will be sourced from external funders while the remaining 30% will be mobilized domestically. This is premised on the principle of climate justice, given that Uganda is highly vulnerable and a victim of the climate crisis, yet its contribution to climate change is insignificant.

- **Updated Nationally Determined Contribution (NDC, 2022–30):** Uganda's updated NDC embodies enhanced ambition in terms of targets in combating climate change. While the first NDC targeted a reduction of 22% in GHG emissions by 2030, the updated NDC ambitiously targets a 24.7% reduction over the same timeframe. The updated NDC also includes 48 climate change adaptation interventions across sectors (agriculture, forestry, water, infrastructure, energy, risk management, manufacturing, industry, cities, built environment and disaster risk reduction (DRR), among others).

It is estimated that implementation of Uganda's updated NDC will cost US$28.1bn over five years (Table 6). Uganda has committed to mobilize domestic resources to the tune of US$4.1bn (unconditional interventions) to cover an estimated 15% of the total cost, while the remaining US$24bn (85%) will be sought from intervention sources in line with Article 9 of the Paris Agreement. This implies that the achievement of the NDC targets is dependent on compliance with climate justice principles by richer countries honouring their pledges.

Table 6: NDC cost disaggregation

Cost disaggregation	US$ millions	Percentage
Total updated NDC cost	**28,098.68**	**100**
a) Total conditional	24,028.24	85%
b) Total unconditional	4,070.45	15%
Total adaptation cost	**17,668.89**	**100**
a) Adaptation cost conditional	15,168.43	86%
b) Adaptation cost unconditional	2,500.46	14%
Total mitigation cost	**10,323.09**	**100%**
a) Mitigation cost conditional	8,760.08	85%
b) Mitigation cost unconditional	1,563.01	15%
Total cross-cutting cost	**106.7**	**100%**
i) Cross-cutting conditional	99.72	93.4
ii) Cross-cutting unconditional	6.98	6.54%

Source: Uganda's Updated NDC Resource Mobilization Plan

Third National Development Plan (NDPIII, 2020/21–2024/25).

The NDPIII (2020/21–2024/25) seeks to increase household incomes and quality of life for all Ugandans. Achievement of this goal is highly dependent on building resilience towards climate change, which continues to threaten livelihoods, household incomes and quality of life. Accordingly, the NDPIII devotes a whole programme to climate change and emphasizes the need for effective mobilization of climate finance to realize the implementation of all climate change interventions mainstreamed within it. Specifically, the NDPIII programme on Natural Resources, Environment, Climate Change, Land and Water Management prioritizes the promotion of inclusive climate-resilient and low-emissions development at all levels through:

- **Building capacity for climate change adaptation and mitigation, including promotion of continuous integration of climate change and DRR in planning, budgeting and reporting;**
- **Mainstreaming climate change resilience into programmes and budgets, with clear budget lines and performance indicators;**
- **Implementing resolutions from the negotiation of carbon projects and developing bankable projects;**
- **Developing local finance solutions tailored to micro, small and medium enterprises engaged in sustainable production and generation of climate change-responsive technologies; and**
- **Building partnerships with stakeholders to formulate financial instruments such as climate and green bonds.**

The National Climate Change Act (2021) provides the legal framework for climate finance in Uganda. It seamlessly aligns with the 2015 Paris Agreement, which is the global legal framework for climate finance. The NCCA indicates that the minister responsible for Finance should, in consultation with the Minister of Water and Environment, provide for climate change financing, considering viable climate change financing mechanisms at the national level and international financing mechanisms, as elaborated under Article 9 of the Paris Agreement.

Specifically, the Act explains that the financing to be mobilized will be used for the following purposes:

- R**esearch and data collection on climate change and systematic observation of the phenomenon, taking into account the need to**

minimize duplication of effort;

- **Financing projects for implementation of climate change actions and measures, including specific technologies, materials, equipment, techniques or practices necessary to implement such projects; and**
- **Providing grants, loans and incentives to individuals, private entities and local governments for climate change research and innovation in industry, technology, science, academia and policy formulation.**

3.2 ANALYSIS OF SOCIAL AND FINANCIAL CLIMATE FINANCE ACCOUNTABILITY FRAMEWORKS

Although Uganda still lacks functional stand-alone social and financial accountability frameworks and mechanisms for climate finance, there are national frameworks that address public expenditure through a social and financial lens to a certain degree.

3.2.1 Certificate of Climate Change-Responsive Budgeting

This certificate seeks to ensure alignment between the National Budget Framework Paper (NBFP) and the NDC. It is issued by the Ministry of Water and Environment (Climate Change Department) and is intended to ensure adequate budgetary allocation for climate change measures and actions. It is issued in line with the provisions of the 2021 National Climate Change Act, section 30 (b). It holds government ministries, departments and agencies (MDAs) accountable for fulfilling their obligations to integrate climate change actions into their planning and budgeting systems. The first certificate was issued in January 2023, certifying the NBFP as satisfactory; however, there is no clarity on what the Act considers to be an adequate allocation.

Overall, the assessment indicated that in financial year (FY) 2023/24 budgeting was 60% compliant with and responsive to climate change measures and actions. There are, however, capacity gaps that mean that it is currently not possible to undertake a comprehensive assessment that considers all government MDAs, as provided for by the Act. Analysis and assessment are limited to two broad levels of NBFP objectives and programme-level performance, leaving out specific actions and interventions to which a budget is allotted.

3.2.2 National Certificate of Compliance of the National Budget to the NDPIII

The 2015 Public Finance Management Act (Amended), section 13 (7), requires that the annual National Budget is accompanied by a certificate of compliance with the annual budget of the previous financial year, issued by the National Planning Authority (NPA). This certificate assesses the extent to which the budget is aligned with the NDPIII, to ensure coherence between planning and budgeting. Importantly, the certificate devotes to assessing the extent to which climate change measures and actions contained in the NDPIII have been prioritized in the previous year's budget. Specifically, it examines and audits the alignment between costing contained in the NDPIII and the annual budget at the following levels:

- **Amount of financial resources allocated by the annual budget versus NDPIII requirements;**
- **Actual releases against the amounts allocated; and**
- **Expenditure outturn/ actual disbursement of the released resources by the responsible MDA.**

This certificate is crucial in ensuring that climate change actions prioritized by the NDPIII are backed up with budgetary allocations. However, there is no clarity on penalties imposed for non-compliance by MDAs.

3.2.3 Quarterly Budget Performance Monitoring and Accountability Reports

The Quarterly Budget Performance Monitoring and Accountability Reports indicate a government agency's approved budget, released budget and corresponding expenditure for a given quarter, including budgetary performance on climate funding. In line with the Public Finance Management Act 2015 (Amended), all government MDAs prepare budgets and are obligated to compile quarterly budget performance reports for the Minister for Finance, Planning and Economic Development.

The budget call circular issued by MoFPED in line with sections 9 (1), (2), (3) and (5) of the Public Finance Management Act requires all government agencies to integrate climate change measures and actions into their budgets. Although climate finance accountability is not the primary objective of this framework, it could be leveraged to enhance its currently brief reporting and accountability measures on climate finance budgetary allocations.

3.2.4 National Budget Framework Papers

National Budget Framework Papers (NBFPs) present an insight into actual allocations to climate finance by individual government MDAs. These allocations act as an impetus to track corresponding releases and expenditures, which are distilled in the quarterly and annual budget performance reports. The Public Finance Management Act 2015 (Amended), section 9, mandates all accounting officers of government agencies to prepare budget framework papers elaborating their budgeting for the next financial year ahead of submission to MoFPED.

Importantly, the framework has a designated section for cross-cutting issues such as climate change, which shows the amount allocated to climate change measures and actions relevant to that particular agency. A review of a number of NBFPs, however, indicates only minuscule allocations to climate change measures, which are largely limited to the creation of awareness, with very few financial resources earmarked for actual infrastructure that builds resilience.

3.2.5 Local Government Performance Assessment Manual

The Local Government Performance Assessment Manual represents a low-hanging fruit that could be used to stimulate climate finance accountability and reporting at local government levels. The revised 2018 Manual highlights requirements and indicators and explains processes and procedures for assessing: budget and accountability requirements, as well as cross-cutting and sector-specific functional processes and systems for local governments.

Under cross-cutting performance measures, the Manual has a section on social and environmental safeguards, with a maximum score of 10 points for each and an aggregate score of 100. In this section, performance assessment is based on: (i) the extent to which gender is mainstreamed in planned activities to strengthen women's roles and facilitate empowerment; and (ii) whether the local government has established and maintains a functional system and staff for environmental and social impact assessments and land acquisitions.

While gender equality and sustainable environmental management are key components of climate change measures and actions, there is a need to revise and strengthen this tool to include an assessment of climate finance performance in terms of mobilization, expenditure and relevance of results.

3.2.6 Equitable distribution of climate finance

Uganda has no fully-fledged framework or policy that provides for equitable distribution of climate finance, and this can be attributed to the nascent evolution of policy and strategy response in this area. The country has yet to develop a clear national strategy that provides a blueprint for how it will meet its climate finance needs. At the central government level, there is no clear framework or formula that guides climate finance allocations to underscore equity by channelling them to the most vulnerable sectors. Although the NDC and the NDPIII flag prioritized actions for climate change, there is no evidence that this prioritization informs budgetary allocations. However, a small number of fiscal equity frameworks do exist at the local government level.

3.2.6.1 District Water and Environment Sector Conditional Grant

The Intergovernmental Fiscal Transfers Reform Programme (2021) is a programme orchestrated by MoFPED that aims to ensure fiscal equity at the local government level.[27] It seeks to ensure equity not only across local governments but also within them. It has a number of specific objectives, including:

- **Ensuring adequacy, equity and discretion in the financing of local service delivery;**
- R**estoring equity of local government grants.**

Fiscal equity is embodied in conditional sector grants and the Discretionary Development Equalization Grant, whose performance indicators include adequacy and equity. The downside of the District Water and Environment Sector Conditional Grant is that it is largely directed towards water, sanitation and hygiene, with minimal or no resources allocated to environment and climate change. For instance, in FY 2022/23, Ngora District Local Government received a conditional water and environment grant of UGX 229m, of which UGX 81m went to piped water and UGX 148m to sanitation and operation and maintenance, with zero allocation to the environment component. Table 7 highlights equity indicators used in the allocation of water and environment grants over the years.

Table 7: Equity of water and environment conditional grants, 2018/19 – 2021/22

Equity – water and environment grants	Non-wage recurrent				Development				Note
	18/19	19/20	20/21	21/22	18/19	19/20	20/21	21/22	
Average transfer per capita (M UGX)	157	155	357	306	1,436	1,417	2,116	1,815	
20 least funded LGs/ average transfer per capita	58%	59%	75%	88%	65%	63%	69%	70%	Higher better
Max/min ratio	15	19	12	12	11	10	8	9	Lower better

Source: IGFTRP Annual Performance Report FY 2020/21

As shown in Table 7, the equity of allocation for non-wage recurrent budgets to the 20 least funded local governments over the national average increased by 30% between 2018/19 and 2021/22, and that for development budgets increased by 5%. Also, the ratios between the highest and least funded local governments (in per capita terms) were notably reduced for both grants over the reporting period.

3.3 SYSTEMS FOR TRACKING AND TAGGING DOMESTIC CLIMATE FINANCE RECEIVED

Currently, there is no functional system or framework designated for tracking and tagging domestic climate finance. Tracking of climate finance is undertaken as part of mainstream annual budget tracking and financing, which does not allow for the detail required to track climate finance separately. The annual report on Public Debt, Guarantees, other Financial Liabilities and Grants has a section on climate finance, but this is limited to enumerating ongoing climate change projects and the sum of climate finance received in the reporting period. There is, however, a ray of hope with regard to the establishment of an independent tracking system for climate-related expenditure, as MoFPED is currently developing a climate change budget tagging tool in partnership with the World Bank.

Climate change budgeting will entail the creation of climate change codes (for mitigation and adaptation) in the Programme based Budgeting System (PBS). In terms of progress, mapping has been undertaken of all climate change interventions in the 20 Programme Implementation Action Plans (PIAPs) of the NDPIII. This will be followed by stakeholder consultations and capacity-building sessions on the operationalization of tools. It is important to note that the Programme based Budgeting System is conceptualized in line with these 20 PIAPs, and that this will simplify tracking, reporting and accountability on domestic public climate finance allocated to central and local governments.

3.4 MECHANISMS FOR INFLUENCING AND MONITORING EXPENDITURE OF CLIMATE FINANCE

One of the challenges involved in monitoring climate finance is the fact that it is integrated into grand sector budgets such as energy, transport, urbanization, agriculture, and water and environment. This is usually exacerbated by the absence of climate change codes within the existing budget system to enable tracking and reporting on climate finance-related expenditures. This implies that influencing and monitoring of climate finance expenditure must follow the mainstream budgeting cycle, albeit through a lens of climate finance. The 2015 Public Finance Management Act (Amended) outlines milestones that underpin the budgeting cycle, and these can be leveraged to influence and monitor climate finance expenditure. These are described below.

3.4.1 Budget preparation

The budgeting cycle commences with the first budget call circular issued in September by the Minister of Finance, Planning and Economic Development, calling on accounting officers at all government agencies to prepare a NBFP. The circular provides guidelines on the preparation and submission of the annual budget by government agencies, and this must be submitted by 15 November of the financial year preceding the year to which the Budget Framework Paper is related. A key component of the budget call circular is a directive to integrate climate change measures and actions into the Budget Framework Paper to comply with the approval criteria. This directive presents an opportunity to influence and monitor the quantity of climate finance or climate change-related expenditures integrated into the budget. The budgeting process is highly participatory, spearheaded by Programme Working Groups whose membership includes representation from non-state actors. This presents insights into the actual amount of climate change-related expenditure reflected in the budget, upon which the government can be held accountable in terms of compliance. Specifically, non-state actors also produce a shadow budget framework paper to inform the consolidated annual budget before discussion and approval by Parliament.

3.4.2 Budget approval

Budget approval happens at two levels, Cabinet level and Parliament level. After Cabinet approval, the Budget Framework Paper is submitted to Parliament by 31 December, ahead of Parliamentary approval by 1 February. The approval process is another mechanism for influencing and monitoring the course of government climate finance expenditure.

Non-state actors have an opportunity to engage Parliament at this stage, especially the Parliamentary Forum on Climate Change, to ensure that adequate allocations are made for climate change measures and actions. Equally important, the National Climate Change Act (2021) obligates Parliament to approve the budget upon receipt of a Certificate of Compliance of Climate Change Responsive Budgeting issued by the Minister for Water and Environment in conjunction with the chairperson of the National Planning Authority.

3.4.3 Budget implementation

While there is no entry point to influence climate finance expenditure at the budget execution stage, monitoring of budget releases and expenditure outturn can be undertaken. Often, budget releases are less than the approved budget due to constraints of fiscal space, and this has had dire consequences for climate finance. Budget cuts lead government agencies to divert allocated climate finance towards implementation of their core mandates, undermining the realization of climate change outcomes.

3.4.4 Budget monitoring and accountability reporting

There is a structured mechanism for budget monitoring and accountability coordinated by MoFPED. There are quarterly and annual budget performance reports that elaborate on the approved budget, the released budget and budget expenditure. These reports give insights on budget performance and can be analysed to ascertain whether the approved climate finance budget has been fully released and spent on climate change measures and actions.

3.5 DECENTRALIZATION OF CLIMATE FINANCE DECISION-MAKING AND IMPLEMENTATION

Uganda is in the early stages of implementing a decentralized climate finance mechanism. The current Intergovernmental Fiscal Transfers Reform Program outlines processes and procedures for decentralizing the overall budget to local governments through conditional and unconditional grants. In its current form, climate finance constitutes a minuscule part of this decentralized finance architecture. There are, however, ongoing partnerships between the government (particularly the Ministry of Water and Environment and MoFPED) and development partners to develop a functional decentralized climate finance mechanism aimed at enhancing climate finance flows to local governments, who are on the front line of climate change. There are two main mechanisms, LoCAL and LIFE-AR, which are described in more detail below.

3.5.1 Local Climate Adaptive Living Facility (LoCAL)

The LoCaL mechanism[28] is a national decentralized climate finance mechanism for financing locally led climate change adaptation, with the aim of empowering and enabling districts and communities to contribute to combating the adverse effects of climate change. LoCAL is being implemented by the Government of Uganda in concert with support from Belgium, the European Union, Sweden and the United Nations Capital Development Fund, and has the following objectives:

enable local governments to access and effectively use climate finance at the local level;

promote integration of climate change adaptation in local government planning and budgeting systems in a participatory and gender-responsive manner; and

leverage Performance-Based Climate Resilience Grants (PBCRGs) that promote local government performance in core areas related to climate change adaptation, and guarantee programming and verification of local adaptation expenditures.

3.5.1.1 Operationalization Of Local

The first LoCAL allocation was disbursed in FY 2023/24 to the four pilot districts of Kasese, Nwoya, Nebbi and Zombo, and there are plans to scale up the mechanism in other districts. In terms of operation, LoCAL is financed through the PBCRG mechanism, which guarantees programming and verification of local adaptation expenditures. It is a discretional grant that is:

- **Only accessible upon complying with a set of minimum conditions;**
- **Allocated partly based on results of annual local government performance assessments; and**
- **Is strictly used to implement locally selected eligible priority investments and interventions promoting climate change adaptation.**

This decentralized climate finance mechanism is limited to district-level local governments, with no transfers made to local governments below that level. This narrow layer of fiscal governance seeks to limit the fragmentation of funds and enable the implementation of projects cutting across local governments. However, this being a locally led adaptation mechanism, districts are obliged to ensure that communities and lower-level local governments are meaningfully involved to ensure that decision-making on investments is guided by vulnerability assessments.

3.5.1.2 Status of implementation

The first LoCAL (PBCRG) disbursement was made in FY 2023/24 in the following four districts, with specified areas for investment.

Table 8: Status of implementation of LoCAL

District	Status of implementation
Kasese	Kasese was to receive UGX 805m (approx. US$ 217,554) to deliver the following interventions: i. construction of a mini-irrigation scheme to supplement rain-fed agriculture in water-stressed areas; ii. demarcation and restoration by creating a 30-metre buffer along a 5 km stretch; iii. beating-up (gap filling) with bamboo and seedlings.
Nebbi	Nebbi will receive UGX 486m (approx. US$ 131,335) to implement the following interventions: i. construction of the Got-tar dam with an animal water trough, chlorine dosing unit and watering points for household use (safe water) in Porombo sub-county, a water-stressed area in the district; ii. planting trees along feeder roads (142 km) and at health centre units; iii. growing tree seedlings for planting along the road reserves and around boundaries of health units; iv. establishing on-farm demonstrations for soil and water conservation structures.
Nwoya	Nwoya district is to receive the UGX 438.7m (approx. US$ 118,569) to finance the following investments: i. construction of institutional renewable energy cooking stoves for four secondary schools; ii. growing trees to establish woodlots in and around five public institutions for windbreaks, ecotourism and biomass energy supply; iii. construction of a remedy to bottleneck on Anaka–Agung road.
Zombo	Zombo will receive UGX 417.8m (approx. US$ 112,919) to finance the following investments: i. reconstruction of a bridge damaged by floods on Namthin River; ii. installation of lightning arresters at lightning-prone primary schools; iii. afforestation of local forest reserves; iv. assessment and collection of data on climate-related disaster occurrences.

Source: UNCDF LoCAL Pilot Districts Field Report

3.5.2 Extent of community participation in the selection of LoCAL investments

A primary data collection exercise targeting the LoCAL pilot districts of Nwoya, Zombo, Kasese and Nebbi was undertaken to ascertain the criteria used to select investments, the extent of community participation in their selection and the form of support that communities expect from civil society to ensure successful delivery of the LoCAL facility. The findings of this data collection exercise are explained below.

i. **Awareness of the LoCAL facility among targeted communities:** A total of 85.7% of respondents said that they were aware of the LoCAL initiative and the accompanying performance-based grants that were due to be disbursed in FY 2023/24. The communities had participated in designing the selection criteria for interventions to be prioritized for LoCAL funding. On the other hand, 14.3% expressed limited awareness about the LoCAL facility; this can be attributed to their non-participation in the design of the selection criteria.

ii. **Criteria/steps followed to select LoCAL intervention areas for FY 2023/24:** An analysis of responses revealed that the following steps were undertaken in selecting intervention areas for FY 2023/24:

- **Consultation with stakeholders, including politicians, technical staff and community members through their leaders at lower local government levels. Community, sub-county and district stakeholder engagements were undertaken. These engagements focused on the analysis of climate change risks and vulnerability, and developed actions to address the impacts.**
- **Climate risk and vulnerability assessments of districts were undertaken, which highlighted the main climate hazards/ extreme events based on their frequency and extent of damages and guided the selection of investments. Interventions that would enable communities to adapt to the impacts of hazards were identified, rated and selected for implementation.**
- **The selected interventions were presented and discussed by the District Technical Planning Committee (DTPC) and the District Council (DC) for approval.**
- **A guide was provided and a team from the DTPC brainstormed and ensured alignment with District Development Plans (DDPs).**

Generally, it was noted that a number of different stakeholders participated in the selection of investments. These included political leaders such as district chairpersons, heads of departments in the district, members of the District Technical Planning Committee, sub-county officials and members of the local community, district engineers, natural resource officers, environment officers, procurement officers and district production officers, lower local government councillors, the Resident District Commissioner and representatives of the central government.

iii. **How communities and lower-level local governments were involved in the selection process of prioritized investment areas:** Communities and district leaders reported that they were involved in the process in the following ways:

- **Consultative meetings were conducted at the district level along with field-based meetings with communities and those targeted to participate in the programme.**
- **Field visits were carried out and sensitization of community members conducted on climate risk screening and selection of investments.**
- **Participatory planning meetings were undertaken at lower local government level to ensure the selection of community-driven interventions.**

iv. **Role of civil society in ensuring successful implementation of LoCAL in pilot districts:** According to interviews with communities and district leaders, civil society has the following roles to play in ensuring the successful implementation of LoCAL in pilot districts:

- **monitoring the progress of investments to ensure that the intended purpose of LoCAL is achieved;**
- **advocating for good governance and accountability and building the capacity of communities in management, ensuring sustainability of LoCAL interventions;**
- **community sensitization on climate justice, monitoring and evaluation and provision of relevant climate-related information;**
- **advocacy and lobbying for more climate finance flows to district-level local governments and communities.**

Communities have expectations from CSOs, but it is also prudent to use scientifically proven methods to assess the effectiveness of PBCRGs. The Global Commission on Adaptation has produced eight Principles for Locally Led Adaptation,[29] and using these principles to guide the design of LoCAL projects and assessing their impact will provide greater clarity on whether these projects are complying with principles of inclusion and locally led processes across the chain. The eight Principles for Locally Led Adaptation are:

- **Devolving decision-making to the lowest appropriate level:** This entails giving local institutions and communities more direct access to finance and decision-making regarding the design, selection, implementation and monitoring of adaptation actions.
- Addressing structural inequalities faced by women, youth, children, people with disabilities, people who are displaced, indigenous peoples and marginalized ethnic groups.
- **Providing patient and predictable funding that can be accessed more easily:** This involves supporting the long-term development of local governance processes, capacity and institutions through simpler access modalities and more predictable funding horizons to ensure that communities can effectively implement adaptation actions.
- **Investing in local capabilities to leave an institutional legacy:** This involves enhancing the capabilities of local institutions to ensure that they can understand climate risks and uncertainties, generate solutions and manage adaptation initiatives over the long term while gradually reducing dependence on project-based donor funding.
- **Building a robust understanding of climate risk and uncertainty:** This means ensuring that adaptation decisions are based on and informed by local, traditional indigenous, generational and scientific knowledge that builds resilience under a range of future climate scenarios.
- **Flexible programming and learning:** This principle involves enabling adaptive management to address the inherent uncertainty in adaptation, especially through robust monitoring and learning systems and flexible finance and programming.
- **Ensuring transparency and accountability:** Locally led adaptation recommends making processes of financing, designing and delivering programmes more transparent and accountable to local stakeholders.
- **Collaborative action and investment:** This involves collaboration across sectors, initiatives and levels to ensure that different initiatives and different sources of funding are complementary rather than duplicative to enhance efficiency gains.

3.5.3 Least Developed Countries Initiative for Effective Adaptation and Resilience (LIFE-AR)

The LIFE-AR initiative is a mechanism established to support least-developed countries to achieve the LDC 2050 Vision.[30] It seeks to address structural challenges that have rendered the current climate finance landscape ineffective for LDCs, who are on the front line of climate change.

Specifically, the current global approaches to climate finance are short-term and constrained to specific projects, and external actors lead and define most initiatives through a one-size-fits-all approach, coupled with extensive layers of intermediaries and consultants, which makes the process expensive. This explains why only 18% of global climate finance reaches LDCs and only 10% goes to local levels. Therefore, at the global level, the LDC negotiation group developed a number of asks on overhauling the global climate finance landscape to make it work more effectively for LDCs, which were accompanied by offers made by development partners. These are detailed in Table 9.

Table 9: LIFE-AR asks and offers

Number	Shared principles of partnership to deliver LDC vision and shift away from business as usual	Summary
1.	Work together jointly on a shared and equal platform	Equality
2.	Invest in integrated, holistic and ambitious climate planning across the whole of society.	Integrated approaches
3.	Commit to a shared goal of 70% of finance flows supporting action on the ground in LDCs by 2030.	Local action
4.	Work at the pace of LDCs, aiming to build long-term national and local institutions, systems and capabilities.	LDC-led; country ownership
5.	Leave no country and no one behind	Social inclusion and gender transformation

Source: LDC Vision 2050

3.5.3.1 Delivery mechanisms of LIFE-AR

One of the delivery mechanisms of LIFE-AR is the Decentralized Climate Finance (DCF) mechanism, which creates a direct route for climate finance to flow to the local level while being supplemented by domestic sources and planned from the bottom up. The DCF mechanism is an innovative model with adaptation planning and financial systems targeted for delivering adaptation for all. It fosters bottom-up, flexible, local and often customary planning, with formal planning and budgeting processes integrated at national and sub-national levels. The objective of the DCF in Uganda is to strengthen the capacity of local governments to mobilize and manage climate finance. It leverages the institutional architecture of decentralization to channel climate finance to the local level.

3.5.3.2 Status of implementation in Uganda

Designing the most appropriate DCF framework is an ongoing processs that is being spearheaded by the Ministry of Water and Environment, which doubles as the national secretariat for the LIFE-AR initiative. The DCF mechanism will be piloted in 12 districts, which are already being engaged and involved in LIFE-AR activities: Kalaki, Pader, Lwengo, Kibaale, Rakai, Kaabong, Ntungamo, Kalungu, Yumbe, Ngora, Pakwach and Karenga. It is premised on community-led planning, anchored within and supportive of devolution, social inclusion of climate-vulnerable people including women, flexible and adaptive management and emphasis on investments in public goods. The operational components of the DCF are:

- **Climate Fund**
- **Climate/Adaptation Planning Committees**
- **Monitoring, evaluation and learning (MEL)**
- **Resilience planning tools (including dissemination of climate information).**

4.0 NATIONAL AND LOCAL CLIMATE BUDGET MONITORING AND ADVOCACY STRATEGIES

Ensuring national and local climate budget monitoring requires inclusive participation in the whole of the budget cycle, starting with budget preparation. This further requires the deployment of appropriate monitoring and advocacy strategies backed up with inclusive tools that ensure meaningful participation by all. This section explains approaches that support citizen-led local and national climate budget monitoring and advocacy work.

4.1 PARTICIPATORY BUDGETING

Participatory budgeting is a budgeting model that fosters direct engagement and involvement of community members and all stakeholders in the allocation of public funds. Ideally, local governments must engage communities in identifying priorities to be budgeted for in a particular financial year. Civic participation in climate finance budget formulation, expenditure and monitoring processes is crucial in ensuring that the budget is used as a tool to finance locally led adaptation actions. Currently, however, participatory budgeting is limited to the budget preparation stage, with minimal civic participation in budget execution and monitoring.

MoFPED holds regional budget consultation meetings targeting all local governments. This is undertaken after the issuance of the budget call circular prior to the compilation of the National Budget Framework Paper. However, there is no clarity on whether local government leadership involves communities in budget preparation prior to prioritizing budget items at the district level and participation in regional budget consultation meetings. Also, there are no regional-level consultations held on budget execution and monitoring. This implies that modest participation in budget preparation fizzles out at the later stages of the budget cycle, such as execution and monitoring. Participatory budgeting entails:

- **Collecting community input through intermediaries, influencers and religious leaders, among others, to reflect civic values and reduce the percentage of groups usually underrepresented in budget preparation;**
- **Ensuring a feedback loop where communities are informed about**

priorities that have been approved for funding and also involved in other segments of the budget cycle, including execution and monitoring;

- **Implementing changes and input from communities. Communities must realize that their contribution to budget preparation will result in real tangible results. This motivates their participation in the next budgeting cycle;**
- **Institutionalizing participatory budgeting principles to ensure that every budgeting cycle is underpinned by meaningful civic participation.**

4.2 TOOLS AND APPROACHES USED BY LOCAL CIVIL SOCIETY TO TRACK CLIMATE FINANCE ACCOUNTABILITY

In a bid to hold duty-bearers in national and local governments accountable for inclusive and transparent spending of climate finance, local civil society has over the years deployed a number of tools and approaches, including the following.

4.2.1 Production of Shadow Reports/Citizens Alternative Budget

These tools are deployed at the budget preparation and approval stage to reflect the views and opinions of civil society and citizens about the proposed annual budget. They further include recommendations on how to make the budget pro-people and climate change-responsive. The Citizens Alternative Budget is based on reflections and views of CSOs under the umbrella of the Civil Society Budget Advocacy Group (CSBAG). The Citizens Alternative Budget is largely consolidated from ministerial policy statements and annual work plans of government agencies.

Specifically, the Citizens Alternative Budget analyses the extent to which the annual budget responds to civic challenges such as income poverty, equity, climate change and the likely risks to Uganda's economic outlook. Although it is not a specific climate finance-centric accountability report, it tracks budgetary allocations to relevant development areas including climate change and equity.

4.2.2 Strategic partnerships with government

Partnerships between the government and local civil society on climate finance and development finance accountability have gained traction over the years. A role for civil society in simultaneously acting as a partner and a watchdog has helped to smooth the relationship between civil society and government, guaranteeing access to information and the achievement of transformative results. A case in point is the annual Citizen's Guide to the Budget produced by MoFPED in partnership with CSBAG and Uganda Debt Network. The Citizen's Guide to the Budget is published to enable citizens to:

- **Know the government's priorities for a given financial year;**
- **Know how the government intends to raise the resources for financing the budget;**
- **Know how the government has appropriated the available resources that have been raised; and**
- **Participate actively at all levels and hold government responsible and accountable for quality service delivery.**

The other strategic partnership is on the production of the Certificate of Compliance of the national budget to climate change interventions in the NDPIII, which is produced by the National Planning Authority in concert with the Advocates Coalition for Development and Environment (ACODE). This certificate examines budgetary allocations to climate change interventions and facilitates tracking, and holds relevant government agencies accountable. However, there is a need to enhance the decentralization of knowledge and analytical products arising out of these partnerships to ensure accessibility for the targeted audience (i.e. citizens). Equally important, there is a need to translate these reports into various local languages for increased uptake.

4.2.3 Proactive participation in the budget cycle

Another approach used by local civil society to track climate finance accountability is proactive participation in the budget cycle. This is undertaken through advocacy workshops, breakfast meetings with duty-bearers for budget allocation, civic sensitizations on the budget and the engagement of several parliamentary committees. During budget planning and preparation, civil society representatives organize targeted round table discussions with various stakeholders, including the Parliamentary Committee on Budget and National Economy, the Committee on Climate Change and government agencies, particularly MoFPED, and participation in national and regional budget preparation meetings. CSOs also publish supplements on climate finance in newspapers and participate in pre- and post-budget conferences and television and radio dialogues to dissect allocated budgets and sensitize the public on these and the fiscal commitments for which they should hold the government accountable.

4.2.4 Periodic civil society-led budget performance monitoring follow-ups

Local civil society also undertakes periodic budget performance monitoring and follow-up and distils findings in budget performance monitoring reports. As discussed earlier, the performance monitoring undertaken is not limited to climate finance but extends to the entire economy, with a particular focus on sectors such as energy, agriculture, transport, health, social development and water and sanitation, among others. CSBAG produces quarterly Budget Transparency Monitoring Reports to track accountability on the budget and to examine whether different government agencies are complying with the Budget Transparency Initiative (BTI) reforms.

However, these quarterly reports are thematic with a focus on single sectors or programme performance in a given reporting period, which often neglects the tracking of accountability of climate finance at national and sub-national levels.

4.2.5 Alignment of civic interventions with government systems and processes

To maximize the impact of civic interventions and advocacy work, local civil society has leveraged government processes and systems to not only avoid conflict with government processes but also to ensure timely and efficient interventions on climate finance. For instance, in 2013 MoFPED launched the Budget Transparency Initiative, which was aimed at improving transparency and accountability for public expenditure to improve service delivery. Key components of the BTI are to:

- **Find out whether budget release information is being displayed on local government and government agency notice boards; and**
- **Examine if the budget release information displayed is accessible to citizens, both physically and online.**

CSBAG undertakes quarterly assessments to ascertain compliance with these two provisions, which ultimately informs its budget performance reports. This is done through the use of qualitative and quantitative approaches in data collection using pre-tested questionnaires administered to a targeted sample of the population. The Budget Performance Monitoring Report produced from this assessment not only enables civil society to hold the government accountable for its fiscal commitments but also informs government decisions on appropriate courses of action. Similarly, ACODE uses the budget preparation calendar by partnering with the National Planning Authority to produce a Certificate of Climate Change Responsive Budgeting that is attached to the National Budget Framework Paper before discussion and approval by Parliament.[31]

4.3 BEST PRACTICE BUDGET MONITORING TOOLS AND APPROACHES FOR CLIMATE FINANCE TRACKING

The review of existing literature and tools indicates that Uganda's climate finance space is still in its nascent stages and there is no stand-alone climate finance monitoring and accountability tool. Consequently, monitoring climate finance and holding its duty-bearers accountable is reliant on leveraging existing general budget performance and accountability tools that capture the accountability performance on climate finance only in a shallow fashion, without providing a comprehensive analysis.

However, while these tools and approaches are limited in their reporting scope on climate finance accountability, their focus can be adjusted to bring such reporting to the fore, thus enabling the monitoring of stakeholders responsible for channelling and spending climate finance resources. The following approaches and tools represent best practices that can be adjusted to explicitly report on climate finance expenditure and accountability.

4.3.1 Quarterly Budget Transparency Monitoring Report

The Quarterly Budget Transparency Monitoring Report produced by CSBAG is currently structured around sector-thematic areas determined by concerns and issues at hand. For instance, the Monitoring Report for 2019/20 focused on the display of budget information in health and education institutions at local government level. This tool can be adjusted to capture cross-cutting issues such as climate finance, regardless of the quarterly thematic focus. This will go a long way to making climate finance budget data available to enable tracking and to hold stakeholders accountable for expenditure.

4.3.2 Shadow Reports/Alternative Citizens Budget

The annual Shadow Budget or Alternative Citizens Budget coordinated by CSBAG is produced in parallel with the national budget to reflect civic views and opinions on it. The report is largely slanted towards macroeconomic performance and selected sectoral allocations, with minimal attention paid to cross-cutting issues such as climate change and equity. The shadow budget represents a good advocacy practice that can be leveraged to not only track climate finance allocations across NDPIII programmes but also to report on the climate finance accountability performance of the previous year. The other area of improvement is translation of the Alternative Citizens Budget into major languages to enhance access and utilization by target audiences.

4.3.3 Innovative advocacy strategies for climate financing

Both climate finance and Uganda's fiscal space are evolving, with a growing debt burden coupled with increasing development need. This implies that innovative development finance sources such as funding to tackle climate change will gain more prominence in terms of both quantity and quality.

This will call for more robust advocacy strategies by civil society to be able to effectively monitor climate finance inflows and expenditure while holding duty-bearers accountable. In this regard, civil society should consider adopting the following advocacy strategies.

4.3.4 Build strategic partnerships with key government agencies

Building strategic partnerships with the government and aligning CSO interventions with structured government processes and systems has generated remarkable advocacy results in the past. Key among these is the six-year partnership between ACODE and the NPA, which has resulted in the production of an assessment report the Certificate of Compliance of the Annual Budget to the NDPIII.[32] The assessment report outlines key institutional and structural challenges to mobilizing climate finance, domestically and internationally. It has consistently raised the challenges of weak institutionalization of climate finance and the lack of a national mechanism to quantify, track and monitor flows from domestic and international sources. These challenges were brought to the attention of Parliament and MoFPED, and consequently partly informed the justification for the creation of a Climate Finance Unit (CFU) within MoFPED as part of enhancing the institutionalization of climate finance. The CFU is tasked with mobilizing funding from domestic and international public and private sources.

At the same time, MoFPED is currently designing a climate change budget tagging tool to develop codes for climate-relevant expenditure in the budget system and to enable the tracking of climate finance. The success of this advocacy strategy is attributed to three factors:

- **Alignment of civil society interventions and actions with government processes and systems;**
- **Undertaking meaningful participation and stakeholder engagement in the processes to identify responsibility centres for different tasks; and**
- **A flexible approach to CSOs building partnerships with government and also being watchdogs who hold government accountable on different fronts.**

4.3.5 Leverage digitization and social media

In the recent past, social media and digitization have been leveraged by activists to hold the government accountable and deliver results in sectors such as health and roads. With the growing severity of climate change and the expected climate finance inflows, civil society should strategically leverage social media during the budget preparation and approval periods to enhance civic participation in the process, create awareness and build the capacity of citizens to hold the government accountable on its climate finance commitments. For instance, the government through the NDC has committed to mobilize US$4.1bn in climate finance from domestic sources for the period 2023 – 30. However, this lump sum has not been broken down into annualized targets that can be tracked and monitored for compliance. Civil society may consider initiating social media campaigns on how climate change-responsive the budget is and how much is allocated under the government's US$4.1bn commitment.

4.4 CHALLENGES AND GAPS IN CURRENT TOOLS AND APPROACHES

Clearly, civil society in Uganda is making remarkable efforts in holding duty-bearers accountable for climate finance spending by leveraging existing budget performance monitoring and accountability tools and approaches. However, despite this notable performance, these tools are bedevilled by a number of challenges and gaps that need to be addressed to improve results. The key challenges are highlighted below.

i. **Highly concentrated at the central/national level:** A review of major approaches and tools deployed by civil society to track climate finance expenditure and hold duty-bearers responsible reveals that analysis and other efforts are largely limited to central government. For instance, the Certificate of Compliance of the Annual Budget to climate change interventions produced by ACODE in partnership with the NPA analyses climate finance allocations and expenditures at the NDPIII programme level. The analysis largely focuses on central government agencies, although a percentage of climate finance also trickles down to local governments.

   This may be attributed to the fact that over 80% of the national budget is spent at the centre, with only about 19% disbursed to local governments. While this huge variation indicates that central government agencies will account for the greater proportion of budget performance, it is imperative also to capture the performance of local governments to generate a comprehensive analysis and devise advocacy strategies and recommendations that encourage climate finance and fiscal transparency and accountability at local government level.

ii. **Inclined towards the budget planning and preparation segments of the budget cycle: The budgeting cycle has four segments:** budget planning, budget preparation, budget execution and budget monitoring. It is evident that most advocacy work is concentrated at the first two stages of budget planning and preparation, which is logical to ensure that the budget is prepared in a way that is inclusive and meets the needs of the most vulnerable people. The lone intervention on budget monitoring is the quarterly thematic-based Budget Transparency Monitoring Report produced by CSBAG. This report focuses on key sectors with minimal consideration of climate finance, although it has potential to be leveraged for tracking accountability for climate expenditure.

Therefore, while the focus on budget planning and preparation is commendable, it is imperative also to undertake consistent and significant advocacy work on budget execution and monitoring. This is because there are frequently budget cuts, resulting in discrepancies between the approved budget and the released budget. Also, government agencies are faced with budget absorption challenges, resulting in low expenditure outturns with dire implications for service delivery. All these factors reinforce the need for existing advocacy tools and approaches to cover the whole of the budget cycle.

iii. **Skewed to tracking climate finance quantity rather than quality:** There has been a significant surge in the quantity of climate finance globally, hitting US$83bn by December 2022 and with climate-relevant projects accounting for a third of bilateral aid spending.[33] However, an increase in quantity does not necessarily result in reduced vulnerability and low emissions if there are no mechanisms to ensure efficiency of allocation to the most vulnerable communities and robust climate change measures. Current approaches and tools are biased toward holding duty-bearers accountable for the quantity of climate finance flows and expenditure, with minimal attention paid to whether climate finance expenditure is compounding social inequalities or delivering maladaptation projects. As such, the scope of existing tools and approaches should go beyond focusing on the quantity of climate finance to quality interventions being implemented once it is mobilized.

iv. **Irregular deployment of tracking tools and demand driven by funders:** Over the years, Ugandan civil society has irregularly deployed tools to track climate finance expenditure and accountability, usually on the basis of demand driven by development partners. For instance, in 2013 ACODE, in partnership with ODI, produced a national climate change finance analysis to look at the government's commitment to its policy obligation of allocating 1.2% of its gross domestic product (GDP) to climate change measures, as stipulated in the National Climate Change Policy.[34] Relatedly, in February 2015 Oxfam, in partnership with Climate Action Network Uganda (CAN-U), produced a report on the delivery of adaptation finance in Uganda.[35] There have been no follow-up reports since then to update the findings of these publications, despite the rapidly evolving climate finance landscape, which indicates that these tools and interventions were demand-driven to meet the needs of the parties involved and were not regular interventions to track climate finance expenditure and accountability. It is therefore imperative to ensure that climate finance expenditure and accountability are integrated into the operations and strategies of local civil society to ensure the consistent and regular production of reports to inform policy and civic participation in holding climate finance duty-bearers accountable.

v. **Low level of dissemination of report findings:** The effectiveness of existing tools and approaches has been beset by weak dissemination of their findings to the target audience. A case in point is the Alternative Citizens Budget produced by CSBAG, the dissemination of which is largely concentrated at the national level. Also, insufficient efforts have been made to produce popular versions or translations of such publications in local languages to deepen sensitization and knowledge of the annual budget and fiscal issues. As such, civil society should widen the dissemination of findings from advocacy interventions undertaken. This will increase the critical mass of the population who hold the government accountable for service delivery, honouring its climate finance commitments and the objectives of the Budget Transparency Initiative.

5.0 CLIMATE FINANCE ADMINISTRATION AND GOVERNANCE: LESSONS AND OPPORTUNITIES FOR ENCOURAGING EQUITABLE CLIMATE FINANCE FLOWS

This section has three sub-sections focusing on climate finance administration and governance, with an emphasis on existing approaches and methodologies, key opportunities to influence equitable flows and ways to stimulate more climate finance for local governments and communities. Specifically, the three sub-sections detail the following:

- **Opportunities for Uganda from the doubling of international adaptation finance, as agreed at COP26;**
- **Existing transparency and accountability approaches and methodologies that support advocacy regarding climate programming, budgeting and tracking of climate-related expenditures at the national and sub-national levels;**
- **Key opportunities to influence equitable finance flows by all stakeholders; and**
- **Key opportunities that could stimulate more local climate finance for local governments.**

5.1 OPPORTUNITIES IN DOUBLING INTERNATIONAL ADAPTATION FINANCE

At the 15th Conference of the Parties (COP15) in 2009, richer country parties to the UNFCCC committed to jointly mobilize US$100bn annually for climate change mitigation and adaptation in low- and middle-income countries by 2020, a goal that was subsequently extended to 2025. At COP29, to take place in November 2024 in Baku, Azerbaijan, a 'new collective quantified goal on climate finance' should be agreed. In addition, in the Paris Agreement parties agreed to 'achieve a balance between adaptation and mitigation' finance. However, in practice, adaptation has remained consistently underfunded. According to OECD figures, in 2021 mitigation represented the majority (60%) of all climate finance provided and mobilized, while adaptation accounted for 27% and cross-cutting for 13%.[36]

The Glasgow Climate Pact adopted at COP26 in 2021 took steps to resolve this shortfall, with a concrete goal to double annual adaptation finance by 2025 compared with 2019.[37] This will require a huge increase of US$20bn per year, from US$20.3bn in 2019 to US$40bn in 2025. So far the increase has been small, with a total of US$24.6bn in 2021, which underlines the need to accelerate the increase in adaptation finance. In light of these low levels of adaptation finance in both absolute and relative terms, at COP28 in Dubai many low-income country parties stated the pressing need to scale up finance for adaptation and resilience.

There has been considerable variation in the amount of adaptation finance committed to Uganda. In recent years the amount has fluctuated, from US$80m in 2019 to a peak of US$408m in 2020 and subsequently a fall back to US$176m in 2021 (as shown in Figure 4). The COP26 decision on doubling adaptation finance provides a significant opportunity for a rapid increase in locally led adaptation finance for Uganda.

Uganda has already gained important experience from the LIFE-AR and LoCAL programmes, as described in section 3.5. The latter is a national decentralized climate finance mechanism for financing locally led climate change adaptation that has already disbursed performance-based climate resilience grants to four pilot districts, with plans to scale up in other districts.

There are further opportunities for Ugandan CSO networks to learn from the Financing Locally-Led Climate Action Program (FLLoCA) in Kenya, which is being rolled out at a much larger scale than programmes in Uganda. Supported by the World Bank, FLLoCA has a budget of US$172m from 2022 to 2026 and covers all 47 counties in Kenya.[38] Further funding is being provided from Sweden and Denmark. This programme has established the first national-scale model of devolved climate finance and supports the Government of Kenya in translating its ambitious climate agenda into scaled-up action across the country.

This study recommends that CSO networks make efforts to seize the opportunities from the COP26 decision in Glasgow to rapidly double annual adaptation finance to low- and middle-income countries. It is suggested that a task force should be established with relevant CSO networks working with climate change, the Climate Finance Unit within MoFPED, the Ministry of Water and Environment, the Ministry of Local Government (MoLG) and staff from LoCAL and LIFE-AR. This task force could gather key learnings from the latter two programmes, as well as explore how FLLoCA works to include all counties in Kenya.

5.2 PROVEN APPROACHES AND TOOLS FOR LEVERAGE TOWARDS ADVOCACY FOR CLIMATE CHANGE EXPENDITURE TRACKING AND ACCOUNTABILITY

A number of transparency and accountability approaches have been developed by state and non-state actors over the years that can be leveraged to support advocacy on climate programming, budgeting and tracking. These include the following.

5.2.1 Certificate of Compliance of the Annual Budget to the National Development Plan (NDPIII)

Since 2015, the National Planning Authority has produced a Certificate of Compliance of the Annual Budget to the NDPIII, with the goal of assessing the extent of alignment of budgeting and planning processes. This certificate is produced for Parliament to fulfil legal obligations encapsulated in section 13 (7) of the 2015 Public Finance Management Act (Amended). It is important to note that the NDPIII is climate change-responsive, containing unconditional climate change measures aligned to the NDC. The Certificate of Compliance therefore examines the extent to which the annual budget has allocated financial resources to NDPIII climate measures. It assesses adequacy in terms of the costing of NDP climate measures vis-à-vis actual budgetary allocations and reports any discrepancies. It further assesses whether the budget approved in the previous financial year was fully released to implement planned interventions.

This certificate and its assessment report raise salient issues that can support advocacy for climate budgeting and tracking of related expenditures. For instance, the current report indicates that most government agencies have allocated only minuscule budgets to the creation of climate change awareness, so that they can tick the climate change requirement. Also, it is noted that agencies reallocate climate finance allocations to other core mandate interventions when they are hit with budget cuts. These are crucial issues that undermine climate action and can inform advocacy strategies.

5.2.2 Certificate of Climate Change Responsive Budgeting

This is nested in the 2021 National Climate Change Act, section 30, which obligates the Minister of Water and Environment, in consultation with the chairperson of the NPA, to issue a certificate of compliance of the National Budget Framework Paper before approval by Parliament. The first certificate was issued in January 2023 and the NBFP was scored at 60%, although the assessment was limited to the programme level despite the law requiring assessment of all votes (government agencies), including local governments. This is erroneous, since local governments are on the front line of climate change and suffer disproportionate effects given their low adaptive capacity. The certificate further indicates that a detailed assessment would be undertaken at an appropriate time and the detailed analysis shared, although there is no evidence that this has been undertaken.

Key advocacy strategies regarding this approach include the limited dissemination of the findings of the certificate and pending uncertainty on undertaking a detailed assessment that includes all votes (government agencies) and local governments. These issues represent entry points for advocacy on climate change programming, budgeting and tracking.

5.2.3 Budget Transparency Initiative

MoFPED launched the Budget Transparency Initiative (BTI) in 2013 to enhance efforts to improve the transparency and accountability of public expenditure for improved public service delivery. This was accompanied by a Budget Transparency and Accountability Strategy in 2018, which sought to:

- **Increase the participation of the public (private sector, media, CSOs, local government councillors and citizens) in budget preparation and monitoring at all levels;**
- **Strengthen accountability for public expenditure by policy-makers and duty-bearers and improve service delivery to citizens.**

The strategy has the following specific objectives:

- **Enhance awareness among the public of their right to budget information regarding mobilization and utilization of domestic revenue, donor resources and the level and impact of public expenditure;**

- **Mainstream budget transparency and accountability in the functions and mandates of central and local departments;**
- **Promote public engagement and participation in budgeting by creating opportunities for citizens to develop their priorities, and inform and monitor service delivery;**
- **Increase demand for accountability on the use and impact of public funds; and**
- **Strengthen the government's response to citizen demand for accountability.**

CSBAG produces thematic-based quarterly reports, though these are limited to a particular sectoral thematic focus. However, the BTI can support advocacy work on climate change through civil society tracking to ascertain whether assessment reports also capture budgetary allocations to climate change measures. Besides, it is imperative to establish whether the government is on track to achieve the BTI objectives set out in the Budget Transparency and Accountability Strategy.

5.2.4 Citizens Alternative Budget report

Over the years, civil society has seized on the annual budgeting cycle to pursue advocacy that fosters participatory budgeting, tracking and accountability. After the compilation of the National Budget Framework Paper by MoFPED, local civil society, under its budget advocacy group CSBAG, also commences its civic budget engagement activities, which culminate in the production of an alternative budget that reflects the findings of consultations with the public.

This is a strategic tool and approach that can be utilized to support advocacy on inclusive climate programming, budgeting and tracking of climate-related expenditures at the national and sub-national levels. There is potential to widen the scope of the Citizens Alternative Budget report beyond the conventional conceptualization based on sectoral allocations to include sections that enumerate strategies for enhancing climate change-relevant expenditure.

5.3 QUICK WIN OPPORTUNITIES TO INFLUENCE EQUITABLE CLIMATE FINANCE FLOWS

It is imperative to ensure that climate finance does not compound existing inequalities by facilitating the implementation of projects that combat climate change yet perpetuate existing gender and income inequalities. There are low-hanging fruits in the shape of government-led flagship processes and documents that civil society can influence to ensure that their conceptualization and goals are inclined towards social inclusiveness and equity targets and indicators. These include the following.

5.3.1 Imminent planning cycle and formulation of the Fourth National Development Plan (2025/26–2029/30)

The government is in the process of drafting the Fourth National Development Plan (NDPIV 2025/26–2029/30), based on lessons learned from implementation of the Third National Development Plan captured in the mid-term review,[39] Uganda Vision 2040 and Presidential Directives. Climate change will certainly be a significant part of the development plan. The process is usually highly consultative, and national consultations took place in December 2023 while national validations of the first draft will be undertaken in September 2024. This presents a key opportunity for civil society to scrutinize the development plan and ensure that social equity and climate finance accountability and tracking are part of its key result areas. Specifically, civil society can participate in the following ways:

- **Develop a civil society issues paper and formally submit it to the NPA to serve as a literature review for the NDPIII. The issues paper should contain key climate finance equity strategies that civil society deems adequate to ensure an equitable flow of finances.**
- **Proactively participate in programme-level meetings such as programme working groups. This is where sector- or programme-specific interventions and objectives are devised and owned before submission for incorporation in the NDP. Civil society umbrella organizations such as the Network for Civil Society Organisations in the Environment and Natural Resources Sector (ENR-CSO Network should be represented on programme working groups with equal rights to influence discussions.**

- **For sub-national civil society groups, participate in local government consultations and validations.**
- **Participate in national consultations and validations – the NDP will be subject to national and sub-national consultations and validations, and civil society can leverage these events.**

5.3.2 Maximize participation in the formulation of the National Climate Finance Strategy

MoFPED, through the recently formed Climate Finance Unit, has commenced the process of developing a National Climate Finance Strategy. The Strategy will articulate how the country intends to mobilize climate finance from domestic and international sources to meet the climate finance ambition of US$28.1bn, as indicated in the updated NDC. The drafting process will be highly consultative, comprised of stakeholder engagements and a Technical Committee drawn from state and non-state actors.

This is an essential document that will highlight how the government intends to mobilize, spend, track and account for climate finance at national and sub-national levels. It is therefore incumbent upon local civil society to ensure that it follows the drafting process closely and advocates for strategies and interventions that foster participatory budgeting and equitable climate finance flows by public institutions and other stakeholders. Pathways for participation include representation on the Technical Committee and other follow-up stakeholder engagements such as national consultations and validation.

5.3.3 Establish strategic partnerships with the CFU and other stakeholders

Another way of influencing equitable finance flows by public institutions and other stakeholders such as the private sector is by establishing strategic partnerships aimed at delivering climate finance systems that are responsible for local equity challenges.

The Climate Finance Unit is tasked with coordinating access to, expenditure and tracking of climate finance from domestic and international sources. It intends to deliver its mandate in partnership with all stakeholders including civil society and the private sector, especially with regards to tracking the expenditure and effectiveness of off-budget climate finance.

Additionally, partnerships with the profit-oriented private sector are key to ensuring that the climate finance products developed, especially by financial institutions, are inclusive and structured in different amounts to meet the different economic statuses of people and communities affected by climate change. Also, civil society may consider liaising with development partners, especially in their country programming, to lobby for financial support that will facilitate and enable CSOs to undertake their advocacy work, ensure equitable climate finance flows and hold the government accountable for its climate finance.

5.3.4 Advocate for the development of regulations for the National Climate Change Act

The Ministry of Water and Environment (Climate Change Department) coordinated the development of the National Climate Change Act (2021), which includes a section on climate finance at national and sub-national levels. Section 21 (3) indicates that the Minister for Water and Environment in consultation with the Minister responsible for finance shall, by statutory instrument, make regulations setting out procedures for accessing the financing of climate change measures. However, the development of these regulations has not commenced, even though the severity and burden of climate change are worsening by the day. Civil society can therefore advocate and lobby the government to develop all regulations required to operationalize the National Climate Change Act.

5.3.5 Pursue targeted partnerships with the World Bank to unlock climate finance at scale and at speed

The World Bank continues to play an instrumental role in supporting climate action in Uganda, which underscores the need for CSOs to forge strategic partnerships with the Bank to ensure effective joint monitoring of climate change projects. The World Bank is currently funding a number of climate change projects, which include the following.

The **Investing in Forests and Protected Areas for Climate-Smart Development Project** is a six-year project that is being implemented by the Ministry of Water and Environment, the Ministry of Tourism, Wildlife and Antiquities, the Uganda Wildlife Authority and the National Forestry Authority.[40] The project seeks to improve the sustainable management of forests and protected areas and increase benefits to communities in target landscapes. It has four components: (i) improved management of forest protected areas; (ii) increased revenues and jobs from forests and wildlife protected areas, (iii) improved landscape management in refugee hosting areas and project management support. In terms of financing, the total project cost is US$178.2m, comprised of US$78m as a loan and US$70m as a grant from the International Development Association (IDA), accompanied by Government of Uganda co-financing of US$30m.

The **Uganda Climate Smart Agriculture Transformation Project** seeks to increase productivity and marketed volumes in selected climate-smart value chains and enhance the resilience of participants in the project area. The project has three components: (i) strengthening climate-smart agriculture research, seed and agro-climatic information systems; (ii) promoting the adoption of climate-smart agriculture practices and value chains; and (iii) project coordination, management, monitoring, evaluation and learning. In terms of financing, the project is estimated to cost US$350m, comprising a loan of US$300m from IDA and US$50m as counter financing from MoFPED.

The **Lake Victoria Environmental Management Project** is an East African Community initiative involving five countries, and in Uganda is being implemented by the Ministry of Water and Environment. The objectives of the project are to improve collaborative management by partner states of the trans-boundary natural resources of the Lake Victoria Basin; and to improve the environmental management of targeted pollution hotspots and degraded sub-catchments for the benefit of communities who depend on these natural resources. The project is funded by a US$90m IDA credit.

The Uganda Clean Cooking Supply Chain Expansion Project seeks to reduce both the economic burden on households and negative impacts on the environment caused by the inefficient use of solid biomass fuels for cooking, by encouraging the adoption of cleaner and more efficient cooking technologies. The US$2.2m project is being implemented by the Private Sector Foundation Uganda (PSFU) in close partnership with MoFPED.

6.0 RECOMMENDATIONS

This review and analysis of climate finance expenditure tracking, accountability and reporting frameworks seen through an equity lens has illuminated a number of emerging issues, gaps and lessons. Based on the review, the following recommendations are suggested.

i. **Widen the focus of advocacy and monitoring beyond budgetary allocations to actual releases and expenditure outturns.**

Although existing climate finance tracking and accountability frameworks represent a notable step, civil society should advocate and lobby for more comprehensive assessment frameworks that go beyond climate finance allocation and expenditure outturns to capture actual releases and real outcomes and stories of change from climate finance expenditure. Frameworks such as the Certificate of Climate Change-Responsive Budgeting issued by the Ministry of Water and Environment focus primarily on proposed budget allocations in the National Budget Framework Paper. However, discrepancies between budget allocations and releases have become more the norm than the exception. As such, focusing on budget allocation alone is inadequate to ensure compliance with climate finance commitments and climate and fiscal justice.

ii. **Civil society should propose and advocate for stringent penalties for non-compliance with climate-responsive budgeting by government agencies.**

A December 2022 report by Oxfam and CSBAG on the status of climate finance in Uganda for FY 2020/21–2022/23 revealed unsatisfactory compliance levels with climate change-responsive budgeting.[41] It found that the FY 2020/21 budget was 24.3% compliant, the FY 2021/22 budget was 44.2% compliant and the FY 2022/23 budget was 31.5% compliant. All of these fell below the average mark of 50% yet no penalties were imposed on non-compliant government agencies. Although the Certificate of Compliance of the Annual Budget to the NDPIII has highlighted non-compliant agencies and programmes over the seven years it has been in use, Parliament has not imposed any penalties on non-compliant actors. There is, therefore, a need for civil society to lobby Parliament to take action against non-compliant agencies through penalties for example. This will make the certificate more effective in achieving its intended purpose.

iii. Fast-track the local definition of climate finance for harmonized reporting and tracking.

National climate change documents such as the National Climate Change Policy, the updated NDC and the National Climate Change Act do not define what climate finance is. This means that state and non-state actors use their own subjective definitions based on the aim of the particular report or activity being undertaken. The absence of a national definition can be attributed to the lack also of a globally accepted definition of climate finance. However, as climate finance gains traction as a significant source of development finance and an obligation for non-state actors such as the private sector, it is crucial to craft a contextualized local definition that can support harmonized climate finance reporting by all actors. Civil society should therefore advocate for a nationally accepted definition of climate finance for coherent reporting. The imminent development of a climate finance strategy by MoFPED presents an opportunity for civil society to emphasize the importance of it containing a national definition.

iv. Enhance civic participation in budget implementation and monitoring.

It has been noted that current tools and approaches used to track accountability and reporting of climate finance limit civic participation in the preparation phase of the budget cycle. The process culminates in the production of the Citizens Alternative Budget, which reflects the thinking of communities. However, the budget cycle also has other segments such as budget implementation and monitoring which are equally essential, since these are stages where financial resources are released. There is a need for civil society to extend its budget advocacy work and civic engagement beyond budget preparation to budget implementation and reporting.

v. Establish independent climate finance accountability and tracking frameworks.

There is no independent, regularly used framework or tool for climate expenditure tracking and accountability by state and non-state actors. Climate finance expenditure can be tracked in reports such as budget monitoring reports, quarterly budget performance reports produced by government agencies and demand-driven climate finance tracking reports produced by civil society. Tracking climate finance expenditure in conventional budget monitoring reports is unsatisfactory because climate finance is reported as a secondary priority, without the details required on allocations by intervention or mitigation and adaptation. For effective tracking and accountability of climate finance, civil society should call on the government to develop a clear framework at national and sub-national levels. Emphasis on equity components in this framework is crucial to ensure that climate finance allocation is based on the extent of climate change risk and coping capacities.

vi. Work with local governments to improve climate finance accountability and tracking.

Local governments are recipients of climate finance both from central government and partners such as civil society and development partners. However, their budget and annual performance reports rarely reflect climate finance received or expenditure. Climate finance reporting and tracking is largely project-based and demand-driven, and is submitted to sources of climate finance rather than being part of mainstream reporting. There is a need to support local governments to integrate climate finance reporting into their conventional reporting mechanisms. In addition, civil society should advocate for the inclusion of climate finance in the Local Government Performance Assessments administered by the Ministry of Local Government.

vii. Influence multilateral development banks for results at scale

The analysis shows that the World Bank and the African Development Bank accounted for the largest proportion of climate finance flows to Uganda for the period 2015–21. For maximum results and to ensure climate fiscal justice, civil society should build strategic partnerships with MDBs to ensure that these substantial climate finance inflows are deployed through appropriate financial instruments that target Uganda's most vulnerable sectors and societies.

viii. Enhance partnerships with bilateral agencies and multilateral development banks to increase adaptation flows for locally led adaptation action.

The Government of Uganda, and in particular the Climate Finance Unit, needs to create an enabling fiscal environment that fosters increased adaptation finance inflows from major sources of funding such as bilateral agencies and

MDBs, specifically the World Bank and the AfDB. This will enable the scale-up of innovative performance-based climate change grants earmarked for locally led adaptation action. This can be done by benchmarking other schemes that have proven to be successful, such as the FLLoCA programme in Kenya, which unlocked US$172m from the World Bank. Equally important is the need to devise ways of shortening the climate finance approval processes of MDBs, given the unpredictability and severity of sudden climate change catastrophes.

ix. Ugandan CSO networks should establish a task force with ministries to speed up the delivery of locally led adaptation finance.

The decision taken at COP26 to double the amount of international adaptation finance available annually provides an excellent opportunity for a rapid increase in locally led adaptation finance to Uganda. It is suggested that a task force should be established, made up of relevant CSO networks working on climate change, the Climate Finance Unit within MoFPED, the Ministry of Water and Environment, the Ministry of Local Government (MoLG) and staff from the LoCAL and LIFE-AR programmes. This task force could first gather key learning from LoCAL and LIFE-AR as well as FLLoCA in Kenya. Key questions to tackle include how Uganda can establish a national-scale model of climate finance devolved to all districts, based on the eight Principles for Locally Led Adaptation, and how it can secure higher levels of adaptation finance.

x. Develop a CSO-based locally led adaptation action and finance framework to track adaptation finance flows and progress towards resilience-building.

Civil society networks should develop an analytical reporting framework that tracks and monitors adaptation finance flows at national and sub-national levels. The globally accepted eight Principles of Locally Led Adaptation action provide a robust metric to guide this endeavour, to ensure that adaptation actions improve the quality of life for communities and their resilience rather than compounding existing challenges such as inequality. This will be crucial in the near future given the planned scale-up of locally led adaptation action initiatives and performance-based climate change adaptation grants such as LoCAL and LIFE-AR.

xi. Integrate climate change into local government performance assessment frameworks.

It is imperative for the Ministry of Local Government to make climate action one of the performance metrics in the Local Government Performance Assessment tool. This will encourage local governments to plan and budget for climate action which will amplify the impact of adaptation actions being championed through existing locally led adaptation schemes. Additionally, making climate action a performance measure will help in building sustainable monitoring and reporting frameworks for adaptation action finance that will provide regular progress reporting on national NDC adaptation targets.

Annex 1: List of stakeholders consulted

National-level respondents

- Ministry of Finance, Planning and Economic Development
- Ministry of Water and Environment

District-level respondents

- Kasese District Local Government
- Nebbi District Local Government
- Nwoya District Local Government
- Zombo District Local Govenrment

CSO participants consulted

- Tree Talk Plus
- Environmental Management for Livelihood Improvement (EMLI)
- African Centre for Trade and Development (ACTADE)
- Environmental Alert
- Civil Society Budget Advocacy Group (CSBAG)
- Makerere University
- Civil Society Coalition on Oil and Gas (CSCO)
- International Union for Conservation of Nature (IUCN)
- Climate Action Network Uganda (CAN-U)
- Southern and Eastern Africa Trade Information and Negotiations Institute (SEATINI) Uganda
- Uganda Coalition for Sustainable Development (UCSD)

Annex 2: List of documents reviewed and cited

- Adaptation Fund. (2022). Annual Performance Report 2022. https://www.adaptation-fund.org/wp-content/uploads/2023/03/AF-APR-2022-English-12.22_final.pdf
- Advocates Coalition for Development and Environment. (2023). Compliance Assessment of the FY 2023/24 Budget to Climate Change Interventions in the Third National Development Plan (NDPIII). https://policycommons.net/artifacts/4314357/financing-local-governme-c-n-om-t-p-s-li/5123949/
- ACODE and ODI. (2013). Uganda National Climate Change Finance Analysis. Advocates Coalition for Environment and Development. https://www.acode-u.org/uploadedFiles/8892.pdf
- African Development Bank and Climate Investment Funds (2021). AfDB-CIF Annual Report 2021: Financing Change in Africa. https://www.afdb.org/fr/initiatives-partnerships/climate-investment-funds-cif/knowledge-products/cif-annual-report-2021
- East African Development Bank and UNFCCC Regional Collaboration Center. (2023). East African Community Climate Finance Access and Mobilisation Strategy (2022/23–2031/32): Overview. https://unfccc.int/sites/default/files/resource/EAC_Climate%20Finance_Strategy_17.04.2023.pdf
- Global Environment Facility. (2022). The GEF Monitoring Report 2022. https://www.thegef.org/sites/default/files/documents/2022-11/EN_GEF.C.63.03_The%20GEF%20Monitoring%20Report%202022.pdf
- Green Climate Fund. (2022). GCF Annual Performance Report https://ieu.greenclimate.fund/sites/default/files/document/annual-report-2022-web_1.pdf
- Least Developed Countries Climate Change Group. (2019). LDC 2050 Vision: Towards a Climate-Resilient Future. https://www.ldc-climate.org/wp-content/uploads/2019/09/2050-Vision.pdf
- Ministry of Finance, Planning and Economic Development. (2021). Intergovernmental Fiscal Transfers Reform Program. https://budget.finance.go.ug/sites/default/files/IGFTR%20programme%20document.pdf

- Ministry of Finance, Planning and Economic Development. (2023). Report on Public Debt, Grants, Guarantees and other Financial Liabilities for Financial Year 2022/23. https://www.finance.go.ug/reports/public-debt-grants-guarantees-and-other-financial-liabilities-fy-2223-report
- Ministry of Finance, Planning and Economic Development. (2015). Public Finance Management Act (Amended), 2015 https://www.finance.go.ug/sites/default/files/2023-10/Public-Finance-Manage-Act%20 2015%20amended.pdf
- Ministry of Water and Environment. (2015). Uganda National Climate Finance Policy. https://mwe.go.ug/sites/default/files/library/National%20Climate%20Change%20Policy%20April%202015%20final.pdf
- Ministry of Water and Environment. (2021). National Climate Change Act. https://ulii.org/akn/ug/act/2021/nn/eng@2021-12-31
- Ministry of Water and Environment/UNFCC. (2022). Updated Nationally Determined Contribution (NDC). https://www.mwe.go.ug/sites/default/files/library/Updated%20NDC%20_Uganda.pdf
- National Planning Authority. (2020). Third National Development Plan (2020/21–2024/25). http://library.health.go.ug/sites/default/files/resources/Third%20National%20Development%20Plan%20III%2C%20 2020-21-2024-25.pdf
- Organisation for Economic Co-operation and Development/DAC. CRS Database. Development Finance for Climate and Environment. https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/climate-change.htm.
- Oxfam. (2023). Climate Finance Shadow Report 2023: Assessing the delivery of the $100 billion commitment. https://policy-practice.oxfam.org/resources/climate-finance-shadow-report-2023-621500/
- Uganda Bureau of Statistics. (2018). Uganda National Household Survey 2016/17. https://www.ubos.org/wp-content/uploads/publications/03_20182016_UNHS_FINAL_REPORT.pdf

Endnotes

1 United Nations Climate Change. *Introduction to Climate Finance*. https://unfccc.int/topics/introduction-to-climate-finance

2 https://unfccc.int/sites/default/files/NDC/2022-09/Updated%20NDC%20_Uganda_2022%20Final.pdf

3 LIFE-AR. (2019). ***LDC 2050 Vision: Towards a Climate-Resilient Future***. https://www.ldc-climate.org/wp-content/uploads/2019/09/2050-Vision.pdf

4 Intergovernmental Panel on Climate Change. (2023). AR6 Synthesis Report – Climate Change 2023. https://www.ipcc.ch/report/sixth-assessment-report-cycle/

5 University of Notre Dame. Notre Dame Global Adaptation Initiative (ND-GAIN) Country Index. https://gain.nd.edu/our-work/country-index/rankings/

6 https://reliefweb.int/report/world/africa-suffers-disproportionately-climate-change

7 CRS database at OECD/DAC: https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/climate-change.htm

8 United Nations Climate Change. *Introduction to Climate Finance*. https://unfccc.int/topics/introduction-to-climate-finance

9 LDC Climate Change. (2022). ***Submission by the Republic of Senegal on behalf of the Least Developed Countries (LDCs) Group***. https://unfccc.int/sites/default/files/resource/LDC%20Submission_Climate%20Finance%20Definition_20220513.pdf

10 Government of Uganda. (2023). Report on Public Debt, Grants, Guarantees and Other Financial Liabilities for Financial Year 2022/23.

11 UN Environment Programme. (2022). *The Closing Window: Climate crisis calls for rapid transformation of societies. Emissions Gap Report 2022*. https://www.unep.org/resources/emissions-gap-report-2022

12 GCF. *Project portfolio*. https://www.greenclimate.fund/projects/dashboard

13 Adaptation Fund. *Helping countries build resilience and adapt to climate change*. www.adaptation-fund.org

14 Ibid.

15 See: https://www.adaptation-fund.org/project/enhancing-community-adaptation-to-climate-change-through-climate-resilient-flood-early-warning-catchment-management-and-wash-technologies-in-mpologoma-catchment-uganda-2/

16 See: https://www.adaptation-fund.org/project/enhancing-resilience-of-communities-to-climate-change-through-catchment-based-integrated-management-of-water-and-related-resources-in-uganda/

17 See: https://unfccc.int/process-and-meetings/the-rio-conventions#Key-definitions

18 Global Environment Facility. (202). *The GEF Monitoring Report 2022*. https://www.thegef.org/sites/default/files/documents/2022-11/EN_GEF.C.63.03_The%20GEF%20Monitoring%20Report%202022.pdf

19 GEF. *Country-At-A-Glance: Uganda*. https://www.thegef.org/projects-operations/country-profiles/uganda

20 CRS database at OECD/DAC: https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/climate-change.htm

21 Oxfam. (2023). *Climate Finance Shadow Report 2023: Assessing the delivery of the $100 billion commitment*. https://policy-practice.oxfam.org/resources/climate-finance-shadow-report-2023-621500/

22 https://one.oecd.org/document/DCD/DAC/STAT(2023)9/FINAL/en/pdf

23 Oxfam. (2023). *Climate Finance Shadow Report 2023*, op. cit.

24 UNFCC. (2022). *Climate Finance Access and Mobilization Strategy for the East African Community (2022/23–2031/32)*. https://unfccc.int/sites/default/files/resource/UNFCCC_NBF_SD_EAC_final.pdf

25 UNFCC. *East African Community (EAC) Climate Finance Mobilization and Access Strategy*. https://unfccc.int/sites/default/files/resource/Presentation%20on%20EAC%20Flows_Mario%20Marques%20final.pdf

26 MoFPED Report on Public Debt, Grants, Guarantees and Other Financial Liabilities (2022/23).

27 MoFPED. (2021). *InterGovernmental Fiscal Transfers Reform Program*. https://budget.finance.go.ug/sites/default/files/IGFTR%20programme%20document.pdf

28 https://www.un.org/ldcportal/content/local-climate-adaptive-living-facility-local

29 Global Center on Adaptation. *Principles for Locally Led Adaptation Action*. https://gca.org/reports/principles-for-locally-led-adaptation-action/. See also: World Resources Institute. *Locally Led Adaptation*. https://www.wri.org/initiatives/locally-led-adaptation/principles-locally-led-adaptation

30 LIFE-AR. *LDC 2050 Vision: Towards a Climate-Resilient Future*. https://www.ldc-climate.org/wp-content/uploads/2019/09/2050-Vision.pdf

31 ACODE. (2023). *Compliance Assessment of the FY 2023/24 Budget to Climate Change Interventions in the Third National Development Plan (NDPIII)*. Kampala. https://www.acode-u.org/viewpdf.php?file_name=PRS111.pdf

32 https://acode-u.org/uploadedFiles/PRS111.pdf

33 Center for Global Development Policy Paper on Climate Finance Effectiveness (14 December 2022), https://www.cgdev.org/publication/climate-finance-effectiveness-six-challenging-trends

34 ACODE and ODI. (2013). *Uganda National Climate Change Finance Analysis*. Advocates Coalition for Environment and Development. https://www.acode-u.org/uploadedFiles/8892.pdf

35 D. Lukwago. (2015). *Delivery of Adaptation Finance in Uganda: Assessing Institutions at Local Government Levels*. Oxfam. https://s3.amazonaws.com/oxfam-us/www/static/media/files/The_Adaptation_Finance_Acc_Initiative_in_Uganda.pdf

36 Cross-cutting activities are those that are reported as targeting both climate change adaptation and mitigation.

37 United Nations Climate Finance. *COP26 Outcomes: Finance for Climate Adaptation*. https://unfccc.int/process-and-meetings/the-paris-agreement/the-glasgow-climate-pact/cop26-outcomes-finance-for-climate-adaptation

38 World Bank. *Financing Locally-Led Climate Action Program*. https://projects.worldbank.org/en/projects-operations/project-detail/P173065

39 https://rtdug.org/images/01_National_Development_Plan_III_Mid_term_Review/Programme%20Appraoch%20and%20Institutional%20Framework.pdf

40 https://ugandawildlife.org/wp-content/uploads/2022/07/Project-Brief-for-Ugandas-Investing-in-Forests-and-Protected-Areas-for-Climate-Smart-Develpment-IFPA-CD-Project.pdf

41 CSBAG. (2022). *Status of Climate Finance in Uganda FY2020/21–2022/23*. https://www.csbag.org/download/status-of-climate-finance-in-uganda-fy2020-21-2022-23/?wpdmdl=6651&refresh=661582e335b0f1712685795

OXFAM

For more information, please contact

OXFAM

Plot No.3459, Tank Hill Road, Muyenga
Tel: +256-312 263 996,
+256-414 265 383,
+256-312 265 384,
Email Address: kampalaoffice@oxfam.org

X: @OxfaminUganda
Facebook: Oxfam in Uganda
LinkedIn: Oxfam in Uganda
Youtube: Oxfam in Uganda
Website: uganda.oxfam.org