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THE REPUBLIC OF UGANDA

THE BUSINESS CASE FOR THE PRIVATE SECTOR ENGAGEMENT IN CLIMATE ACTION

Strategies for Engagement of the Private Sector in Climate and SDG Action

BACKGROUND REPORT

UGANDA

ABOUT UNDP

UNDP's work on climate change spans more than 140 countries and USD $3.7 billion in investments in climate change adaptation and mitigation measures since 2008. With the goal to foster ambitious progress towards resilient, zero-carbon development, UNDP has also supported the implementation of the Paris Agreement on Climate ¬Change by working with countries on achieving their climate commitments or Nationally Determined Contributions (NDCs).

The UNDP NDC Support Programme provides technical support for countries to pursue a "whole-of-society", integrated approach that strengthens national systems, facilitates climate action and increases access to finance for transformative sustainable development. The programme helps countries address these financial barriers by deploying a structured approach for scaling up sectoral investments and putting in place a transparent, enabling investment environment.

Beyond direct country support, UNDP facilitates exchanges and learning opportunities on NDC implementation at the global and regional level by capitalizing on our close collaboration with the UNFCCC and other strategic partners.

The Programme is generously supported by the European Union and the Governments of Germany and Spain and works in contribution to the NDC Partnership.

CONTENTS

1 INTRODUCTION 1

2 REPORT OUTLINE 3

3 RAISING AWARENESS 4
3.1 General guidance 4
3.2 Application to Uganda 4
3.3 Details on existing resources and recommended approaches 5

4 BUILDING AN ENABLING REGULATORY FRAMEWORK 12
4.1 General guidance 12
4.2 Application to Uganda 13

5 MULTI-STAKEHOLDER PARTNERSHIPS & INITIATIVES 15
5.1 General guidance 15
5.2 Application to Uganda 16

6 ENHANCING ACCESS TO FINANCE 18
6.1 General guidance 18
6.2 Focus on specific climate financing instruments 21

7 ENHANCING ACCESS TO TECHNOLOGY & CAPACITY 26

8 CONCLUSIONS AND NEXT STEPS 28

BIBLIOGRAPHY 29

ANNEX 1 30
Energy 30
Water and Wetlands 31
Forestry 31
Agriculture 31
Health 32
Risk Management 32

1 INTRODUCTION

GLOBAL

In 2015, 197 countries signed a new international climate accord, the Paris Agreement which aims to strengthen global response to the threat of climate change by keeping a global temperature rise well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. The Paris Agreement requires all Parties to put forward their best efforts through Nationally Determined Contributions (NDCs) and to strengthen these efforts in the years ahead. Many African countries are making considerable progress in preparing for NDC implementation through developing NDC implementation plans, prioritizing specific sectoral climate actions, designing institutional arrangements and developing coordination mechanisms to support NDC implementation and engaging the private sector to support.

On a global scale, the Nationally Determined Contributions (NDCs) submitted by the 197 parties represent at least a US$13.5 trillion market for the energy sector alone and specifically energy efficiency and low carbon technologies through 2030. The global low carbon technology market is growing significantly faster and the national climate plans of developing countries will open new market opportunities. These include expanded markets in building efficiency and demand side energy management for example through low carbon technologies in the transport sector such as electric cars; solar, wind, hydro and geothermal energy; and water and waste management. Businesses that act boldly and swiftly will reap the rewards of these market opportunities.

UGANDA

Uganda's NDC seeks to help the country reduce vulnerability to climate change in priority sectors as well as contribute to greenhouse gas (GHG) emissions reductions in forestry and wetlands, energy, transport and agriculture sectors. Under the Paris Agreement, Uganda committed 22% GHG emissions reduction by 2030 compared to business as usual (BAU), contingent upon receipt of ongoing and planned international support to complement domestic efforts set out in the 2015 National Climate Change Policy.

With the limited public finances available for climate change mitigation, the private sector has been credited for their involvement in climate action. Private actors have not only provided much-needed finance for various climate change mitigation projects but have also facilitated technology development and transfer and enabled infrastructure development that have all contributed positively to mitigating climate change. The private sector's contribution towards the achievement of Uganda's climate change commitments under the Paris Agreement cannot be under-estimated.

In addition, through the Clean Development Mechanism (CDM), private sector players in Uganda have mobilized resources by trading their Certified Emission Reductions (CERs) which has led to the implementation of projects in renewable energy and energy efficiency sectors. The private sector is well positioned to mobilize financial resources and technical capabilities, leverage the efforts of governments, engage civil society and community efforts, develop and adopt low carbon operations, technologies, services, expand and access new markets, benefit from cost savings, protect supply chains and build reputational benefits. The private sector can harness opportunities by building partnerships with other businesses, associations, NGOs, government agencies and development partners to take advantage of the resources, networks and expertise provided to implement mitigation projects.

The Government of Uganda through the Ministry of Water and Environment's Climate Change Department (CCD) is implementing the Nationally Determined Contribution (NDC) Support programme in collaboration with the United Nations Development Programme (UNDP). The programme is supported by the governments of Germany and Spain, and the European Union as a contribution to the NDC Partnership. The project aims to strengthen and harmonize policies, institutional frameworks and establish a national Measurement, Reporting and Verification (MRV) system to mainstream national mitigation policies and targets in the context of NDC implementation; enhance the institutional, technical and financial feasibility of Uganda's Green Growth Development Strategy (UGGDS) and Nationally Appropriate Mitigation Actions and align them with NDCs; and apply innovative financial de-risking activities to attract private sector investment in mitigation actions.

The programme also emphasizes gender mainstreaming in all planned activities. It builds on the already ongoing UNDP initiatives from 2017 to support the adoption of the Gender Equality Seal for Public and Private Enterprises. The gender equality seal aims to strengthen performance across the public and the private sector in ways that deliver equal benefits for women and men hence enabling the achievement of the SDG targets.

2 REPORT OUTLINE

This Background Report has been prepared to summarize the key findings of Phase 1 of the assignment to "Develop the Business Case for Private Sector to Engage in Climate Action in Uganda", launched under the framework of the NDC Support programme. It summarizes a preliminary desk review undertaken to define possible incentives, initiatives, partnerships and tools that can promote greater private sector adoption of climate actions, technologies and finance.

Engagement of the private sector in national climate adaptation and mitigation is a key priority in Uganda. From the government perspective, the private sector offers a potentially significant source of financing to augment public budgets and presents a wealth of ingenuity, know-how and networks that can be key to developing climate innovations. Meanwhile, the private sector is becoming increasingly aware of the risks that climate change poses to their operations and supply chains and the need to adapt business models to be more resilient and profitable into the future.

This section presents a desk review of five enabling factors[1] identified as key to engage the private sector to invest in climate change adaptation and mitigation. These enabling factors are:

- Information sharing (Section 3.1): Raising awareness of the private sector to understand climate-related risks and opportunities, including the business case for climate mitigation and adaptation;
- Enabling frameworks (Section 3.2): National and sub-national policies, laws and regulations can create an enabling environment for private sector investment in mitigation and adaptation;
- Institutions and partnerships (Section 3.3): Bringing together private, public and civil society actors to collaborate on climate actions can increase impact and effectiveness;
- Financing (Section 3.4): Increasing access to financing and reducing financial risks can improve the risk-reward profile of private sector investment into climate action;
- Capacity building and technology (Section 3.5): The private sector needs access to and training on the latest tools and methodologies needed to seize opportunities to contribute to climate action.

An important consideration is the fact that micro, small and medium-sized enterprises (MSMEs) constitute over 90% of the private sector in Uganda, which have been recognized by the Government and its development partners as the engine of growth for economic development in the country. To be effective, engagement strategies and approaches will need to be tailored to engage MSMEs, in addition to large national and multinational enterprises.

This background report intends to be a living document that offers a framework for ongoing internal discussions between the project team and partners to identify promising strategies for further study and application to engage the private sector on climate mitigation and adaptation in the Ugandan context. The findings summarized in this report are based on a preliminary desk review that gathers and links a collection of relevant findings from leading sources to provide a starting point for a more comprehensive review and study. All findings should be verified and expanded through further input gathered from expert and stakeholder reviews, private sector workshops and dialogues and other activities.

1 ACT, Engaging the private sector in financing adaptation to climate change: Learning from practice, February 2019.

3 RAISING AWARENESS

3.1 GENERAL GUIDANCE

Recent studies[2] have shown that a starting point in securing private sector interest is to make information readily available on the business case for investing in climate change mitigation and adaptation, including:

- climate change data and projected impacts;
- climate-related risks and opportunities;
- potential business actions and investments;
- best practices from private sector projects/models/guidance with cost-benefit analyses;
- trends in business approaches to make operations and supply chains more climate resilient;
- trends, availability and market demand for climate-resilient products & services.

In documenting and disseminating this information, key recommendations[3] include:

- use language tailored to businesses that frames climate change around profit and loss, revenues, business risks and opportunities, and market share - rather than solely an environmental perspective;
- construct a foundation of narratives drawn from the private sector's own experience with recent and local extreme climate events, and their strategies for adaptation;
- gather information relevant to specific sectors and geographic locations.

3.2 APPLICATION TO UGANDA

Sensitization of the private sector on climate impacts and opportunities has been a key priority in Uganda. For example, a dialogue on private sector engagement in climate action was held in October 2018 (with over 130 participants) and a further private sector dialogue is planned in September 2019. These annual events offer good opportunities to share information and connect public-private actors, as well as engage in meaningful dialogue on the particular challenges and interests of the Ugandan private sector.

Table 1 lists the categories of information (see Section 3.1.1 General Guidance above) useful for making the business case for investing in climate mitigation and adaptation, with an assessment of existing sources and/or actions that can be taken in Uganda to share this information with interested private sector actors.

2 Stenek V. Amado J.C., 2013: Enabling Environment for Private Sector Adaptation, Washington DC, IFC.

3 Ibid.

Table 1. Information sharing priorities and recommendations

TYPE OF INFORMATION	EXISTING SOURCES AND/OR RECOMMENDED INFORMATION SHARING APPROACHES
Climate change data & projected impacts	• The "Economic Assessment of the Impacts of Climate Change in Uganda", released by the Ministry of Water and Environment - Climate Change Department in November 2015 provides a comprehensive overview of climate change projections, expected impacts and economic impacts projections in Uganda. • More business-relevant data and impacts are needed, especially from the perspective of MSMEs. Such narratives can be gathered at the June 2019 workshop, focusing on recent, local climate change impacts experienced by private sector actors
Climate-related risks & opportunities to business	• Awareness is growing across the private sector that climate change poses significant risks to operations, as well as possible market opportunities. Simplified messaging on the business-relevant risks and opportunities of climate change is needed. • This Background Report proposes a communication framework that outlines six reasons/motivations for the private sector to invest in climate change mitigation and adaptation, ranked in order of ambition. This framework can be presented at the June 2019 workshop to help Ugandan companies more clearly characterize their own motivations, which can guide their choice of actions.
Potential business actions and investments	• Next, clear guidance is needed on the range of business opportunities available to contribute to Uganda's NDC and SDGs. This information can be drawn from Uganda's NDC and supporting cross-cutting policy and planning documents. The range of opportunities can be overwhelming, so a focused approach should be taken to ensure companies receive recommendations relevant to their motivations and sector. • In Phase 2 of this assignment, business-applicable indicators to highlight private sector opportunities to contribute to Uganda's NDC and SDGs will be developed and validated by project partners. Approved indicators can then be incorporated into a digital tool customized for Uganda that will offer a quick assessment of the NDC/SDG opportunities most relevant to each business.
Private sector best practices & cost-benefit analyses	• Proven stories of success will be needed to convince the majority of private sector actors in Uganda to prioritize climate and SDG action. Best practice examples need to be drawn from leading companies capable of undertaking R&D and innovation. • In Phase 2 of this assignment, a cost-benefit analysis guide will be developed for two NDC priority sectors. Business ambassadors/champions can be identified at the June 2019 workshop that either have existing cost-benefit analyses experience to share or are willing to apply the cost-benefit analyses guide to develop a new story of success.
Trends in climate-resilient operations	• Companies can contribute to climate action by reducing their GHG emissions and climate-proofing their operations - a common entry point to climate action. Sharing trends in business actions on an ongoing basis can help drive wider and more rapid adoption across the Ugandan business community. • Initial trends have been documented through the business needs survey and can be gathered at the June 2019 workshop. Ongoing peer-to-peer exchanges of experiences can be fostered through the customized digital tool to be developed in Phase 2.
Trends in climate-resilient products & services	• Companies can also contribute to climate action by developing new climate-resilient products and services, with a particular focus on engaging women entrepreneurs and low-income communities. Financial services entities have a particular role to play to provide the financial and de-risking products needed to fund such innovations. • Initial trends have been documented through the business needs survey and can be gathered at the June 2019 workshop. Ongoing peer-to-peer exchanges of experiences can be fostered through the customized digital tool to be developed in Phase 2.

3.3 DETAILS ON EXISTING RESOURCES AND RECOMMENDED APPROACHES

This section provides further details for each category of information - outlining relevant information from existing resources and recommended approaches for further information collection and sharing.

3.3.1 CLIMATE CHANGE DATA & PROJECTED IMPACTS

The need to create greater awareness was noted at the October 2018 private sector dialogue about climate change, its effects on local Ugandan enterprises, as well as quantification of the costs of non-action and adaptation.[4] Some compelling statistics include:

- Uganda is a low GHG emission country, ranking 176 of 188 countries in per capita emissions and contributing 0.07% to global GHG emissions.
- However, Uganda ranks 155 of 181 countries in the ND-GAIN index (2016) for climate vulnerability.
- Uganda is the 14th most vulnerable[5] country and the 48th least ready[6] country – meaning that it is very vulnerable to, yet unready to address climate change effects.
- Cost of Uganda's climate change response is estimated at US $264 million annually (1.6% GDP), too high to be met by the public sector alone.
- The cost of inaction is 24.46 times greater, with damage of 2.4% of GDP between 2010 and 2050 expected in the agriculture, water, infrastructure and energy sectors alone.
- If no adaptive action is taken, annual costs could be in the range of US$3.2 - 5.9 billion within a decade, with the biggest impacts being on water, followed by energy, agriculture and infrastructure.
- The poor, children, and women across Uganda experience the worst impacts of climate change, given their limited coping capacity.

The 2015 Economic Assessment of the Impacts of Climate Change in Uganda report offers general information on the expected nature of and economic costs of climate change damage in Uganda, with statistics relevant to some of the priority sectors within Uganda's NDC.

Table 2. General statistics on the nature of and economic costs of climate change in Uganda

GENERAL	• Climate change damages were equivalent to 4.4% of the national budget, exceeding the budget allocation for the Environment and Natural Resource Sector. • An increase in frequency and intensity of extreme events would significantly impact agriculture and water sectors, likely also the infrastructure sector.
AGRICULTURE	• Overall losses for food crops and livestock production are expected to be small. • However, agricultural export production and value for the key export crops of coffee, tea and cotton are estimated at US $134-196 million by 2025 and US $641-938 million by 2050. • Annual climate variability (droughts and floods) poses greater threats than decreased yields due to long-term climate change, with serious knock-on effects on poverty, local economies and food security.
WATER	• With rising water demand across Uganda, the total unmet water demand is expected to rise from 3.7 MCM/year to 1,651 MCM/year, resulting in an expected cost of US $5.5 billion in 2050. Water demand will be greatest for irrigation, followed by livestock, domestic use and industry. • Largest economic losses are anticipated in the Lake Victoria, Albert Nile and Lake Kyoga watersheds. Investment in water supply infrastructure is needed to avert these losses. • Each drought event represents an average annual damage of US $237 million.

4 See in particular, the intervention of Engineer Godfrey Ssebuggwawo, the Director, Energy for Rural Transformation, PSFU.

5 Vulnerability measures the country's exposure, sensitivity, and ability to cope with the negative effects of climate change by considering vulnerability in six life-supporting sectors: food, water, ecosystem service, health, human habitat and infrastructure.

6 Readiness measures a country's ability to leverage investments and convert them to adaptation actions by considering the country's economic, governance and social readiness.

INFRASTRUCTURE	• Climate change impacts infrastructure in Uganda in two ways: lost resiliency for buildings, roads etc. due to increased temperature and precipitation and sudden damage caused by extreme events. • Cost of lost resilience of existing infrastructure is estimated at US $60-76 million in 2025, rising to US $357-621 million in 2050, mainly for residential buildings, followed by public and non-residential buildings. • Extreme events can cause a range of damages from loss of life, injury, damage to property, costs of dislocation, inconvenience and disaster relief. Estimated costs range from US $68-429 million by 2025 to US $938-3,232 million by 2050, assuming a doubling of frequency of extreme events every 25 years.
ENERGY	• Uganda will need to invest around US $1 billion in power generation from 2015-2020, with required investment amounts increasing very sharply thereafter. Initial trends have been documented through the business needs survey and can be gathered at the June 2019 workshop. Ongoing peer-to-peer exchanges of experiences can be fostered through the customized digital tool to be developed in Phase 2.

Box. 1 Example narratives of climate impacts on private sector operations in Uganda

"Climate change has certainly had a significant impact on the local private sector, interrupting its business operations and damaging critical production assets. The recurring landslides and floods in different parts of Uganda have not only destroyed many smallholder farms but also the transport and communication infrastructure in the country. The droughts it has recently experienced have also contributed to the decline in the productivity of the agriculture and agroprocessing industries on which thousands of households in Uganda depend for their livelihood. The effects of these disasters on local production have also contributed to the inflation in the economy, which has increased the cost of doing business."

Engineer Godfrey Ssebuggwawo, the Director, Energy for Rural Transformation, PSFU (from 2018 Private Sector Dialogue)

3.3.2 CLIMATE-RELATED RISKS & OPPORTUNITIES TO BUSINESS

Climate change poses both risks and rewards to businesses, and proactive understanding and management of these risks/rewards is fast becoming a business priority. From the risk perspective, global business leaders identified extreme weather, migration caused by climate change and natural disasters as the three greatest risks to their operations in 2019[7]. Overall climate investments in sub-Saharan African, particularly for clean energy, represents a US $783 billion opportunity[8]. The potential for solar and wind energy in sub-Saharan African would be more than enough to meet future demand. Climate Smart agricultural techniques can increase farmer production and incomes. Investments in reforestation are growing. Ugandan cities can leapfrog many urban development challenges by adopting smart housing and mobility solutions. Businesses that invest in climate action can access real benefits from new jobs, cost savings, competitiveness and market opportunities, while building reputations as business leaders that contribute to improved well-being for people and the environment.[9]

Participants of the 2018 private sector dialogue highlighted that awareness raising is required amongst Ugandan businesses on climate risks and opportunities. To support clear messaging, a simplified communication framework developed by Impacti[10] can be used to explain six main motivations - both risks and opportunities - for businesses to contribute to climate action and related SDGs. The motivations are listed in order based on a combination of ambition/risk/reward, starting with policy compliance and advancing towards business leadership. Businesses can consider this framework to measure where they stand and envision they can achieve next.

7 World Economic Forum, 2019: The Global Risks Report 2019, 14th edition.

8 IFC, Climate Investment Opportunities in Emerging Markets: An IFC Analysis.

9 The New Climate Economy, 2018: Unlocking the Inclusive Growth Story of the 2st Century - Accelerating Climate Action in Urgent Times

10 Impacti is a tech company that develops digital solutions for organizational and corporate sustainability, led by sustainability experts with broad experience advising UN entities, international organizations and the private sector. The report author is Impacti's co-founder and President. See http://impacti.solutions.

Table 3. Impacti communication framework to explain risks & opportunities of climate investments

MOTIVATION	DESCRIPTION	RECOMMENDATION
ENSURE COMPLIANCE	Businesses need to meet existing compliance requirements and also prepare for possible regulatory changes that may impact the long-term profitability of their operations. New climate laws, policies and regulations may be enacted by governments at local and national levels, ranging from land use regulations, energy & water efficiency standards, building codes, disclosure requirements on climate risk and more. Meanwhile, investors are increasingly requiring companies to disclose and reduce their climate impact and risks.	Explore opportunities for private sector to be informed & participate in policy dialogues (e.g. NDC private sector investment committee) Explore opportunities for government to track and recognize private sector action through the customized digital tool in a way that informs policy making.
SAVE MONEY	Businesses that take actions to ensure their operations make more efficient use of energy, water and materials can benefit from cost-avoidance and savings in the short to long-term. These actions also lead to more stable business continuity by reducing dependence on raw materials and resources under threat. Companies can get started by identifying promising cost-saving measures through energy and waste audits and environmental management systems. New opportunities will arise, requiring that companies keep updated on best climate practices and technologies being adopted across their industry.	Gather narratives from private sector companies in Uganda participants relevant to each motivation. This effort can ensure that climate action is seen as business-relevant. This collection of Ugandan "success stories" can be summarized into an infosheet[11], expanded over time and disseminated at events and on an ongoing basis through the digital tool.
REDUCE RISKS & UNCERTAINTY	Climate change can pose serious physical, economic and market risks to current ways of doing business. Physical risks, including increasing weather fluctuations, extreme weather events, water scarcity and sea level rise, can cause damage to company assets. Workforce and supply chain productivity can be affected by reduced availability of raw materials, lower reliability of transport links and increased health risks. Operating costs can increase due to price and market volatility, reduced access to capital and rising insurance costs.	
ATTRACT TALENTED & DEDICATED STAFF	Staff increasingly want to support companies actively building a better world. Businesses need to be aware of changing market and public demand evidenced through consumer behaviour and social media campaigns. Companies can keep up-to-date by committing to meet voluntary sustainability standards and clearly communicating their sustainability ambitions to staff.	
ACCESS NEW MARKETS FOR CLIMATE-RESILIENT PRODUCTS AND SERVICES	Demand for climate technologies and innovations continues to grow as businesses and people experience the impacts of climate change. Businesses that identify and respond to these new consumer demands can open up new market opportunities. The banking and financing industry has a key role to play to make available the financial and risk management products needed to invest in new sustainable products and services, and take them to scale.	
BUILD REPUTATION AS CLIMATE LEADERS	Companies willing to lead industry change can build iconic reputations and wide-spread recognition as climate business leaders - setting new norms for industry practices. This action can attract dedicated customers, investors and partners, and high-profile attention. These companies can enjoy "first-mover's advantage" with early access to financial support from the public sector and development partners, as well as innovative support tools. Such companies are typically driven by visionary CEOs and senior management willing to be early adopters of new sustainable technologies and practices.	Invite leading companies to become NDC Business Ambassadors. They can be featured in events and on an ongoing basis through the digital tool.

11 See for example this US-based infographic on "The Business Risks of Climate Change."

This communication framework can be used at the upcoming June 2019 workshop to raise private sector awareness of the range of climate-related risks and opportunities, and foster discussions to better understand the motivations of Ugandan companies and document their real-life experiences.

3.3.3 POSSIBLE BUSINESS ACTIONS AND INVESTMENTS

Once businesses understand the scale of the climate crisis in Uganda as well as the risks and opportunities to their own operations, the next step in awareness raising is to clearly outline concrete actions and investments that they can undertake to contribute to climate mitigation and adaptation. In general, the private sector can consider these general approaches to contribute to climate action and SDGs:

- Invest in reducing GHG emissions and climate risk while enhancing the climate resilience of their operations, supply chain, products and services;
- Supply the services and products that build climate resilience of businesses and communities across Uganda, focusing on serving low-income populations and engaging women entrepreneurs;
- Provide the direct financing needed by private enterprises for adaptation action, and support government interventions through public–private partnerships. (e.g. private commercial banks, microfinance institutions, insurance companies, institutional investors, private equity and venture capital investors, private foundations and charities)

Several measures can be adopted by businesses to integrate adopt low-carbon technologies and practices into their business operations and models. To facilitate discussion, companies can consider a conceptual framework developed by Impacti of six business areas where improvements can be made (Table 4).

Table 4. Indicative listing of climate-smart business actions

TYPE OF INFORMATION	EXISTING SOURCES AND/OR RECOMMENDED INFORMATION SHARING APPROACHES
CLIMATE CHANGE DATA & PROJECTED IMPACTS	• The "Economic Assessment of the Impacts of Climate Change in Uganda", released by the Ministry of Water and Environment - Climate Change Department in November 2015 provides a comprehensive overview of climate change projections, expected impacts and economic impacts projections in Uganda. • More business-relevant data and impacts are needed, especially from the perspective of MSMEs. Such narratives can be gathered at the June 2019 workshop, focusing on recent, local climate change impacts experienced by private sector actors
CLIMATE-RELATED RISKS & OPPORTUNITIES TO BUSINESS	• Awareness is growing across the private sector that climate change poses significant risks to operations, as well as possible market opportunities. Simplified messaging on the business-relevant risks and opportunities of climate change is needed. • This Background Report proposes a communication framework that outlines six reasons/motivations for the private sector to invest in climate change mitigation and adaptation, ranked in order of ambition. This framework can be presented at the June 2019 workshop to help Ugandan companies more clearly characterize their own motivations, which can guide their choice of actions.
POTENTIAL BUSINESS ACTIONS AND INVESTMENTS	• Next, clear guidance is needed on the range of business opportunities available to contribute to Uganda's NDC and SDGs. This information can be drawn from Uganda's NDC and supporting cross-cutting policy and planning documents. The range of opportunities can be overwhelming, so a focused approach should be taken to ensure companies receive recommendations relevant to their motivations and sector. • In Phase 2 of this assignment, business-applicable indicators to highlight private sector opportunities to contribute to Uganda's NDC and SDGs will be developed and validated by project partners. Approved indicators can then be incorporated into a digital tool customized for Uganda that will offer a quick assessment of the NDC/SDG opportunities most relevant to each business.

TYPE OF INFORMATION	EXISTING SOURCES AND/OR RECOMMENDED INFORMATION SHARING APPROACHES
PRIVATE SECTOR BEST PRACTICES & COST-BENEFIT ANALYSES	• Proven stories of success will be needed to convince the majority of private sector actors in Uganda to prioritize climate and SDG action. Best practice examples need to be drawn from leading companies capable of undertaking R&D and innovation. • In Phase 2 of this assignment, a cost-benefit analysis guide will be developed for two NDC priority sectors. Business ambassadors/champions can be identified at the June 2019 workshop that either have existing cost-benefit analyses experience to share or are willing to apply the cost-benefit analyses guide to develop a new story of success.
TRENDS IN CLIMATE-RESILIENT OPERATIONS	• Companies can contribute to climate action by reducing their GHG emissions and climate-proofing their operations - a common entry point to climate action. Sharing trends in business actions on an ongoing basis can help drive wider and more rapid adoption across the Ugandan business community. • Initial trends have been documented through the business needs survey and can be gathered at the June 2019 workshop. Ongoing peer-to-peer exchanges of experiences can be fostered through the customized digital tool to be developed in Phase 2.
TRENDS IN CLIMATE-RESILIENT PRODUCTS & SERVICES	• Companies can also contribute to climate action by developing new climate-resilient products and services, with a particular focus on engaging women entrepreneurs and low-income communities. Financial services entities have a particular role to play to provide the financial and de-risking products needed to fund such innovations. • Initial trends have been documented through the business needs survey and can be gathered at the June 2019 workshop. Ongoing peer-to-peer exchanges of experiences can be fostered through the customized digital tool to be developed in Phase 2.

In Phase 2 of this assignment, sector-specific questions and indicators will be developed that highlight private sector opportunities to contribute to the specific priority mitigation and adaptation actions in Uganda's NDC. These questions and indicators will aim to raise awareness on NDC priority sectors and actions and help private sector companies understand where their business can make the most effective contributions considering their sector, capacities and influence.

Importantly, the framework will also identify linkages between NDC priority sectors and actions as well as the SDGs, to highlight business opportunities to simultaneously contribute to both climate action and the achievement of several SDGs in Uganda. The framework will be incorporated into the customized digital tool to help businesses align their business strategies and operations to Uganda's SDG and NDC priorities.

3.3.4 BEST PRACTICES, COST-BENEFIT ANALYSES AND TRENDS

Currently, information is not well documented nor readily available on specific best practices, cost-benefit analyses and trends on contributions to climate action by the Ugandan private sector. Gathering and disseminating this information is recommended as a key priority in future activities. This information can be key to provide the detailed “on-the-ground” stories needed to convince the majority of companies of the business case for climate action.

In Phase 2 of this assignment, a cost benefit analysis guide for two NDC priority sectors will be developed. Business champions can be identified at the June 2019 workshop, and support provided for them to undertake a cost-benefit analysis for particular business actions and sectors. Peer-to-peer sharing of experiences will also be key, supported at first by the Government and project partners, and potentially on an ongoing basis through the customized digital tool.

4 BUILDING AN ENABLING REGULATORY FRAMEWORK

4.1 GENERAL GUIDANCE

Legal and regulatory frameworks in Uganda can be designed to be conducive to businesses engaging in adaptation measures. Government must ensure that there is stability in domestic laws, policies, and regulations that will influence adaptation investment decisions, and that existing policies, incentives and regulations do not promote maladaptation.

First, regulatory frameworks need to be clear and stable to build the trust and confidence of the private sector to adopt new practices and adopt longer-term change strategies. This means ensuring that national climate ambitions and targets are translated into long-term clean growth strategies, with supportive cross-cutting policies, action plans and budgets at national and local levels. These sectoral or sub-national policies laws should provide details on and encourage action towards national climate change mitigation and adaptation goals, and make business-relevant information available on climate risks & opportunities.

Second, specific regulatory approaches need to be adopted to set clear minimum standards for business practices. Possible policy approaches[12] include:

- Local zoning regulations that account for future climate changes and impacts;
- Land use and construction permitting rules that promote climate change adaptation measures;
- Land tenure policies, laws and regulations that secure the long-term land rights of vulnerable populations at risk of land loss or expropriation due to climate change or development;
- Environmental and social impact regulations that require businesses to assess climate impacts and consider adaptation measures;
- Stakeholder consultation and engagement requirements that promote disclosure and consideration of climate risks, opportunities and adaptation actions;
- Mandatory disclosure requirements on businesses, especially operators of critical infrastructure, to report on climate risks and opportunities.

Third, laws and policies can be designed to help businesses overcome barriers to entry and incentivize climate action. Laws and policies that increase access to climate finance and reduce the risks associated with climate investments, increase access to financing and capital, support public-private partnerships, require and/or incentivize climate-resilient practices. Possible policy approaches include:

- feed-in tariffs, long-term purchase agreements with standardized contracts for renewable energy;
- long-term income tax holiday and/or lower tax rates;
- sovereign guarantees to backstop buyer's payment obligations;
- rebates and incentives for electric vehicles, renewable energy, and other sustainable technologies;
- allowing water and energy utilities to offer differentiated tariff and service options to their customers during periods of peak demand;
- fast-tracking permitting for adaptation-focused activities;
- requiring or encouraging the disclosure of climate risks among companies and investors;

12 List adapted from ACT supra note x.

4.2 APPLICATION TO UGANDA

In Uganda, progress has been made in translating national climate ambitions and targets - into various development cross-cutting strategies and plans in many of the NDC priority sectors. These supportive policy documents add clarity into the specific climate mitigation and adaptation actions needed, and the business actions that can be taken in support of these national goals.

Table 5. Cross-cutting policies relevant to Uganda's climate goals

NDC PRIORITY SECTOR	RELEVANT LAWS AND POLICIES	RESPONSIBLE INSTITUTIONS
GENERAL	• Constitution of the Republic of Uganda • Vision 2040 • National Development Plan II 2015/2016 - 2019/2020 • Uganda's Nationally Determined Contributions (NDC) • Green Growth Development Strategy 2017/18 • National Environment Management Policy (1995) • National Climate Change Policy (2015) with costed implementation strategy • National Adaptation Program of Action (NAPA) • National Strategy and Action Plan to strengthen human resources and skills to advance green, low-emission and climate resilient development in Uganda 2013-2022 • Climate Change Law (?)	• Ministry of Water and Environment (MWE) through the Climate Change Department • National Climate Change Policy Committee (NCCPC) • National Climate Change Advisory Committee (NCCAC) • Parliamentary Forum on Climate Change (PFCC) • Ministry of Finance, Planning and Economic Development (MoFPED) • National Planning Authority (NPA) • Ministry of Local Government (MoLG)
ENERGY	• National Development Plan II • BioFuels Act 2018 • Renewable Energy Policyfor Uganda (2007) • Energy Policy for Uganda 2002 • Electricity Act 1999 • Atomic Energy Act, 2008 • Rural Electrification Strategy and Plan • Poverty Eradication Action Plan	• Ministry of Energy and Mineral Development • Rural Electrification Agency (REA) • Electricity Regulatory Authority (ERA)
WATER AND WETLANDS	• National Climate Change Policy (2015) • National Environment Management Policy (1994) • Environmental Management Act (1994) • Uganda National Irrigation Policy • The Water Act (1997) • National Water Policy (1997) • Environmental and Social Safeguards Policy (2018) • Clients Charter 2018-2021 • The Environmental Impact Assessment Regulation (1998) • National Policy for the Conservation and Management of Wetland Resources (1994)	The Ministry of Water and Environment of Uganda manages the water and environment sector as two sub-sectors: • The Water and Sanitation Sub-Sector comprises of Water Development, Water Resources Management, Rural Water Supply and Sanitation, Urban Water Supply and Sanitation, and Water for Production. • The Environment and the Natural Resources Sub-Sector comprises Environmental Management; management of forests and trees; management of Wetlands and aquatic resources; and Meteorology; Weather and Climate Change.

NDC PRIORITY SECTOR	RELEVANT LAWS AND POLICIES	RESPONSIBLE INSTITUTIONS
FORESTRY	• National Forestry Policy 2001 • National Forestry and Tree Planting Act 2003 • National Land Use Policy, 2137	National Forestry Authority and the Forest Sector Support Department act as lead national implementing agencies. District Forestry Services work at subnational level. The Environmental Protection Police Unit is responsible for enforcement.
AGRICULTURE	• National Adaptation Plan for the Agriculture Sector (NAP-Ag) • Agriculture sector development strategy and investment plan, 2010	• Ministry of Agriculture, Animal Industry and Fisheries • Ministries of Water and Environment
HEALTH	• National Climate Change Policy (2015)	Ministry of Health
RISK MANAGEMENT	• National Policy for Disaster Preparedness and Management (2010)	Office of the Prime Minister - Department of Relief, Disaster Preparedness and Management, along with a National Platform and committees at the district/city and sub-country levels.
TRANSPORT & INFRASTRUCTURE	• National Transport Master Plan (2009) • Strategic Plan (internal document, 2012) • Strategic Implementation Plan (2015) • Non-Motorized Transport Policy	Ministry of Works and Transport

Limited detail was found through this desk review on the specific policy approaches and incentives adopted in Uganda to engage the private sector in climate action (See Annex 1 for excerpts from laws and policies). Further research and in-country consultations are recommended to verify and add to the list of relevant policies, incentives and institutions for each NDC priority sector in Table 5. These sectoral frameworks can be assessed using the analysis outlined in Section 4.1 (potentially at the June 2019 workshop). Recommendations can then be made for possible policy reviews and incentives to consider.

5 MULTI-STAKEHOLDER PARTNERSHIPS & INITIATIVES

5.1 GENERAL GUIDANCE

Achieving the climate goals set out by the Paris Climate Agreement will require collaborations across society and sectors. Multi-stakeholder partnerships and collaborations can bring together private, public and civil society actors to each contribute their unique skills, capacities and resources to make more effective climate mitigation and adaptation impact.

Several global climate change initiatives [13] have been launched, many driven by and for the private sector. African members/signatories are currently significantly underrepresented in almost all of these global climate-action initiatives. In addition, many of these initiatives are designed for large multinational companies, so innovation is needed to design partnerships that meet the needs of MSMEs. An examination of these global partnerships can be useful to highlight the various motivations of the private sector for joining climate partnerships and inform the design of climate partnerships in Uganda (Table 6).

Table 6. Various motivations for climate partnership with sample initiatives

OBJECTIVE OF PARTNERSHIPS	INDICATIVE EXAMPLES (NON-EXHAUSTIVE LIST)
UN-LED PARTNERSHIPS TO DRIVE CLIMATE ACTION	• Climate Neutral Now • Caring for Climate
TO ENGAGE CEO-LEVEL SUPPORT AND BUSINESS LEADERSHIP	• Alliance of CEO Climate Leaders (informal group facilitated by the World Economic Forum) • We Mean Business • World Business Council for Sustainable Development • Business Alliance for Water and Climate
TO DRIVE ADOPTION OF NEW REPORTING STANDARDS FOR RESPONSIBLE BUSINESS PRACTICES	• UN Global Compact • Climate Disclosure Project • Women's Empowerment Principles
TO DRIVE CLIMATE ACTION ACROSS A SPECIFIC INDUSTRY	• African Financial Alliance on Climate Change
TO BUILD COLLABORATIONS FOR BUSINESSES TO REDUCE GHG EMISSIONS AND CLIMATE-PROOF OPERATIONS	• RE100 (renewable energy) • Science-Based Targets (reducing GHG emissions) • Carbon Pricing Leadership Coalition
TO BUILD COLLABORATIONS FOR PRIVATE SECTOR TO ADVANCE LOW-CARBON TECHNOLOGIES	• Low Carbon Technology Partnerships initiative (LCTPi) • Global Innovation Lab for Climate Finance

13 http://climateinitiativesplatform.org/index.php/Welcome.

To build up national climate partnerships and collaborations, various mechanisms and institutional arrangements[14] can be considered including:

- Multi-stakeholder coordinating agencies with participation of the government, private sector, civil society and academia to build common understanding on climate risk and impacts, and foster collective action on climate adaptation and financing;
- Government and industry organizations that focus on sectoral climate risks and opportunities and to work together to build and grow their markets, improve their product offerings and advocate for supportive government policies and programs;
- Private-public partnerships (PPPs) dedicated to the assessment of climate change and provision of adaptation solutions at the project level;
- Mechanisms (ongoing or ad hoc) to engage the private sector in national or local policy processes (e.g. national and local-level adaptation planning process, sectoral adaptation planning);
- Third parties, brokers or other intermediaries with existing tools, programs and mechanisms to connect national climate actors through in-person or online initiatives.

5.2 APPLICATION TO UGANDA

5.2.1 NDC PRIVATE SECTOR INVESTMENT COMMITTEE

The key outcome at the 2018 private sector dialogue in Uganda was an agreement that a multi-sectoral committee consisting of representatives from the public sector, private sector and civil society should be set up to follow-up on the recommendations made by participants, create a clear roadmap for implementing them, monitor and evaluate progress. Drawing from participant recommendations the dialogue and best practices, the mandate of this NDC private sector investment committee could include:

- provide clear communication on government commitment and priorities on climate action;
- discuss practical solutions and opportunities for the private sector to engage in climate action;
- provide a forum to gather private sector input on needs, interests and priorities;
- guide and support the private sector to implement specific mitigation and adaptation actions;
- offer capacity building and support to the private sector to develop pipelines of bankable adaptation projects for priority sectors;
- explore opportunities to create public-private partnerships or blended finance to support climate mitigation and adaptation projects;
- strengthen opportunities for participation of women in climate action.

Work remains to further define the objectives, composition, roles and responsibilities, as well as implementation plan and timeline of the proposed NDC private sector investment committee. Ideas and guidance can be drawn from the **"Draft Private Sector Engagement and Coordination Framework for the Implementation of the National Climate Action Plan in Kenya"** (see Annex 1 of the hyperlinked document) released in September 2018.

14 ACT, supra, Note 2.

5.2.2 OTHER PARTNERSHIP INITIATIVES TO CONSIDER

Other partnership initiatives discussed at the 2018 private sector dialogue in Uganda and within the context of this project include:

- Private Sector CEO Roundtable: where CEOs, managers, investors and entrepreneurs can come together to discuss the NDC, impact of climate change on their operations and how they can support the reduction of GHG emissions in Uganda.
- Gender Equality Seal: The key areas for the Gender Equality Seal certification include:
- Eliminating gender-based pay gaps;
- Increasing women's roles in decision-making;
- Enhancing work-life balance;
- Enhancing women's access to non-traditional jobs;
- Eradicating sexual harassment at work; and
- Using inclusive, non-sexist communication.
- Private Sector Climate Action Seal: aimed at encouraging private enterprises to commit to climate action and provide them with guidelines on how they can become more climate smart (under development).
- Learning and advisory networks: aimed at promoting experience sharing amongst key development stakeholders on the technical and financial feasibility of the sectoral NDC action plans and the potential role of private sector in achieving their objectives (under development)

In addition, several programs and initiatives currently exist to build up capacity and collaborations with the private sector on climate action and investments (Table 7).

Table 7. Ugandan initiatives to build capacity of private sector on climate projects

UMA ENERGY MANAGEMENT CENTER	The largest consumers of energy in the country are the members of UMA and it contributes up to 30% to the operational costs of some industries. To assist members to use energy more efficiently, the institution, with support from SUNREF, established an Energy Management Centre in 2015 whose objectives are to: i) Raise private sector awareness about energy efficiency and renewable energy ii) Increase the capacity of the private sector to manage energy through training and energy audits iii) Assist companies with the technical and financial support they need to implement energy efficiency and renewable energy projects The Center currently has USD 30,000,000 from SUNREF to support companies that are implementing energy efficiency and renewable energy projects. Some of the institutions receiving support include Fine Spinners, Nile House Hotel, Amfri Farm and Trans pape
PRIVATE FINANCING ADVISORY NETWORK	The Private Financing Advisory Network is a global network of climate and clean energy financing experts, that aims to bridge the gap between entrepreneurs developing climate and clean energy projects and private sector investors. PFAN achieves this by: • providing free business coaching to projects, increasing the chances of attracting investment; • growing its investor outreach.
POWER AFRICA UGANDA	Through USAID, Power Africa is supporting master planning efforts for 13 distribution company concessions, identifying potential for over 800,000 new on-grid connections and over 400 mini-grid sites. Power Africa is working with financial institutions and concessionaires to mobilize finance, enabling financing across the value chain. Power Africa is also helping pilot and roll out new and innovative off-grid product designs and payment platforms, especially those that tap into digital financial services, with the aim of reaching thousands of rural Ugandans with cleaner and productive electricity. To maintain momentum and scale up off-grid solutions, Power Africa and its partners are working to improve and/or create a supporting ecosystem for the off-grid market by launching a market accelerator to spur a vibrant marketplace of enterprises.

6 ENHANCING ACCESS TO FINANCE

6.1 GENERAL GUIDANCE

There is no globally agreed definition of climate finance and the global community has resorted to terming all financing that is earmarked for climate adaptation and mitigation activities as climate finance. Finance instruments that attract private sector investment take various approaches - by making capital markets and the allocation of financing more efficient, offering incentives for engagement, or reducing risks associated with adaptation investments.

Climate financing can derive from many sources, from large corporations, commercial banks, private financiers, public sector, national and international climate funds or blended finance (various sources).

Table 8. Categories of climate financing

TYPE	DESCRIPTION	EXAMPLES
INTERNATIONAL CLIMATE FINANCE	This category consists of bilateral funding, multilateral funding and financing mechanisms established by the UNFCCC. An estimated 50 international public funds, 60 carbon markets and 6,000 private funds exist that support green initiatives. Since 2013 Uganda has received international climate finance for both adaptation and mitigation[15]: • Pilot country of the CIP/Pilot Program for Climate Resilience (PPCR) • Launched national UNREDD program in November 2015. • An investment plan is under preparation for the World Bank Climate Invest Fund (CIF) Forestry Investment Program (FIP) • Pilot country for funding under the Scaling Up Renewable Energy in Low Income Countries Program (SREP) of the Climate Investment Funds (CIF). An investment plan of $50 million focusing on solar, geothermal and wind energy has been endorsed and finalized. • Awarded grant by the Green Climate Fund focusing on wetlands & climate adaptation	UNFCCC financing • Green Climate Fund • Adaptation Fund • Global Environment Facility • Special Climate Change Fund • Least Developed Countries Fund MDB financing • Climate Investment Fund (World Bank) • Global Energy Efficiency and Renewable Energy Fund (EIB) • Switch Africa Green (EU) 2014-17 • European Investment Bank Subnational Climate Fund Africa (SnCF Africa) Directories of climate financing: • Climate Funds Update
PUBLIC POLICY FINANCING INSTRUMENTS	National government expenditures on climate change in Uganda are relatively low. Between 2008/09 and 2011/12 they were found to be on average 0.2% of GDP – significantly lower than the 1.6% which has been indicated as necessary investment in the Implementation Strategy of the new Climate Change Policy. [16] More research & consultations are needed to document the current public climate financing opportunities for the private sector in Uganda.	• charges & levies • tax incentives & exemptions • public-private partnerships (PPP) • green public procurement • feed-in-tariffs • tradeable certificates • grants • guarantees (e.g. cross-border investments) • concessional loans • emission trading schemes • carbon taxes • purchase / investment incentives

15 Climate Change Profile - Uganda, supra note x.

16 Climate Change Profile - Uganda, supra note x.

TYPE	DESCRIPTION	EXAMPLES
PRIVATE FINANCIERS	Project developers and commercial finance institutions can develop and offer private climate financing instruments and organize projects funded through blended financing (form of public private partnership focusing on catalysing long term private investment in a sector, using public and philanthropic funds to mobilise additional private capital). More research & consultations are needed to document the current private climate financing opportunities for the private sector in Uganda.	• debt & equity • green bonds • credit lines • insurance (e.g. crop insurance) or financial risk management products • impact investments • crowdfunding
PRIVATE COMPANIES	Private sector entities themselves can allocate financing towards climate projects and actions through various approaches. Narratives from Ugandan companies can be collected on how they have self-funded their climate actions and projects.	• direct institutional investments • internal carbon pricing

MSMEs experience particular difficulties in accessing climate financing. Innovative solutions (e.g. microfinance, microloans, insurance, crowd-funding) are needed to engage them at scale. These solutions can include small applications of working capital loans, lines of credit, venture capital, loan-to-own of consumer goods, etc. Often, domestic financial institutions are best positioned to broker such financial services at reasonable transaction costs and at scale.

Blended financing has emerged as a promising area of climate financing. US$ 2.9 billion (3.6%) of the private finance mobilised using blended finance flowed to Low Income Countries between 2012 and 2015. Lessons can be learned from examples of innovative blended financing in Southern Africa.[17]

Table 9. Examples of blended financing instruments in Southern Africa

CONCESSIONAL LOANS FOR CLIMATE ACTION	Concessional loans involve lower interest rates or longer payback periods on borrowing than in the open market.	The Zambian African Development Bank (AfDB) GCF Renewable Energy Framework (FP080) seeks to support the Government of Zambia's Renewable Energy Feed-in Tariff policy to develop 100 Megawatts of renewable energy projects, mostly solar power, through long-term project loans. The project blends three instruments: a US$ 112.5 million loan (of which US$ 50 million is from the GCF; US$ 50 million is from the AfDB and the rest from other investors), a US$ 37.5 million equity investment from project sponsors and a US$ 4 million grant (from the GCF and AfDB together). It is likely that the AfDB's framework lending to finance renewable energy installations will continue to expand, noting that the AfDB's entire 2017 energy investment portfolio was comprised of renewables.

17 https://cdkn.org/2018/08/private-sector-innovates-southern-africa/?loclang=en_gb

EQUITY INVESTMENTS IN CLIMATE PROJECTS	Equity describes an ownership stake within a project, company and/or economic asset that offers returns to investors through dividends during ownership, and/or capital growth on the asset upon sale. Investing in local, green, small and medium sized enterprises offers perhaps the most likely path to allow Southern African countries to meet their required growth trajectories, whilst embracing a net zero emissions future. Taking an ownership stake in small and growing businesses through an equity investment is one mechanism to support climate entrepreneurs. However, the risk and transaction costs of placing these equity investments can be prohibitive unless they are bundled for investors with large amounts of capital to invest (e.g. institutional investors)	The proposed Green Outcomes Fund in South Africa is one bundling mechanism that looks to incentivise existing financial intermediaries (especially private equity and venture capital firms) to consider taking on equity investments in enterprises that look to solve climate change whilst also returning a profit to their shareholders.
GUARANTEES FOR CLIMATE INVESTMENTS	Guarantees are risk reduction measures that make provision to ensure investors are paid out, should there be a default on loans or bonds. This can be useful, for example, in cross-border investments, where currency exchange rate risks can be high. This is especially true if the investments are in fixed, long-lived infrastructure such as renewable energy installations.	Development finance institutions such as Guarantco can package credit guarantees that are used to secure long-term debt for infrastructure development, where the risk for foreign inward investment would otherwise have been too high for the private sector.
INSURANCE	Whilst insurance is typically not widely provided by multinational and bilateral climate financiers, there is precedent for providing grant resources to explore the establishment of insurance-type mechanisms, where these have been shown pre-feasibility potential.	Namibia's Environmental Investment Fund has proposed the piloting of a crop insurance and incentive scheme that would safeguard farmers in the crop-growing regions of the Kavango East, Kavango West and Zambezi, which are water scarce. The GCF Board approved the Environmental Investment Fund's 'Climate Resilient Agriculture in three of the Vulnerable Extreme northern crop-growing regions' (CRAVE) proposal in October 2016, and has disbursed almost a third of the approved US$ 9.5 million, with US$ 0.5 million co-financing from EIF. The establishment of national climate insurance mechanisms seeks to supplement African regional efforts to build sovereign disaster risk insurance (e.g. African Risk Capacity) while providing avenues for local private sector stakeholders to invest in resilience.
USE OF CROSS-BORDER INSTRUMENTS	Shared currency regimes and regional integration can allow development finance institutions to sidestep some of the lending risk created by cross-border activities.	Two initiatives have been proposed by the Development Bank of Southern Africa (DBSA) to the GCF: • The DBSA has proposed the establishment of a Climate Finance Facility, which is seeking a US$ 55 million loan from the GCF, to focus on infrastructure projects that mitigate or adapt to climate change. The Facility would lend on subordinated debt and provide credit enhancements (e.g. term extension) to projects that are commercially viable, but not currently receiving finance from private sector banks in local currency. Currently, the Facility is planning to operate within Lesotho, Namibia, Swaziland and South Africa. • Another example is Africa GreenCo, which seeks to capitalise a creditworthy, independently-managed and government co-owned intermediary off-taker for cross-border renewable energy trading in the Southern African Power Pool. The concept was shortlisted through the GCF's Pitch for the Planet request for proposals for Mobilising Funds at Scale, under the accreditation of the DBSA, with a no-objection letter from the Zambian National Designated Authority. While neither of these DBSA initiatives has yet secured GCF Board approval, both show promising use of instruments to advance climate finance at a regional scale in a way that crowds-in private sector investment.

Recent reviews of climate financing opportunities for the private sector have identified the following lessons learned and recommendations:

- There is a vacuum in the form of an absence of a delivery mechanism that meets the needs of the private sector and this is an area worth exploring, given the untapped potential therein.
- A significant gap exists in support for the diffusion of decentralised and smaller-scale technologies (hard and soft) which are particularly relevant for Africa. Public and private climate financing tends to chase larger energy generation projects and to formalize sustainability of the large biomass energy finance.
- It may be worthwhile to bundle climate entrepreneurs (e.g. within a sector) for equity investment to reduce risk and transaction costs (e.g. proposed Green Outcomes Fund in South Africa)
- Private sector entities need to better align their business approach to climate change in a way that enhances economic growth, creates jobs and reduced poverty and communicate how planned business activities contribute to national development goals and objectives of development partners. This effort can help stimulate global, government and public interest in private sector activities and increase access to climate change finance.

Innovative climate financing mechanisms have been launched in Uganda, including UNDP Climtae Action challenge Grants with the objective to engage NGOs and the local community to start initiatives that can contribute to the implementation of Uganda's NDC and build the capacity of women in climate projects. Another option could be to establish a Uganda SDG impact investment platform (For example, see the UNDP SDG Impact Initiative. Tools such as the UNDP Climate Action Impact Tool (CAIT) can be used to assess SDG impacts of investments) and/or to provide guarantees for investments which could play a key role in climate finance (Government of Uganda and UNDP). Further ideas from the Global Innovation Lab for Climate Finance can also be considered in Uganda.

6.2 FOCUS ON SPECIFIC CLIMATE FINANCING INSTRUMENTS

In Uganda, several climate financing instruments exist of potential interest to the private sector (Table 10). The upcoming workshop provides an opportunity to engage experts knowledgeable in these areas, and foster discussions of opportunities and possible collaborations / actions to build in Uganda.

Table 10. Climate financing instruments of potential interest to Ugandan private sector

CLIMATE FINANCING INSTRUMENT	Project approach
PRIVATE SECTOR FACILITY OF THE GREEN CLIMATE FUND	See briefing below. Invite representative from GCF Nationally Designated Authority (NDA) or other expert to discuss opportunities in Uganda. Develop private sector toolkit.
CARBON MARKETS (ARTICLE 6 OF PARIS AGREEMENT)	Invite government representatives or other expert to discuss opportunities in Uganda. Develop private sector toolkit.
PUBLIC FINANCING THROUGH THE NATIONAL BUDGET	Invite government representative to lead discussion.
GRANT SCHEMES THROUGH BANKS AT NATIONAL AND REGIONAL LEVELS	Invite private finance institution to lead discussion. Explore opportunities outlined in the AFDB initiative African Financial Alliance on Climate Change https://www.cop24afdb.org/sites/default/files/afac_brochure_2018.pdf
FINANCING BY DEVELOPMENT PARTNERS	Invite development partners to lead discussion.

6.2.1 PRIVATE SECTOR FACILITY OF THE GREEN CLIMATE FUND

The Private Sector Facility (PSF)[18] is an instrument of the Green Climate Fund (GCF)[19] aimed at supporting the private sector to engage in climate relevant activities through two alternative mechanisms, which address the supply side and the demand side of private sector financing – institutional investing, and small and medium sized enterprise financing.

- By targeting institutional investors, the GCF is seeking to mobilise funds at scale, such as from commercial banks, investment funds, insurance companies, pension funds, and sovereign wealth funds. To engage with these institutional investors, the Fund intends to develop a range of investible financial products, some of which include: Green Bonds, commercial paper, syndications and club deals. Institutional investors can benefit from these products, and can help them to raise additional third party capital for climate related investments.
- Secondly, the Fund intends to use public finance to work with local private sector entities in climate change adaptation and mitigation, particularly small and medium sized enterprises, through its SME Pilot Programme. The Private Sector Facility will use Request for Proposals (RFP), to which all entities accredited with the GCF can respond to.

In Uganda, commercial banks, other financial intermediaries, MSMEs, businesses and large conglomerates interested in investing in climate-relevant goods and services can apply for GCF funds by submitting spontaneous proposals or responding to a Request for Proposal (RFP)[20]. Two roles are possible:

- National Implementing Agencies (NIE)[21]: Private sector companies can apply to become an accredited entity, provided it has: legal status; an institutional system with robust policies; procedures and guidelines; a track record of fiduciary, environment and social standards (ESS); and a gender policy. The application must be endorsed by the National Designated Authorities (NDA).[22]
- Executing entity (EE): Private sector companies can perform implementation responsibilities of projects funded by GCF. EEs cannot access GCF finance directly, but can develop fundable projects, submit and implement them under the overall supervision and oversight of an existing IE. No accreditation is needed but activities must be performed in line with the GCF requirements.

Notably, a Simplified Approval Process (SAP)[23] was recently developed and can be applied to by Accredited Entities (AEs) who are considering less than 10 million USD GCF contributions to an ESS risk category C project (one SAP project from Namibia is already approved).

When preparing an application to the GCF, private sector entities should consider:

- every Funding Proposal submitted to the GCP has accompanied by a non-objection letter by the NDA/Focal Point;
- must be in compliance with national environmental and social safeguard policies;
- carefully choose AEs aligned with the accreditation features.

18 https://www.greenclimate.fund/documents/20182/194568/The_Green_Climate_Fund_s_Private_Sector_Facility.pdf/c47eacd1-5b93-4fe0-97de-b4b9ebe669d3

19 A simple brief on the GCF is available here: https://www.shareweb.ch/site/Climate-Change-and-Environment/Documents/How%20to%20access%20the%20Green%20Climate%20Fund.pdf

20 https://www.greenclimate.fund/who-we-are/procurement

21 https://www.greenclimate.fund/how-we-work/tools/entity-directory

22 See Appendix 2 to access a self-assessment questionnaire for entities considering applying for IE accreditation: https://cdkn.org/wp-content/uploads/2016/03/How-can-Bangladesh-private-sector-engage-with-the-Green-Climate-Fund.pdf

23 https://www.greenclimate.fund/how-we-work/sap. A practical manual for preparing SAP applications is available here: https://www.greenclimate.fund/documents/20182/194568/Simplified_Approval_Process__SAP__funding_proposal_preparation_guidelines__A_practical_manual_for_the_preparation_of_SAP_proposals.pdf/0e3c3e7d-199a-6a70-6839-ea4e31d09ff8. An analysis of its effectiveness is available here: https://www.ecoltdgroup.com/wp-content/uploads/2018/10/GCF-insight-report-19-11-v1.pdf. See video here https://youtu.be/iCSf45ZXlNA.

The private sector can also access GCF funds allocated to readiness for GCF financing:

1. Readiness work for NDA and AE: In Readiness and Preparatory Support Programme, the GCF Board has allocated dedicated resources, capped at US $1 million per developing country per year, to assist developing countries in preparing to effectively access and deploy the GCF funding.
2. Project development and implementation: Private sector can also support AEs to develop project ideas, concept notes and funding proposals - also as the eventual executing agency (technology provider, intermediary, construction, services, O&M etc.), project monitoring and evaluation. Co-financing agreements signed ahead of GCF Board approval of the Funding Proposal.

QUESTIONS FOR FURTHER DISCUSSION IN UGANDA:

- Who are the IEs in Uganda? What are their specialties? Do they work with private sector?
- Who can be an IE? Large corporate organisations that are delivering climate related goods and services, such as in the energy, waste management and agribusiness sectors. Also:
    - Under institutional investor category: commercial banks, investment funds, insurance companies, pension funds, and sovereign wealth funds, based primarily on their performance in Green Banking, international fiduciary standards, and interaction with other climate funds.
    - Under the MSME category: core actors who have engaged with SMEs, as well as those SMEs themselves who have engaged in climate compatible development. Additionally, we also considered private commercial banks and other financial institutions funding these SMEs.
- What are the key documents that outline Uganda's national priorities relevant to GCF financing?
- What opportunities exist for private sector in Uganda to provide consulting and other services to build Uganda's readiness for GCF funding?

It may be useful to prepare a Uganda-specific guide or toolkit[24] to support the private sector to understand and access GCF financing, supported with the latest examples of GCF financed projects.

6.2.2 CARBON MARKETS (ARTICLE 6)

Article 6 of the Paris Agreement recognizes that countries may establish market-based mechanisms to address climate change, enabling their emission reduction commitments to be achieved at lowest cost.[25] Article 6 of the Paris Agreement allows for a future global carbon market to build on a growing network of bilateral and plurilateral carbon markets, using different forms of linking coupled with an overarching international architecture. Through Article 6, private sector actors and investors have the opportunity to engage at the international level, either through cooperative approaches, led by countries under Article 6.2 or through a centrally governed market mechanism established under Article 6.4.

24 Examples from Bangladesh : https://cdkn.org/wp-content/uploads/2016/03/How-can-Bangladesh-private-sector-engage-with-the-Green-Climate-Fund.pdf and https://cdkn.org/wp-content/uploads/2016/03/GCF-project-Toolkit.pdf

25 This section contains excerpts from: http://carbonmarketinstitute.org/wp-content/uploads/2017/09/Operationalizing-Article-6-of-the-Paris-Agreement.pdf

Box. 2 Examples of GCF-financed projects and opportunities

Example of GCF RFP
(Source: https://carbon-pulse.com/57045/)

GCF's "Pitch for the Planet" RFP, launched in May 2017, was a global campaign to tap commercial funding sources at scale for climate change mitigation and adaptation in developing countries. A total amount of $500 million in GCF capital would be made available to support the successful proposals, which could come from accredited entities or – for the first time – from any private institution potentially interested in partnering with the GCF.

The response to this RFP was considerable, with close to 300 institutions submitting proposals by August. However, the main obstacle still remained – approval of any successful proposal would be conditional on its sponsor becoming accredited by the GCF. Even with the promise that applicants short listed under the RFP process would be fast tracked through the process, a year has gone by and no new entities have been approved.

One approach, which seems to have been tested with a number of the shortlisted "Pitch for the Planet" contestants, was that the private institution should be responsible for identifying an existing GCF accredited entity with which to partner on its proposal. This is not particularly easy for a business that may not be part of the established climate finance networks. It is also unlikely that an accredited entity will be willing to allow another institution effectively to do projects under its own banner without significant negotiation.

Example of GCF direct financing to private sector entities:
(Source: https://unfccc.int/sites/default/files/resource/Session%207_Tuul%20Galzagd.pdf)

XacBank was accredited by the GCF in 2016 and since then has received approval for two projects. The first of these was a business loan programme for greenhouse gas emissions reduction which targets micro, small- and medium-sized enterprises in Mongolia. These companies typically struggle to raise capital on acceptable terms for energy efficiency and renewable energy investments. At least half of the financial support will be allocated to women-led businesses. Its engagement with XacBank in Mongolia – though yet to be replicated elsewhere – demonstrates how the GCF has been able to work successfully with a local privately run institution. The example of XacBank is an encouraging case study, but it is not a typical one.

According to discussions during a webinar on Article 6 mechanisms, which was organized by the UNDP NDC Support Programme, the following key issues need to be addressed in order to successfully unlock private sector finance:[26]

1. a definition of mitigation outcomes in tonnes of CO2equivalent;
2. a common accounting standard to ensure compatibility;
3. seller reliability through an internationally accepted legal instrument to avoid retraction of Internationally Transferred Mitigation Outcomes (ITMOs) by a country; and
4. long-term certainty for investors and commitments from Parties to avoid ex-post changes.

Uganda is a pilot country participating in the Adaptation Benefit Mechanisms (ABM) implemented by the African Development Bank (AfDB). This mechanism is a candidate for non-market-based approaches under Article 6.8 of the PA, with launch planned in 2019.[27] Further research and consultations are recommended to document the current opportunities in Uganda for the private sector to engage with carbon markets related to Article 6 of the Paris Agreement.

26 https://www.ndcs.undp.org/content/ndc-support-programme/en/home/impact-and-learning/ideas-and-insights/2018/carbon-markets-as-the-next-frontier-of-globoal-climate-action.html

27 p. 45. https://www.climatefinanceinnovators.com/wp-content/uploads/2019/03/Moving-toward-next-generation-carbon-markets.pdf

7 ENHANCING ACCESS TO TECHNOLOGY & CAPACITY

Governments, with support from development partners and business service providers focusing on adaptation, should work to strengthen private sector capacities, in order to create an environment in which businesses and financiers are able to understand and act on current and forecasted climate change information. For private financiers, increased capacities are often required to integrate climate risks into investment portfolios and financing products, and to better quantify and track the adaptation returns on investments. General private sector actors may lack the technical capacities needed to participate in climate action and investments. Priority areas[28] for capacity building and technology support may include:

- how to understand and use climate data and information
- how to ensure compliance and integrate climate risk into business strategies
- how to adopt low-carbon technologies and processes to build business resilience;
- how to develop business models needed to commercialize low-carbon products & services
- how to identify and seek out appropriate financing for adaptation investments
- how to communicate on climate, sustainability and gender impacts of business operations
- how to participate in national and global discussions/partnerships on climate change

In developing supportive tools, the target recipients and partners in Uganda to keep in mind are:

- MSMEs: Support tools will need to be tailored to the needs of MSMEs. The Uganda MSME Policy 2015 reports that over 2.5 million people are employed in this sector and account for about 90% of the entire private sector, generating 80% of manufactured output and contributing 20% of GDP.
- Business associations: representing the different actors in the industry to support their members to improve their business operations through training and advisory, establish market and financial linkages and carry out the necessary policy research and advocacy. For sustainability, they also need to be supported to formulate sound development strategies and establish strong management systems and structures.
- Connections between private financiers and businesses: At the 2018 private sector dialogue in Uganda, it was noted that on the demand side, entrepreneurs are saying that there is no money to support their climate actions. On the supply side, however, financiers say that they have a lot of money, but the projects that they could finance with that money do not exist. A platform to bring both sides together should be established and dialogue between them supported.

In Phase 2 of this project, the following support tools will be developed:

- business indicator framework to make clear NDC/SDG business opportunities; and
- customized digital tool to help businesses explore NDC/SDG opportunities and connect with peers, programs and partnerships, understand cost-benefits of climate action.

28 http://napglobalnetwork.org/wp-content/uploads/2019/04/napgn-en-2019-engaging-the-private-sector-in-national-adaptation-planning-processes.pdf

These tools can further build the business case for climate action and investments, while addressing the key challenges identified in this report - offering a means for timely sharing of business-relevant information and real-time opportunities to build climate partnerships and dialogues.

The development of these tools will follow the guidance:

- use business-relevant language
- leverage the SDGs as an entry point to NDC action
- make clear when and where NDC-relevant business action also contributes the SDG

These tools aim to help businesses better understand the business case for climate action while at the same time supporting them to better communicate how their current and planned business activities contribute to Uganda's NDC and SDG priorities. By doing so, Ugandan businesses and trade associations can gain access to innovative tools to be better recognized for their current climate actions and innovations while sharing lessons learned and best practices and building partnerships across sectors.

8 CONCLUSIONS AND NEXT STEPS

Several recent studies [29] have been completed with lessons learned on private sector engagement in climate action. Their recommendations can help guide next steps in Uganda, including:

- Construct a relevant narrative: Gather and document the experience of businesses in Uganda with recent and local extreme climate events or weather fluctuations as a starting point for discussion.
- Build a shared vision of the climate opportunities between public and private sector: Identify areas of opportunity for the private sector to contribute to national development goals and programs. Private sector confidence can be boosted by government actions that show long-term commitment to these goals (e.g. high level political buy-in, incentives, policies, partnerships etc)
- Support private sector champions to take action: Identify business leaders in key industries/ sectors and provide them decision-support tools to help them understand risks and opportunities, take action, communicate impact and access new markets and financing. Document and share experiences to drive wider change across the industry.
- Bridge the gap between the demand and supply of private finance: Help build capacity of businesses to develop and seek financing for bankable climate projects, and connect them with those that can provide finance. Work with private financiers to adopt country-tailored, innovative climate financing instruments.
- Allow adequate time and resources for change: Early efforts to build buy-in, trust and credibility for both private and public partners is critical, as well as document the cost-benefit analyses that prove the business case for climate action and investments. Time is needed to take on these early efforts and effectively communicate results, while keeping potential partners informed of development and progress.

Upcoming events (June workshop and September conference) provide significant opportunities to expand the information collected through this preliminary desk review, as well as consult and verify with the Ugandan private sector the approaches to be taken and support provided.

Ultimately, the private sector needs a clearly articulated business case for mitigation and adaptation actions. The approach above offers a pathway to build this business case for the private sector in Uganda.

29 ACT 2019: Engaging the Private Sector in Financing Adaptation to Climate Change - Learning from Practice. http://www.acclimatise.uk.com/2019/02/26/engaging-the-private-sector-in-financing-adaptation-to-climate-change-learning-from-practice/; Morgado N, Lasfargues B, 2019: Engaging the Private Sector for Green Growth and Climate Action: An Overview of Development Co-Operation Efforts: https://www.cbd.int/financial/2017docs/oecd-private2017.pdf

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ANNEX 1: EXCERPTS FROM REVIEWS OF UGANDAN CLIMATE LAWS AND POLICIES

This section offers a non-exhaustive summary of key insights and excerpts from a preliminary desk review of publications that analyse the relevant Ugandan laws and policies. These excerpts offer a starting point for discussion, and should be expanded and completed through further consultations and research.

ENERGY

Source: Energypedia "Uganda Energy Situation" https://energypedia.info/wiki/Uganda_Energy_Situation

Uganda politically and economically reformed its energy sector including a new legal and regulatory framework based on which the previously vertically integrated monopoly, Uganda Electricity Board, was unbundled leading to public private partnerships. The Government provides an enabling environment for private sector investments in generation and distribution of electricity while transmission above 33kV remains a public function through the Uganda Electricity Transmission Company Ltd (UETCL). The Electricity Regulatory Authority (ERA) was established to license and regulate operations of all electricity operators, and the Rural Electrification Agency (REA) was put in place to ensure that rural electrification, which in most cases is not commercially viable, is accelerated to achieve set targets. Following liberalisation, the power sub-sector is now attracting the largest private sector investments in the country.

Policy priorities related to private sector investment in energy include:

- Energy Policy for Uganda, 2002 sets out a policy objective to: increase the role of private sector in the power sector operations and future development.
- The Rural Electrification Strategy and Plan and Poverty Eradication Action Plan both set the target of providing 10% of the rural population with access to electricity until 2012 through grid extension (including through private sector involvement), mini-grids and stand-alone electrification systems.
- To promote the development and use of renewable energy sources, the Government has developed a feed-in-tariff structure. A Feed-in-Tariff (FIT) is an instrument for promoting private sector generation of electricity from renewable energy sources. Renewable energy in the context of REFIT is defined as electricity, which can be generated from energy resources such as water power, wind power, solar energy, geothermal energy, biogas and landfill gas combustion, and biomass cogeneration. The REFIT applies to small-scale renewable energy systems of prescribed priority technologies, up to a maximum installed project capacity of 20 MW, as defined by the Electricity Act 1999. The Feed-in-Tariff (FiT) for solar power was approved by the ERA board in April 2014 at an amount of US$0.11/kWh.[36] The FiTs are paid by the Uganda Electricity Transmission Limited (UETCL).

Uganda also created a Biofuel programme and a Modern Energy Service Programme, in 2011. The Biofuel programme aims to support investments in the production and use of ethanol, biodiesel, methanol and biogas. Specifically, the programme obligates all dealers in petroleum products to blend fossil fuels with biofuels, up to 20%. The Modern Energy Service Programme will promote renewable-energy-based technology for households, institutions, commercial buildings and smallscale industries. In particular, these services will be for cooking, lighting, machinery and ICT

Note: USAID prepared an "Energy Efficiency Roadmap for Uganda" in May 2017, which can be referenced for insight into possible energy efficiency approaches and recommendations.

WATER AND WETLANDS

One of the objectives in the Water Policy is "to promote development of water supply for agriculture production in order to modernize agriculture and mitigate effects of climatic variations on rain-fed agriculture". The policy's strategies for achieving this objective mainly lie in empowering farmers so they can invest in irrigation, especially in semiarid and drought-prone areas because in dry areas, surface water resources are generally seasonal and groundwater potential is often limited. The policy acknowledges that sectoral water-use policies and plans are important. It mentions agriculture, energy and forestry as sectors that ought to be formulating policies that fit with the goals of the water policy. The policy does not propose specific measures to address challenges with water resources resulting from climate change and does not offer ecosystem management as a strategy to increase water productivity. The fact that this policy does not mention the role of forests in protecting water catchments indicates that it was probably not seen as critical during the policy processes that culminated in this policy.

FORESTRY

The National Forestry Policy identifies the "development of commercial forestry" as one of seven programmes of action to achieve its objectives. Uganda has also made efforts to prepare for REDD+ projects. A recent academic article[30] analysed Uganda's forestry sector and made the following recommendations:

- The government [of Uganda] in addition is required to put in place a regulatory framework, which will create a positive investment climate to encourage private sector investment in commercial forest plantations. The government is required, amongst other tasks, to set out priority areas for the development of carbon storage plantations in different areas of Uganda."
- Private land owners with natural forest cover on their land should be given direct monetary or other incentives to encourage them to limit deforestation. Forest product and service valuation: monetary digits are more easily understood by the public. Forest goods and services should be explored and a value attached to them so that a lay-man can understand.
- Investment in research, education and extension services: Educating stakeholders helps them understand how to prevent and reduce adverse environmental effects associated with deforestation. Extension services are also crucial because certain class of people have the information, however passing it on to the stakeholders is another challenge that can be addressed through extension.

AGRICULTURE

Agriculture contributes up to 40% of Uganda's total GDP and over 90% of the country's foreign exchange earnings.[31] Up to 95% of the population is engaged in rainfed mixed farming for food and cash income. Key challenges for the agricultural sector include low production and productivity due to poor farming practices, weather variability and pests and diseases. Other challenges include low value addition to agricultural produce and limited market access, weak implementation of agricultural laws and policies, and weak public agricultural institutions.

30 Source: Josephat M. (2018) Deforestation in Uganda: Population Increase, Forests Loss and Climate Change, Environmental Risk Assessment and Remediation (2019) Volume 2, Issue 2.

31 https://ccafs.cgiar.org/fr/uganda#.XO_j5cgza70

The Uganda National Adaptation Plan for Agriculture (NAP-Ag) framework was released in 2018 and presents 21 priority adaptation options in the key areas of: crop production; livestock production; fisheries management; climate information, early warning and disaster preparedness; forestry, land and natural resources management; and research and knowledge Management.[32] The full text of the NAP was not found in this desk review for further study and analysis on its approaches to engage the private sector.

The National Irrigation Policy (2017) also sets out provisions to engage the private sector. Priority Area 1 is To enhance investment for irrigation development by public, private and other players. Within this area, the Government will set up an investment arrangement that will facilitate a working collaboration with the private sector and other non-state actors as well as incentives for setting up strategic irrigation infrastructure under a Public Private Partnership. Strategic interventions include:

- v. Extend affordable credit facilities and bank loans for development of irrigation projects, especially small-scale irrigation schemes to be executed by local community groups and individual progressive farmers.
- vi. Provide incentives to encourage private sector investment in the irrigation schemes.
- vii. Invest in strategic infrastructure and support services for development of irrigated agriculture.
- viii. Identify potential irrigation investments portfolio with special emphasis on those that could attract private sector investors and/or progressive farmers including smallholders.
- ix. Promote Producers Public Private Partnership (PPPP) arrangements for resource mobilization, development and effective Operation and Management (O&M) of irrigation systems.
- x. Support affordable access to inputs and other incentives for irrigation infrastructure development both for bulk water supply and on farm development.
- xi. Promote development of rainwater harvesting including runoff, flood management and water smart agriculture.
- xii. Rehabilitate existing community/farmers based irrigation systems, establish new strategic systems and support private irrigation systems
- xiii. Support agro-tourism activities to augment financial resources to run irrigation systems

HEALTH

Uganda has an approved national health adaptation strategy and a national strategy for climate change mitigation which considers the health implications of mitigation actions.[33] Climate adaptation actions are focused on better understanding climate health risks, early warning and reduction of infectious and vector-borne diseases, and increasing resilience of health facilities and systems. This desk review did not find further policies or programmes with specific strategies to engage the private sector.

32 https://www.adaptation-undp.org/government-and-united-nations-uganda-launch-new-strategic-framework-tackle-climate-change

33 World Health Organization (205): Climate and Health Country Profile - 2015.

RISK MANAGEMENT

The National Disaster Policy highlights the role of the private sector (Article 4.15) to take measures to ensure the safety of their plant operations against any threat of natural disaster events, to avoid posing risks to their workers, the general public or the environment, and be capable of taking precautionary measures in the event of any emergency or accident. Specific actions include:

- Educate workers on safety measures and emergency response measures. This role should be carried out by the owner of the installation
- Ensure occupational safety
- Provide channels of access to resources and skills that the government may need under the disaster management programme
- Develop inter institutional disaster response and emergency plans.

The Policy also encourages public private partnerships in its implementation (Article 5.1.12).

TRANSPORT AND INFRASTRUCTURE

Source: LEDS Global Partnership (2019): Uganda's National Transport Master Plan - potential for low-carbon development, Country Briefing, February 2018.

Uganda's 2015 National Climate Change Policy and its Nationally Determined Contribution (NDC) both recognize the need to mitigate emissions from vehicles and ensure that transport infrastructure is climate resilient. The climate priorities for Uganda's transport sector[34] are to:

- develop and ensure integrated planning and management of transport and other physical infrastructure that build on insights from climate predictions
- promote the development, approval, and effective implementation of a long-term national transport policy and plan that will take greenhouse gas mitigation concerns into account
- effect a gradual shift to the use of less carbon-intensive fuels (including compressed natural gas, ethanol, and liquefied petroleum gas) in vehicles, instead of relying heavily on gasoline and diesel fuels;
- promote modes of transport that take into account greenhouse gas emissions reduction.

Uganda's NDC prioritizes the development of a long-term transport policy is planned to account for mitigation concerns, but has no determined time frame and national fuel efficiency due to its emissions reduction potential of 24–34% by 2030 compared to business as usual (conditional on additional funding).

Other policy aims include: The Strategic Implementation Plan 2015 proposes a shift in investment from road to rail projects, by capping the national roads development budget to 70% of the 2019/20 total in order to encourage non-road transport mode. The Non-Motorized Transport Policy also seeks to prioritize alternative modes of transport).

34 Ministry of Water and Environment (2015b) Uganda National Climate Change Policy. Kampala: Ministry of Water and Environment.

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