



CLIMATE CHANGE BUDGET Compliance Assessment Report



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CONTENTS

- ACRONYMS.....III
- ACKNOWLEDGEMENTSVII
- EXECUTIVE SUMMARYVIII
- 1. INTRODUCTION1
 - 1.1 Context and Rationale of the Assessment2
 - 1.2 Objectives of the Assignment.....3
- 2. METHODOLOGY4
 - 2.1 Programme Selection4
 - 2.2 Data Collection Methods and Analysis4
 - 2.3 Scoring5
- 3. RESULTS OF THE ASSESSMENT7
 - 3.1 Overall Assessment.....7
 - 3.2 Key Messages.....9
- 4. PROGRAMME LEVEL RESULTS11
 - 4.1. PRIVATE SECTOR DEVELOPMENT PROGRAMME 11
 - 4.2 DEVELOPMENT PLAN IMPLEMENTATION PROGRAMME 14
 - 4.3 REGIONAL DEVELOPMENT PROGRAMME 16
 - 4.4 NATURAL RESOURCE, ENVIRONMENT, CLIMATE CHANGE, LAND AND WATER MANAGEMENT PROGRAMME 23
 - 4.5 AGRO-INDUSTRIALISATION..... 27
 - 4.6 SUSTAINABLE URBANISATION AND HOUSING 33
 - 4.7 MANUFACTURING PROGRAMME..... 39
 - 4.8 HUMAN CAPITAL DEVELOPMENT PROGRAMME 42
 - 4.9 TOURISM PROGRAMME..... 45
 - 4.10 SUSTAINABLE DEVELOPMENT OF PETROLEUM RESOURCES 49
 - 4.11 SUSTAINABLE MINERAL DEVELOPMENT 51
 - 4.12 SUSTAINABLE ENERGY DEVELOPMENT 52
 - 4.13 INTEGRATED TRANSPORT INFRASTRUCTURE AND SERVICES PROGRAMME 57
- CONCLUSION62
- ANNEX.....63

LIST OF FIGURES

Figure 1: Trends in National Budget Alignment to NDPIII CC Interventions 9

Figure 2: Trends in PSD Programme CC Alignment 13

Figure 3: Proportion of compliant and non-compliant output indicators 19

Figure 4: Trends in Agro-Industrialisation compliance from NDPIII to NDPIV 29

Figure 5: Proportion of complaint and non-compliant output indicators 29

Figure 6: Trend of Tourism Development Budget Compliance under NDP III..... 47

Figure 7: ITIS Programme CC compliance levels..... 59

LIST OF TABLES

Table 1: Climate Change Budget Integration Compliance Assessment
Framework..... 5

Table 2: Categorization of Scoring 6

Table 3: Summary of CC Assessment Results from FY 2020/21 to FY 2024/25... 7

Table 4: Climate change Budget Compliant indicators under the SUHP
FY2024/25..... 35

Table 5: Non-compliant indicators to CC under SUH programme FY2024/25 36

Table 6: Compliant indicators in the FY 2024/25 and FY 2025/26 (BFP)..... 54

Table 7: Non-compliant indicators in the FY 2024/25 and FY 2025/26 (BFP).... 55

ACRONYMS

AB	Annual Budget
ACODE	Advocates Coalition for Development and Environment
BCC	Budget Call Circular
BFPs	Budget Framework Papers
CARs	Community Access Roads
CC	Climate Change
CFU	Climate Finance Unit
Coc	Certificate of Compliance
CSOs	Civil Society Organisations
DDA	Dairy Development Authority
DPI	Development Plan Implementation
DPs	Development Partners
DUCA	District Urban and Community Access
ESIAs	Environmental and Social Impact Assessments
FY	Financial Year
GDP	Gross Domestic Product
GHG	Green House Gases
ICT	Information, Communication, and Technology
ITIS	Integrated Transport Infrastructure and Services
KCCA	Kampala Capital City Authority
LGs	Local Governments
MAAIF	Ministry of Agriculture Animal Industry and Fisheries
MDAs	Ministries, Departments, and Agencies
MEMD	Ministry of Energy and Mineral Development
MoES	Ministry of Education and Sports
MoFPED	Ministry of Finance, Planning and Economic Development
MoGLSD	Ministry of Gender, Labour and Social Development
MoH	Ministry of Health

MoICT&NG	Ministry of ICT and National Guidance
MoJCA	Ministry of Justice and Constitutional Affairs
MoKCC&MA	Ministry of Kampala Capital City and Metropolitan Affairs
MoLG	Ministry of Local Government
MoLHUD	Ministry of Lands, Housing and Urban Development
MoPS	Ministry of Public Service
MoWE	Ministry of Water and Environment
MoWT	Ministry of Works and Transport
MPS	Ministerial Policy Statement
MSTI	Ministry of Science, Technology and Industry
MTIC	Ministry of Trade, Industry and Cooperatives
MVR	Measurement, Reporting, and Verification
MoWE	Ministry of Water and Environment
NAADS	National Agriculture Advisory Services
NAGRC&DB	National Animal Genetic Resources and Data Bank
NARO	National Agriculture Research Organisation
NCHE	National Council for Higher Education
NDC	Nationally Determined Contributions
NDP	National Development Plan
NEMA	National Environment Management Authority
NFA	National Forestry Authority
NITA_U	National Information Technology Authority - Uganda
NMT	Non-motorized Transport
NPA	National Planning Authority
NPDP	National Physical Development Plan
NRECCLWM	Natural Resource, Environment, Climate Change, Land and Water Management
OPM	Office of the Prime Minister

PAU	Petroleum Authority of Uganda
PDM	Parish Development Modal
PFMA	Public Finance Management Act
PIAPs	Programme Implementation Action Plans
PSD	Private Sector Development
PSFU	Private Sector Foundation Uganda
PWG	Programme Working Group
QHSSE	Quality Health, Safety, Security and Environment
RAPEX	Rationalization of Public Expenditure
RGCs	Rural Growth Centres
RUDSEC	Rural Development and Food Security in Northern Uganda
SACCOs	Savings and Credit Cooperative Organizations
SDGs	Sustainable Development Goals
SGR	Standard Gauge Railway
SUHP	Sustainable Urbanization and Housing Programme
UCAA	Uganda Civil Aviation Authority
UCDA	Uganda Coffee Development Authority
UDB	Uganda Development Bank
UIA	Uganda Investment Authority
UIRI	Uganda Industrial Research Institute
ULC	Uganda Land Commission
UN	United Nations
UNCST	Uganda National Council for Science and Technology
UNESCO	United Nations Educational Scientific and Cultural Organization
UNOC	Uganda National Oil Company
UNRA	Uganda National Roads Authority
URA	Uganda Revenue Authority
URC	Uganda Railways Corporation
URF	Uganda Road Fund

USMID	Uganda Support to Municipal Infrastructure Development
UTB	Uganda Tourism Board
UWA	Uganda Wildlife Authority
UWEP	Uganda Women Empowerment Programme
WASH	Water, Sanitation and Hygiene
YLP	Youth Livelihood Programme
ZARDIs	Zonal Agricultural Research and Development Institutes

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EXECUTIVE SUMMARY

This report presents a compliance assessment of Uganda's national budget for Financial Year (FY) 2024/25, evaluating the budget's alignment with climate change priorities that are outlined in the Third National Development Plan (NDP III). The assessment focuses on thirteen (13) priority programmes, selected for their climate change vulnerability, strategic importance, and potential to contribute to climate resilience and low-carbon development. With the Fourth National Development Plan (NDP IV) already approved, this analysis provides insights into the country's progress with climate-change-sensitive development programming and action, while highlighting gaps in climate finance integration. This effort should inform more robust and inclusive planning for the future.

Climate change remains one of the most pressing and persistent global development challenges. It increasingly impacts people's livelihoods, and its effects are especially worse in vulnerable and least-prepared countries like Uganda. Climate change effects are far-reaching, contributing to environmental degradation, reduced agricultural productivity, health challenges, and disruption of livelihoods. These impacts not only threaten ecosystems and human well-being but also hinder the achievement of sustainable development and social equity, thereby deepening social exclusion.

As the climate crisis intensifies, urgent and coordinated global, regional, and national action becomes critical. Effective and timely mitigation and adaptation responses are necessary to minimize harm and contribute meaningfully to the achievement of the 17 Sustainable Development Goals (SDGs). On the other hand, delayed or no action on climate change is expected to result in more severe, costly, and irreversible consequences for both natural and human systems.

Uganda's long-term development frameworks, including the Vision 2040, the Third National Development Plan (NDPIII), and various sectoral policies and plans, recognize climate change as a major threat to socio-economic transformation and sustainable development. These frameworks emphasize the need for substantial investments in climate-resilient development. The success of Uganda's ambitions for inclusive growth largely hinges on the effective integration of climate action across all programmes of the country's development plans, and adequate allocation of resources to finance climate interventions.

The NDP III (2020/21–2024/25), now in its final implementation year,

integrates climate change priorities across all its twenty (20) programmes. It specifies strategic interventions and performance targets, which are reflected in the Plan's Results Framework and Programme Implementation Action Plans (PIAPs). This was intended to guide the national budgeting process, ensuring budget alignment with climate-resilient development goals.

The goal of this assessment is to ascertain the extent to which the national budget of FY 2024/2025 and Budget Framework Paper (BFP) of 2025/2026 comply with planned climate change interventions under NDP III and NDP IV. The assessment involved selection of Programmes that are either most vulnerable to climate change, or have highest potential to contribute to climate change via their high greenhouse gas emission intensity. This selection was informed by Uganda's National Climate Change priority areas captured in the country's revised/updated Nationally Determined Contributions (NDCs 2022) and the Uganda Green Growth Development Strategy (UGGDS) 2017-2030. This programme selection was followed by a review and analysis of national planning and budgeting documents, focusing on: (i) adaptation and resilience building; and (ii) mitigation or reduction of greenhouse gas emissions.

Key Findings

Overall, the alignment of the 2024/25 Annual Budget to climate change (CC) interventions was a reduction from the 54 percent scored in FY 2023/24 to 53 percent compliance, which is unsatisfactory. In addition, at 58 percent compliance, the BFP FY 2025/26 is unsatisfactory. It is lower than the BFP FY 2024/25 of 62 percent. This is partially attributed to the Rationalization of Public Expenditure (RAPEX) through mergers of public entities. The planned CC activities and their budgets were transferred to lead ministries, departments and agencies (MDAs), whose impact is yet to be seen. Therefore, the scoring for the BFPs for the merged agencies got distorted somehow.

The aligned CC interventions fall short in terms of ambition and targeting the Annual Budget targets fall far below the NDPIII and NDC targets. This is likely to undermine the achievement of the NDPIII CC interventions and targets within the remaining timeframe that ends in June 2025.

A five-year compliance performance assessment indicates that programmes that are more vulnerable to the impacts of CC had an unsatisfactory performance. At the same time, those that contribute more to GHG emissions had satisfactory scores. This is partly due to the differences in resource allocation towards mitigation and adaptation-oriented interventions, with mitigation being better funded by development partners than adaptation.

As Uganda transitions from NDP III to NDP IV, one key positive development has been the increase in the number of CC-related output indicators. This reveals increased vigilance for CC planning.

Emerging issues

- a. The MPS and BFP focus on planning and budgeting but not on actual budget releases, actual implementation, and resource use efficiency, all of which have real and direct effects on CC. For example, under the Sustainable Urbanisation and Housing programme, while 10 indicators were budgeted for at the BFP level by the end of the FY, as indicated in the MPS, many were not financed or reported on. Indeed, only 1% of the approved budget was allocated to CC as a crosscutting issue. We dare say that the low funding limited the implementation of many planned interventions on climate change.
- b. Following the RAPEX, the merged agencies that had a good number of climate actions, such as Dairy Development Authority (DDA), Uganda Coffee Development Authority (UCDA), and National Agriculture Advisory Services (NAADs), had these agency-level climate actions not captured in the BFP of FY 2025/26.
- c. In some programmes, the scores may be low, but the CC indicators are fairly well distributed among the programme MDAs. This is an indication of inclusive planning. In other programmes, CC planning and budgeting are located in one MDA. This is true of the Tourism development programme where CC planning and budgeting is almost limited to UWA.
- d. Some NDPIII targets were too high to be achieved within the resource and time constraints, thus impacting the programme scores. Under the AGI programme for instance, there is a target to establish 20,000 micro- and small-scale irrigation systems. Incidentally, less than 200 irrigation systems over the years have been established annually.
- e. Many programmes have dedicated projects for climate actions. Unfortunately, some of the project actions are not reflected in their BFP and MPS, partly due to the lack of disaggregated data.
- f. Uganda still lacks clear and comprehensive assessment of the adequacy and efficiency of resource allocation to climate actions.
- g. While programme-level CC output indicators and targets are clearly articulated in NDPIII and the NDC, the Programme BFP and MPS are quite fluid. They lump up climate actions into broad interventions, making it difficult to assess the contribution of each MDA's action to climate-change response.

- h. Financing for CC responsive actions is affected by budget cuts; thus, the need for additional resource mobilisation.
- i. Although the efforts of the private sector and non-state actors are significant, they are often underreported or omitted in formal programme assessments. Enterprises that have discovered the changing market requirements continue to invest in CC interventions to penetrate and maintain regional and global markets, to ensure that they are competitive, and to remain responsive to climate-change realities posed by their operations.
- j. Many private sector enterprises have responded to evolving market demands by voluntarily adopting climate-friendly practices, such as pursuing ISO 14000 certification, conducting Environmental and Social Impact Assessments (ESIAs), and implementing CC-related monitoring practices guided by regulators.
- k. There is growing need for a Disaster Fund and social protection services to cater for emergencies occasioned by the negative impacts of CC.
- l. There is currently no accurate measurement and quantification of the contribution of the oil and gas industry to greenhouse gas emissions in terms of targets.
- m. While several MDAs contributing to the programme have integrated actions related to CC into their BFPs, some CC-related output indicators are absent in the MDA BFPs
- n. While many projects involve consideration of climate resilience in their planning and budgeting, a number of them are not completed within the anticipated time frame due to financial constraints. As a result, project objectives are not realised within the planned project time (schedule), scope and cost of implementation.

Recommendations

- a. In the subsequent assessments, the actual budget outturn and outputs for CC-specific actions need to be considered. Otherwise, it is possible for the Programme to comply at the planning and budgeting levels but fail to implement the CC actions due to inadequacies or changes in priorities at the time of budget appropriation.
- b. Under the NDPIV period CC compliance assessment, there is a need to improve the assessment tool for it to capture and report on the different endeavours, such as the PDM, CSOs and SACCOs that enable communities to adapt and remain resilient against CC in the development process.

- c. Individual Projects need to clearly disaggregate the CC sub-components in terms of budgets and actions to enhance reporting.
- d. All programmes should review the PIAP CC targets to ensure that they are realistic and achievable in view of time and resource constraints.
- e. Programmes should ensure that all the CC-related output indicators in the given programme are incorporated in the respective MDA planning and budgeting documents.

1. INTRODUCTION

Uganda frequently experiences extreme weather vagaries, such as floods, landslides, and prolonged droughts. This FY 2024/25 assessment has happened in the face of characteristic extreme weather or climate events, in the form of heavy rainfall from July to November 2024; drought and heat wave conditions from January to March 2025; and heavy rainfall at the end of March and the beginning of April 2025. The country experienced severe heat waves, with temperatures soaring to unprecedented levels of 40°C, especially in the northern sub-regions of Acholi, Lango and West Nile.

The heat waves and drought conditions made life unbearable and were associated with significant adverse impacts. The dry spell compromised food security, household health and nutrition, led to the death of livestock and was associated with many other immense economic losses.

On the other hand, the heavy rains of July–November 2024, during the first quarter of FY 2024/2025, led to widespread floods. Flooding caused loss of human lives and livestock, destruction of properties and businesses. Significant damage occurred to vital infrastructure, such as bridges, roads and houses. Flooding constrained access to essential public services: for example, following the heavy rains on 27th November 2024, Bulambuli district in the Mount Elgon sub-region was severely affected by flooding and landslides. Roads were cut off by flood waters, including the main road from Sironko town to Kapchowa town. A bridge was swept away. River Simu burst its banks.¹

The International Federation of Red Cross and Red Crescent Societies (IFRC) reported that 125 people were unaccounted for, at least 15 people were killed by the landslide and 22 were injured, with the majority being children. At the same time, close to 1,000 people were displaced.²

The 2024 National Population Census report indicates that 12.2 percent of parishes reported landslides, 38.8 percent reported floods, and 63.5 and 64 percent reported drought and famine, respectively.³ The regional distribution shows that two-thirds of parishes in Eastern and 82 percent in Northern Uganda experienced drought. In comparison, 81 percent of

1 <https://reliefweb.int/report/uganda/uganda-severe-weather-dg-echo-oxfam-ifrc-media-echo-daily-flash-29-november-2024>. Severe weather (DG ECHO, Oxfam, IFRC, media) (ECHO Daily Flash of 29 November 2024)

2 refer to IFRC

3 National Population and Housing Census 2024

parishes in the Northern region and 73 percent in the Eastern region experienced famine.

Such extreme variations in weather conditions are an indication of climate change (CC), and the country's vulnerability to CC underscores the urgent need to integrate CC strategies in development planning and budgeting processes. Effective budgetary alignment to planned CC interventions ensures that adequate resources are allocated to climate adaptation and mitigation measures, fostering resilience and sustainable growth. In addition, CC budgeting promotes inclusive and equitable growth as it addresses the needs of vulnerable groups and marginalized communities.

This assessment report, therefore, presents results of the evaluation of the extent to which Uganda's annual national budget for FY 2024/25 and BFP for FY 2025/26 align with CC interventions outlined in the NDP III and NDP IV. It specifically focuses on thirteen programmes that are deemed not only the most vulnerable but also key contributors to CC.

The Report was developed by the National Planning Authority (NPA) in partnership with the Climate Change Department (CCD) of the Ministry of Water and Environment (MoWE) and the Ministry of Finance, Planning and Economic Development (MFPED). Financial and technical support was acquired from the Advocates Coalition for Development and Environment (ACODE).

1.1 Context and Rationale of the Assessment

Although some NDP programmes have registered great strides in integrating CC at the planning level, as demonstrated in their strategic plans, non-compliance with expected budgeting and execution levels is still evident. The misalignment of climate planning to the national budget means that Uganda, one of the most vulnerable countries to the disastrous effects of CC, has yet to acquire programmatic and budgetary readiness to adequately face the hovering threat of CC. Even in cases where there is some level of alignment, there are mismatches in terms of targets and allocated financial resources, implying that the planned CC interventions will not be achieved within the set deadlines of the given plans.

This assessment, therefore, attempts to go beyond CC integration in planning. It extends to actual and commensurate budgeting for interventions and implementation. This year's assessment marks the end of NDP III and the beginning of NDP IV. This assessment report tracks

progress in budget compliance to planned CC interventions over the five years of the NDP III.

Climate budget compliance assessment is a key requirement under the Public Finance Management Act (PFMA) 2015. Section 13(7) of the law mandates the NPA to issue a Certificate of Compliance with the National Budget to the National Development Plan. Accordingly, the NPA carries out an annual compliance assessment of the national budget to ascertain its alignment with the NDP, and CC is one of the cross-cutting issues. In addition, section 30 of the National Climate Change Act 2021 requires the Minister responsible for CC matters to, in consultation with the Chairperson of the NPA, issue a certificate, certifying that the Budget Framework Paper (BFP) is responsive and contains adequate allocation of funding to CC measures and actions.

Furthermore, the motivation of ACODE in this assessment complies with the NPA Act 2002. Section 7, subsection 2(f) of the law mandates NPA to liaise with the private sector and civil society in the evaluation of government performance and in identifying and filling gaps in government policies and programmes.

1.2 Objectives of the Assignment

The general objective of this assessment report is to ascertain the extent to which the national budget for FY 2024/2025 and the BFP of 2025/2026 comply with the NDP III's and NDP IV's planned CC interventions. Specifically, this assessment aimed at:

- a. Ascertaining the degree of budget compliance to planned CC interventions in FY 2024/25 and 2025/26
- b. Tracking progress and trends in budget compliance to planned CC interventions over the five years of the NDP III to inform MDAs & LGs strategic plans
- c. Generating evidence-based data to inform policy advocacy and lobbying for building national CC-responsive budgeting, execution and monitoring systems.
- d. Identifying emerging issues, areas of compliance and non-compliance, key messages and recommendations to improve budget compliance.

2. METHODOLOGY

2.1 Programme Selection

The assessment covered Thirteen (13) NDP III and NDP IV Programmes, namely:

1. Agro-industrialization;
2. Development Plan Implementation;
3. Human Capital Development;
4. Integrated Transport infrastructure and Services;
5. Manufacturing;
6. Mineral Development;
7. Natural Resources, Environment, Climate Change, Land and Water Management;
8. Private Sector Development;
9. Regional Development;
10. Sustainable Development of Petroleum Resources;
11. Sustainable Energy Development;
12. Sustainable Urbanization and Housing; and
13. Tourism Development.

The selection of the Programmes was based on Uganda's National Climate Change priority areas captured in its CC plan, also referred to as revised updated Nationally Determined Contributions (NDC 2022), and the Uganda Green Growth Development Strategy (UGGDS) 2017-2030. The selected programmes are the most vulnerable to CC and key contributors to CC through their high greenhouse gas emission intensity.

2.2 Data Collection Methods and Analysis

The methodology used to generate this report involved a review and analysis of national planning and budgeting documents. The planning documents reviewed included: the NDPIII, NDPIII Results Framework, and related Programme Implementation Action Plans (PIAPs) of the abovementioned thirteen selected programmes. Other documents include the Draft NDPIV Results Framework, and the attendant PIAPs for the selected programmes; Corporate Reports; Programme Performance

Review Reports; and Strategic Plans of Ministries, Departments and Agencies (MDAs) that host the selected programmes. Budgeting documents included: Budget Framework Papers, Ministerial Policy Statements, and Quarterly progress reports.

The tool used to undertake the main Certificate of Compliance Assessment of the national budget to the NDPIII was downscaled to strictly focus on CC interventions that contribute to (i) adaptation and resilience building and (ii) mitigation or reduction of greenhouse gas emissions.

- 1) **Adaptation and Resilience Building (CC Adaptation).** This is aimed at building adaptive capacity to cope with extreme climatic events such as; high temperatures, prolonged dry spells/droughts, erratic rainfall and all their associated impacts. The NDPIII clearly prescribes CC adaptation interventions, with corresponding annualized targets that should be implemented over the plan's tenure to foster resilient economic growth. The NDP IV further stresses the integration of CC adaptation intervention to be implemented in the five years between FY2025/26 and FY2029/30.
- 2) **Greenhouse Gas Emissions Reduction (CC Mitigation).** The variable is assessed by considering the potentiality of the NDPIII and NDPIV objective interventions to either reduce GHG emissions or increase carbon sinks. The NDPIII targeted to reduce the average GHG emissions from 1.39 (MtCO₂e) in 2020 to 1 (MtCO₂e) by 2024/25. However, this was not achieved. The NDPIV continues with the effort to reduce average GHG emissions in the next five years from 1.27 in 2023/24 to 0.32 in 2029/30.

The analysis was further improved by aligning/mapping the NDP programmes to the country's climate plan, i.e. the NDC 2022 and the priority actions. The main components of the tool are indicated in Table 1.

Table 1: Climate Change Budget Integration Compliance Assessment Framework

Climate Change Variable	Programme Objectives	Strategic Intervention	Output Indicators	BFP Priority	NDPIII 2024/25 Target	BFP 2025/26 Planned Target – NDP IV	%age Deviation	Score	Comments on BFP target

2.3 Scoring

The Assessment attributed percentage scores to each of the programmes, reflecting the degree of alignment of their budgets to CC interventions under the NDPIII/NDPIV. These scores are elaborated in Table 2. The degree of compliance was categorized as satisfactory, moderately satisfactory, and unsatisfactory. The Programme Budget was deemed “satisfactory” if the score was 80%–100%; “moderately satisfactory” if the score was 60%–79%; and “unsatisfactory” if the score was less than 60%.

Table 2: Categorization of Scoring

Category of Satisfaction	Score Range (%)
Satisfactory	80%-100%
Moderately satisfactory	60% - 79%
Unsatisfactory	Less than 60%

3. RESULTS OF THE ASSESSMENT

3.1 Overall Assessment

Overall, there is reduction in the alignment of the 2024/25 Annual Budget to CC interventions, from the 54 percent scored in FY 2023/24 to 53 percent compliance which is still unsatisfactory. In addition, the BFP for FY 2025/26 was unsatisfactory at 58 percent compliance, lower than the BFP for FY 2024/25 of 62 percent. This is partially attributed to the Rationalization of Public Expenditure (RAPEX) through the merger of government agencies. The RAPEX was aimed at improving efficiency and reducing government expenditure through reduced duplication of functions. Where CC activities were planned, the budgets of merged agencies were transferred to lead institutions, such as ministries, and their budgets. Their impact is yet to be seen. Therefore, the scoring for the BFPs for the merged agencies was indistinct. Nevertheless, there has been increased CC lobbying and budget advocacy by several non-state actors, including civil society organizations (CSOs) and development partners (DPs).

Specifically, the aligned CC interventions fall short in terms of ambition and targeting. The Annual Budget targets fall below the NDPIII and NDC targets. This is likely to undermine the achievement of NDPIII CC interventions and targets within the remaining timeframe that ends in June 2025. A summary of the assessment score by programme over the NDP III period is presented in Table 3 below.

Table 3: Summary of CC Assessment Results from FY 2020/21 to FY 2024/25.

S/N	PROGRAMME	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26 (BFP)
1	Private Sector Development	41.7	70	70	60	75	60
2	Development Plan Implementation				66.7	66.7	55
3	Regional Development				69.2	37.1	87.5
4	Agro-Industrialization	45	64.7	71.4	52.6	32.6	37.1

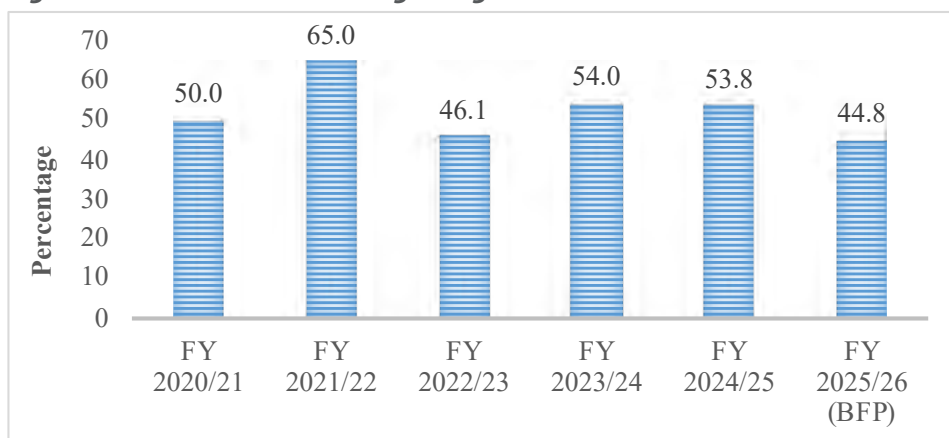
S/N	PROGRAMME	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26 (BFP)
5	Sustainable Urban Development	50	60.8	54.3	34.1	37.3	75.
6	Manufacturing		22.2		34	34	10
7	Tourism Development	45	54.7	50	50	62.5	30.0
8	Sustainable Energy Development	16.7	58.2	65.7	33.3	64.6	48.3
9	Integrated Transport Infrastructure Services	41.7	51.4	75	71.1	80.0	38.2
10	Sustainable Development of Petroleum Resources	NA	NA	NA	93.3	66.7	75.0
11	Mineral Development	NA		NA	33.3	33.3	66.7
12	Natural Resources, Environment, Land and Water Management	77.8	57.2	72	53.3	56.1	53.3
13	Human Capital Development		46.1	66.7	56.4	66.7	71.7
	Average Score	50	65	46.1	54.1	49.15	44.8

Source: Author's Calculations based on Annual Budget and BFPs (various FYs)

A review of the assessment results in Table 3 indicates that programmes, such as Agro-Industrialisation, Tourism Development, Sustainable Urban Development and Natural Resources, Environment, Land and Water management, that are more vulnerable to the impacts of CC, had unsatisfactory performance. On the other hand, programmes such as Sustainable Energy Development, Mineral Development, and Integrated Transport Infrastructure, that contribute to GHG emissions, had satisfactory scores. These programmes are also very vulnerable to the effects of CC. This satisfactory performance is partly due to the differences in resource allocation toward mitigation and adaptation-oriented interventions, with mitigation of the causes of CC being better funded than adaptation to the impacts of CC. Most of the funding related to climate change, especially from development partners, goes to mitigation interventions, although Uganda's priority is adaptation.⁴

4 ACODE and NPA. (2024). Climate Change Budget Compliance Assessment Report, Kampala: ACODE Policy Research Paper Series, No. 117

Figure 1: Trends in National Budget Alignment to NDPIII CC Interventions



Source: Author's Calculations based on Annual Budget and BFPs (various FYs)

3.2 Key Messages

As indicated in Fig. 1, the CC compliance of annual budgets during the period of NDPIII was on an upward trend for the first two years, from 50 percent in FY 2020/21 to 65 percent in 2021/22 and a reduction 46.1 in FY2022/23. However, it increased to 54.1 percent in FY 2023/24 and has slightly sunk to 53.18 in FY 2024/25. The decline in budget compliance is partly attributed to the RAPEX process that has disorganized the activities of the different agencies, with activities of CC moved to mother ministries without related targets. In addition, the majority of programmes and their constituent MDAs have suffered from budget cuts over the NDPIII period through the reprioritization process, COVID-19 effects and geo-political conflicts, which affected their delivery of CC interventions. Consequently, the programmes were forced to scale down on their ambitions, creating a gap between NDPIII targets and BFP targets even after the PIAPs development process.

As for the BFP for FY 2025/26, though unsatisfactory, the score of 44.8 percent is attributed to the transition from NDPIII to NDPIV, which has required a review of CC interventions and related outputs and indicators. However, the government continues to make efforts to promote CC activities through mapping of all CC indicators in PIAPs for appreciation by MDAs, and adoption and integration of the CC budget tagging in the Programme Budgeting System (PBS).

The establishment of the Climate Finance Unit in the MoFPED, the development of the National Climate Finance Strategy 2025, and the increased advocacy and lobbying by non-state actors, are expected to

improve climate budget monitoring and compliance. On the other hand, the assessment found that there is a high focus on administration and soft climate change interventions, such as awareness creation and coordination relative to hardware CC response, such as building climate resilient infrastructure. This may be attributed to the meagre allocations accompanied by significant budget cuts.

Nonetheless, the fluctuations in the trends of CC budget compliance are probably attributed to the increasing, although varying, appreciation of the negative impacts of CC on the attainment of programme goals. Progressively, more programmes had been covered by the assessment. Programmes leaders at NPA and the MDAs were slowly but surely realizing the crosscutting nature of climate change and its implications for the attainment of programme goals. This has had the potential to improve budget compliance with planned climate change interventions.

Another gap was the focus of CC performance assessment which had happened during planning and budgeting. This assessment, however, did not provide a measure of the actual budget output and outputs for CC-specific actions since it considered only the MPSs and BFPs. It is possible for the Programmes to comply at the planning level but fail to implement planned CC actions due to inadequacies or changes in priorities at the time of budget appropriation.

4. PROGRAMME LEVEL RESULTS

This section presents programme-level results regarding the alignment of programme budgets with NDPIII and the Draft NDPIV. It examines the level of integration of CC issues – including the robustness of set targets and indicators in relation to the NDP III/NDPIV results framework.

4.1. PRIVATE SECTOR DEVELOPMENT PROGRAMME

4.1.2 Overview of the Programme

The goal of the Private Sector Development (PSD) programme under NDPIII was to increase the competitiveness of the private sector to drive sustainable development, enhance inclusive growth, and acknowledge green financing as a potential engine for sustainably lowering the cost of private sector financing. The programme has several interventions related to climate financing. These include:

- (i) strengthening green finance mechanisms by establishing reporting protocols with banks on their green finance exposure,
- (ii) building institutional capacity to access international climate funds, and
- (iii) conducting a feasibility study for a publicly supported green refinancing fund targeting biogas, solar energy, and cleaner brick production technologies.

The PSD programme also seeks to enhance private sector capacity to access green growth financing; mobilize resources through the Global Environment Facility (GEF) small grants programme to support biodiversity, combat land degradation, and address climate change; and promote the integration of green growth and financing into policies governing sustainable trade, industry, and cooperative development.

Similarly, the goal of the NDPIV PSD programme is to enhance the survival and growth of private sector enterprises. It recognizes the importance of climate financing and environmental sustainability. The programme includes an intervention focused on promoting the integration of Environmental, Social, and Governance (ESG) criteria within financial services to support the achievement of sustainable development goals

(SDGs). Specifically, the programme outlines actions that are aimed at developing frameworks for incorporating ESG standards into the financial sector alongside initiatives for greening industrial parks and free business/economic zones.

4.1.2 Overall score

Overall, CC budgeting for the PSD programme for FY 2024/25 was satisfactory at 75%. This was an increase from 60% for the previous year. The compliance of the BFP for FY 2026/25 under the NDPIV was moderately satisfactory, at 60%. The satisfactory performance for FY 2024/25 is attributed to the alignment between the NDPIII PSD climate change indicators and the BFP targets. The MoFPED, which is the key implementing agency for CC indicators, planned and implemented a number of actions aimed at strengthening climate financing as an alternative financing source for private investments.

The moderate performance of the BFP for FY 2025/26 under the NDPIV is attributed to a low level of alignment between the NDPIV and the BFP indicators. There are a number of climate-related indicators in the NDPIV that are missing from the BFPs for the different MDAs.

4.1.3 Areas of Compliance

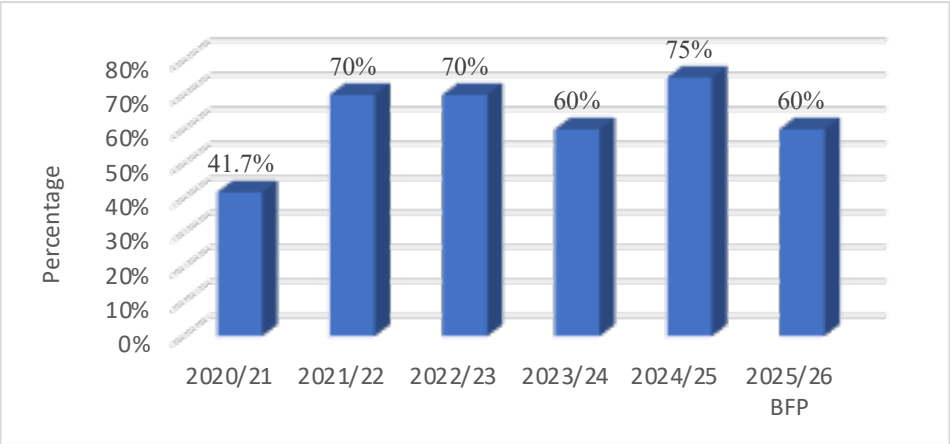
In the year under assessment (FY 2024/25), out of the four output CC planned indicators under the PSD programme, three indicators were budgeted for in the BFP, namely:

- (i) number of insurance service providers supervised;
- (ii) number of measures undertaken to build private sector capacity access green financing and green growth response; and
- (iii) number of green growth investments supported across the 4 Priority Programme Areas of Tourism, Agro-industrialization, Sustainable Energy Development, Infrastructure and Transport.

The programme planned and launched the IRA Insure X Program in collaboration with the Innovation Village. It also conducted professional insurance training to increase insurance coverage. The program planned to undertake capacity-building exercises for developing ESG guidelines and monitoring for the 13 climate-financed projects, including: promoting low carbon and climate resilient livestock value chain in Uganda; child project of the food system integrated program; enhancing community adaptation to climate change through climate resilient flood systems; early warning; catchment management and WASH technologies in Mpologoma Catchment in Uganda; building resilient communities, wetland ecosystem and associated catchments in Uganda; and the

Irrigation for Climate Resilience project.

Figure 2: Trends in PSD Programme CC Alignment



Source: Author's Calculations based on Annual Budget and BFPs (various FYs)

In FY 2025/26, three (3) out of the five (5) output indicators are fully aligned to the NDPIV PSD programme PIAP. These include the value of green financing offered to client institutions, the number of Tier 4 institutions adapting to ESG guidelines for green financing, and the percentage of industrial and business parks greened in line with ESG guidelines. The aligned outputs are related to the following CC actions:

- (i) develop frameworks that support the incorporation of ESG criteria and standards in the financial sector;
- (ii) develop and implement a strategy for greening Industrial and Business Parks; and
- (iii) incorporate ESG framework in the One-Stop-Centers.

4.1.4 Areas of Non-Compliance

In the FY 2025/26 BFP (NDPIV), two (2) out of the five (5) PSD NDPIV CC indicators were not aligned in the budgeting documents. These include: the proportion of financial institutions adopting ESG practices, and the percentage of investors adopting ESG. Noteworthy, despite the indicator on the proportion of financial institutions adopting ESG practices missing in the MoFPED budget framework paper, the ministry's BFP has actions related to establishment of a regulatory sandbox and enhancement of ESG-related market education so as to strengthen market-based financing options like ESG financing. This action aims at increasing the percentage of financial institutions adopting ESG practices.

In FY 2024/25, only one (1) out of the four (4) PSD NDPIII CC indicators

was not aligned. This indicator was about the value of green finance resources financing NDPIII priorities. Whereas the Ministry did not put this particular indicator in its planning and budgeting document, several planned activities are supporting this initiative in the BFP and quarterly reports. These include: conducting sensitization drives for the private sector on Green Growth and LED, and undertaking an assessment of Development Committee (DC) guidelines' compliance to gender equity and green growth.

4.1.5 Key Emerging Issues

- a. While several MDAs contributing to the programme have integrated actions related to CC into their BFPs, some CC-related output indicators are absent in the MDA BFPs.
- b. The programme includes only a limited number of CC indicators, and these are anchored mainly on one objective of sustainably lowering the cost of financing. This narrow coverage can undermine the requisite wider integration and consideration of climate change.
- c. The need to strengthen market-based financing options, such as ESG financing, given its high potential for resource mobilisation, cannot be overemphasized.

4.1.6 Recommendation

- a. The PSD programme should ensure that all the CC-related output indicators are incorporated into the respective MDA planning and budgeting documents.

4.2 DEVELOPMENT PLAN IMPLEMENTATION PROGRAMME

4.2.1 Overview of the Programme

The overall goal of the Development Plan Implementation (DPI) programme is to increase efficiency and effectiveness in the implementation of NDPIII. Achieving this goal necessitates addressing the factors that slow down implementation of national development plans, such as: weak implementation planning and budgeting, weak M&E systems for supporting implementation and policy planning, limited financing and fiscal management, weak coordination of implementation, and weak systems for statistical development. Although the programme has six objectives, the only one that contributes to CC and contains CC indicators is to strengthen coordination, monitoring and reporting frameworks.

4.2.2 Overall score

The overall score for the DPI Programme on CC issues is moderately satisfactory at 66.7 percent for FY 2024/25, while the BFP is unsatisfactory at 55 percent for FY 2025/26. The results for FY 2024/25 are attributed to the inclusion of the majority of the NDPIII DPI CC indicators in the annual work plan. The BFP for the FY 2025/26 registered a low score due to the high targets set in the NDPIV compared to the BFP targets.

Nonetheless, there is a deepened institutionalization of climate finance through the operationalization of the Climate Finance Unit (CFU) within the MoFPED. Four (4) out of the six indicators on CC are considered in the annual work plan (FY 2024/25), while all four CC indicators in the NDPIV indicators have been captured by the BFP for FY2024/25, although with lower targets.

4.2.3 Areas of Compliance

The Areas of Compliance for the annual work plan for FY 2024/25 are on specific indicators and their targets: number of inspection reports on green growth expenditure and accountability, number of non-traditional finance sources mobilized, development cooperation policy developed, and number of alternative financing instruments introduced to increase domestic finance.

The areas of compliance for the Budget Framework Paper FY 2025/26 are: value of resources mobilized from green sources (USD); proportion of new financing options implemented; external resources mobilized as a percentage of the national budget; value of bilateral and multilateral resources; undertake a green growth public expenditure review.

4.2.4 Areas of Non-Compliance

The annual work plan and budget for FY 2024/25 registered non-compliance on these indicators and targets: the number of alternative financing instruments introduced to increase domestic financing and a strategy on new financing options in place. On the other hand, the BFP for FY2025/26 did not register any non-compliance.

4.2.5 Key Emerging Issues

- a. The Programme is resilient against CC, as indicated by the constant performance of 66.7 percent in FY2024/25. Whereas the performance of 55 percent in the NDPIV BFP does not reflect adequate CC compliance, the inclusion of all the NDPIV indicators in the BPF shows efforts by GoU to finance CC adaptation and mitigation activities.

- b. The indicators and targets in the budgeting tools are inclined toward policies and strategies for mobilizing climate finance, which is critical for integrating CC in the planning and budgeting frameworks.
- c. The CFU in the MoFPED heavily relies on the support of development partners. This poses sustainability challenges, especially in view of the changing global financing landscape.
- d. Uganda has leveraged opportunities created by the green growth paradigm for CC planning and budgeting.
- e. The NDPIV captures targets that record the amount of climate finance mobilized in every financial year for five years. This will go a long way in tracking progress towards mobilizing adequate climate finance from domestic and international sources.

4.2.6 Recommendations

- a. Strengthen the CFU to enable it to mobilise more finances for investment in the planned CC-responsive interventions.
- b. Introduce innovative non-traditional financing instruments that improve CC compliance and responsiveness as well as deepen domestic financing.
- c. Strengthen M&E to assess the implementation and effectiveness of CC-related expenditure by MDAs.

4.3 REGIONAL DEVELOPMENT PROGRAMME

4.3.1 Overview of the Programme

The goal of the Regional Development Programme under the NDPIII is to accelerate equitable regional economic growth and development. The Programme focussed on stimulating the growth potential of the sub-regions in the key growth opportunities by setting interventions and actions to address heavy reliance on subsistence rainfed agriculture that contributes to high levels of poverty in the eight (8) targeted regions (Bukedi, Busoga, Bugisu, West Nile, Karamoja, Acholi, Teso, and Bunyoro) and close regional infrastructure gaps to accelerate local economic potential.

Under the NDPIV, the programme goal has been maintained more or less, as improved delivery of decentralized services and balanced regional development. The programme's key focus areas include:

- (i) enhancing the capacity of Local Governments to deliver decentralized services;

- (ii) supporting Local Economic Development (LED);
- (iii) enhancing LGs' capacity to generate local revenue;
- (iv) effectively integrating refugee responses; fostering affirmative action; and
- (v) enhancing legal, institutional, coordination, and regulatory capacity for effective delivery of decentralized services.

The programme interventions and actions under the NDP III are more inclined to CC adaptation than mitigation. The actions include:

- (i) construction of valley dams,
- (ii) construction of large and small-scale irrigation schemes, installation of overhead tanks and establishment of connections to the system,
- (iii) construction and rehabilitation of regional roads within and across regions, and
- (iv) connecting more towns and rural growth centres (RGCs) to the national grid.

Interventions under the programme are also linked to the Nationally Determined Contributions (NDCs) actions on strengthening water harvesting, irrigation farming, and expanding post-harvest handling, storage, value addition and marketing.

In the NDP IV FY 2025/26, the programme interventions and actions are also inclined to CC adaptation rather than mitigation. The actions include:

- (i) developing and implementing district and sub-county physical development plans (PDPs) to operationalize the National Physical Development Plan (NPDP);
- (ii) developing and implementing Regional Development Plans (RDPs);
- (iii) constructing safe and clean water points;
- (iv) opening/rehabilitating community roads to address sub-regional specific needs and harness local potential and opportunities;
- (v) connecting more towns and RGCs to the national grid;
- (vi) restoration or maintenance of the land and protecting it from degradation; and
- (vii) supporting refugees with livelihood interventions.

The NDP IV Programme interventions are linked to the NDC's actions on the environment and ecosystems, water and sanitation, and disaster risk reduction.

It should be noted that whereas the programme set CC interventions and actions in the NDPIII FY2024/25, details on planning and budgeting for the CC actions can only be traced in the lead MDA's Ministerial Policy Statements (MPSs) and Budget Framework Papers (BFPs) but not the Regional Development Programme MPS and BFP. For that reason, the Programme MPSs and BFPs for Agro-industrialization, Natural Resources, Environment, Climate Change, Land and Water Resources, Integrated Transport and Infrastructure Services, and Sustainable Energy Development, have been used to trace and score the CC output indicators set under the RDP for FY2024/25.

In addition, whereas under the NDPIV FY2025/26, the RDP has eight (8) indicators in relation to CC, the Programme BFP does not reflect the three (3) targets on the output of: refugees and host communities accessing integrated services. Rather, the three (3) targets for the indicators – on the number of litres of water per person per day; the cumulative number of hectares established, restored, or maintained and protected from degradation; and the number of refugees supported with livelihood interventions – are captured under Office of the Prime Minister (OPM) Vote 003 BFP. It is from the OPM Vote 003 BFP that the three (3) indicators have been traced for assessment. For ease of reporting, follow-up, and assessment, the BFP for the RDP under NDPIV must consolidate all contributions to the programme results from other MDAs.

4.3.2 Overall Score

Overall, the Regional Development Programme (RDP) CC budgeting for FY2024/25 was unsatisfactorily compliant at 37.1%. This is a decline from 69.2% in the previous year. The BFP 2025/26 was satisfactorily compliant at 87.5%, an improvement from 67.7% in the previous year. The level of performance in FY2024/25 is attributed to the huge percentage (%) deviations between the NDPIII and MPS targets regarding strengthening water harvesting and irrigation farming; and expanding post-harvest handling, storage, value addition and marketing.

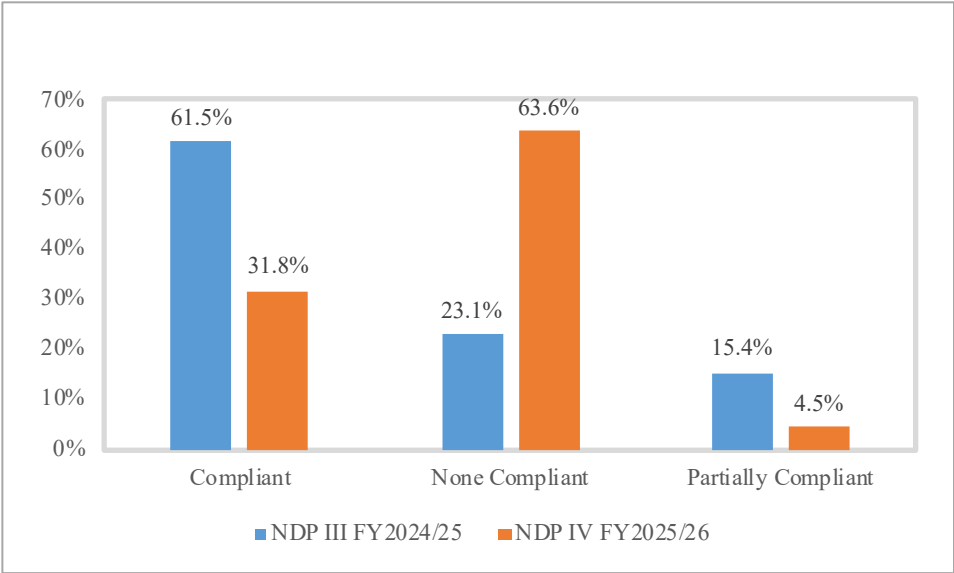
Of the 14 output indicators assessed under the programme, only four (4) were fully compliant, two (2) were partially compliant, and eight (8) were not compliant at all. These deviations were particularly on: irrigation schemes constructed; community valley tanks/farm ponds constructed; post-harvest handling, storage and processing facilities established; grain stores established; Km of community access roads rehabilitated; and less fossil fuels used. The number of indicators that the programme has complied with reduced from nine (9) in FY 2023/24 to only four (4) in FY2024/25.

In the BFP 2025/26, the Programme improvement is attributed to the

budget alignment of the BFP to the NDPIV’s RDP targets for CC actions in relation to developing district and sub-county physical development plans (PDPs) to operationalise the National Physical Development Plan (NPDP). The NPDP maps and provides for the protection of natural capital like wetlands, forests, lakes and rivers and other fragile ecosystems; seeks to implement social and economic programs that address sub-regional specific needs, local potential and opportunities; and implements Refugee Response Plans (related to education, water and environment, health, energy, jobs and livelihood).

Figure 3 presents the proportion of areas of compliance and non-compliance to CC actions and indicators for NDPIII FY2024/25 and NDPIV FY2025/26 period.

Figure 3: Proportion of compliant and non-compliant output indicators



Source: Author’s Calculations based on Annual Budget and BFPs (various FYs)

4.3.3 Areas of Compliance

In FY 2024/25, only four (4) out of the 14 output indicators that contribute to CC actions in the selected regions were fully aligned with the NDPIII Programme Implementation Action Plans (PIAP). The four (4) fully compliant indicators were related to the following actions:

- (i) operational solar-powered water supply and small-scale irrigation systems;
- (ii) new valley dams constructed;

- (iii) silos constructed; and
- (iv) connection of more towns and rural growth centres (RGCs) to the national grid.

In the FY2025/26 BFP, seven (7) out of the eight (8) output indicators were fully aligned, presenting 87.5%. The drop in the number of CC indicators under the NDPIV period for the programme is attributed to the new conceptualization of the Programme, where some indicators assessed in NDPIII FY2024/25 were maintained in other programmes and new indicators adopted following the new programme conceptualization logic. The compliant indicators relate to:

- (i) developing and implementing district and sub-county physical development plans (PDPs) to operationalize the National Physical Development Plan (NPDP);
- (ii) developing and implementing regional development plans (RDPs);
- (iii) open/rehabilitate community roads to address specific sub-regional needs and harness local potential and opportunities; r
- (iv) estore or maintained and protected from land degradation; and
- (v) support refuges with livelihood interventions.

TOpening/rehabilitation of community roads is planned under the National Oil Seed Project, where the Programme plans to construct 1,034.8km of Community Access Roads in 81 local governments. The Rural Development and Food Security in Northern Uganda (RUDSEC) project also planned to rehabilitate 324.4 km of community access roads in Agago, Lamwo, Pader, Lira, Oyam, Dokolo, Kaberamaido, Soroti, and Serere districts, as well as design 153 km of batch 2 community access roads (CARs) in these same districts and conduct Environmental and Social Impact Assessments (ESIA) for batch 1 CARs.

4.3.4 Areas of Non-Compliance

In FY 2024/25, eight (8) out of 14 output indicators were non-compliant at all, with two indicators partially compliant. The non-compliant output indicators relate to the following actions:

- (i) new irrigation schemes constructed;
- (ii) micro-irrigation schemes constructed;
- (iii) small-scale irrigation systems/schemes constructed; drilled motorised production wells for water for agriculture production;
- (iv) new community valley tanks/farm ponds constructed;
- (v) individual valley tanks for livestock watering constructed;

- (vi) post-harvest handling, storage and processing facilities established;
- (vii) grain stores established; and
- (viii) Km of Community Access Roads Rehabilitated.

In the FY2025/26 BFP, there was non-compliance for one (1) out of the eight (8) output indicators. Whereas under the Local Economic Growth Support (LEGS) project, eight water schemes were planned to be constructed in the districts of Katakwi, Kibuku, Ntoroko, Nakaseke, Kumi, and Gomba, to address access to safe and clean water points in the targeted areas, the BFP target immensely deviated from the NDPIV target for FY 2025/26.

4.3.5 Key Emerging Issues

- a. Whereas under the NDPIV, the RDP, under the intervention on implementing Refugee Response Plans (education, water and environment, health, energy, jobs and livelihood) planned to implement several actions – construct safe and clean water points; restore or maintain and protect the land from degradation; and support refugees with livelihood interventions – these actions and corresponding indicators are not captured in the Programme BFP. The actions, corresponding indicators, and targets, are captured under OPM Vote 003 BFP. This makes programme-level reporting, follow-up, and assessment difficult.
- b. Under the NDPIII (FY2024/25) RDP, CC interventions and actions have continued to be poorly mapped and reported on in the Programme MPS. The same interventions are better mapped and traceable in other NDPIII programme MPSs and BFPs, where the lead MDAs who implement these actions are domiciled. Given that those programmes are also assessed on CC output indicators, there is a risk of double counting and underreporting.
- c. Whereas there are opportunities at community and household levels that can be tapped and harnessed to reduce regional income poverty and sustainably improve livelihoods through enhanced capacity to adapt and/or mitigate the effects of CC, the Programme does not fully capture and report on those endeavours. For instance, under the Parish Development Model (PDM), farmers can mobilize and organise themselves and cooperatively adopt modern agricultural technologies in order to remain productive throughout the year. Different CSOs and SACCOs have come up with different initiatives and support to enable communities to adapt and remain resilient against CC in the development process. Under the USAID-funded Feed the Future Inclusive Agricultural Markets Activity (FtF IAM, 2019-2024), for

instance, several agribusiness activities were supported and farmer cooperatives and groups engaged in different areas of the country. These and similar interventions are not reported on under the Program.

- d. The focus for CC performance assessment under the NDPIII FY2024/25 and NDPIV FY2025/26 has been on planning and budgeting. This assessment does not provide a measure of the actual budget outturn and outputs for CC-specific actions since it only considers the MPS and BFP. It is possible for the Programme to comply at the planning level but fail to implement CC actions due to inadequacies or changes in priorities at the time of budget appropriation.

4.3.6 Recommendations

- a. For ease of reporting, follow-up, and assessment, the NDPIV RDP and/or BFP must consolidate all contributions to programme results from other MDAs. Otherwise, the intervention to implement the Refugee Response Plans (education, water and environment, health, energy, jobs and livelihood) and actions (to construct safe and clean water points; restore or maintain and protect land from degradation; and support refugees with livelihood interventions) are planned and budgeted for under OPM Vote 003 BFP and not the Programme BFP. This is likely to make reporting, follow-up and assessment at the Programme level difficult.
- b. Under the NDPIV period CC compliance assessment, there is a need to improve the assessment tool in order to capture and report on the different endeavours by communities and households arising from tapping and harnessing opportunities such as the PDM, support from CSOs, and SACCOs, that come up with different initiatives and support to enable communities to adapt and remain resilient against CC in the development process.
- c. In subsequent assessments, the actual budget outturn and outputs for CC-specific actions need to be considered. Otherwise, it is possible for the Programme to comply at the planning level but fail to implement the CC actions due to inadequacies or changes in priorities at the time of budget appropriation. The MPS and BFP focus on planning and budgeting but not on budget release, actual implementation, and resource use efficiency.

4.4 NATURAL RESOURCE, ENVIRONMENT, CLIMATE CHANGE, LAND AND WATER MANAGEMENT PROGRAMME

4.4.1 Overview of the Programme

The Natural Resources, Environment, Climate Change, Land and Water Management (NRECCLWM) Programme is the main programme of the NDPIII. Within the NRECCLWM issues of climate change are embedded. However, poor management of natural resources has exacerbated the country's vulnerability to the adverse impacts of CC, such as floods, droughts, mudslides, food insecurity, and diseases, with accompanying aftereffects like poverty, vulnerability, and social fragilities.

The main objective of the Programme is to ensure the sustainable management and utilization of land, water, environment, and natural resources, as well as effective response to climate change and other disasters. Out of the five (5) specific objectives of the Programme, one (1) has a specific focus on climate change to reduce emissions and vulnerability to extreme weather events, climate change and disasters, and three (3) also contribute to climate change adaptation and mitigation. These are to:

- i) Ensure the availability of adequate and reliable water for different uses.
- ii) ensure a clean, healthy and productive environment and;
- iii) strengthen policy, legal, regulatory, and coordination frameworks, and contribute interventions for water and the environment to agro-industrialization and human capital development programmes.

The objectives of the NRECCLWM programme were prepared in the context of addressing Uganda's critical public demand on environmental protection and restoration, wetlands and forestry management issues, and land and water resource management. The key objectives to be achieved over NDPIV plan period are: a) To ensure availability of adequate and reliable water for different uses, b) To reduce emissions and vulnerability to the effects of extreme weather events, CC and disasters, c) To protect, restore and add value to forests and wetlands, d) To ensure a clean, healthy and productive environment and e) To strengthen policy, legal, regulatory and coordination frameworks and contributing interventions of water and environment to Agro-industrialization and Human Capital Development programmes.

The NRECCLWM programme is comprised of nine member Ministries,

Departments, and Agencies (MDAs), namely: the Ministry of Water and Environment (MWE); Ministry of Local Governments (MoLG); Ministry of Lands, Housing and Urban Development (MoLHD); Office of the Prime Minister (OPM); National Forestry Authority (NFA); National Environment Management Authority (NEMA); Uganda Land Commission (ULC); and Kampala City Authority (KCCA). Until last year, the Uganda National Metrology Authority was an agency, but has since been merged with the MWE. Also, the NFA is still in the process of following the rationalization of government agencies.

In terms of mitigation, the Programme aims to reduce greenhouse gas emissions and enhance carbon sinks by: issuing industries and factories with carbon footprint certificates; establishing a functional GHG inventory and Measurement, Reporting, and Verification (MRV) system; planting tree seedlings through public participation and Local Governments support; implementing forest management plans; and expanding wood fuel plantations.

The programme interventions align with Uganda's revised NDC actions, which focus on integrating climate and disaster risk reduction into national planning, budgeting, and reporting. These actions also prioritize strengthening domestic institutions, promoting public participation, and engaging with local communities and indigenous peoples in a gender-responsive manner. Further, the programme supports improving solid waste management, expanding climate information, and building effective early warning systems. Additionally, it aims to increase access to finance for climate-resilient investments, promote renewable energy and energy-efficient technologies, and enhance management of wetlands, peatlands, riverbanks, and lake shores. Overall, these interventions seek to support Uganda's CC mitigation and adaptation efforts while promoting sustainable development and overall resilience.

4.4.2 Overall Score

Overall, for the NRECLWM FY2024/25, a 56.1 percent score was attributed to BFP targets, which are so much higher than the targets in the NDP III. For example, regarding the level of accuracy of weather information, the BFP has a planned target of 76 percent, which is higher than the NDPIII target of 18. Also, the number of enterprises/entities labelled with green certification in the BFP has a planned target of 200 percent, significantly higher than the NDPIV target of 54 percent. These deviations highlight the need to harmonize the target to reduce compliance difficulties.

However, the BFP FY 2025/2026 scored 53% compliance. The assessment focused on the allocation of funding for CC measures and actions in the

8 MDAs in BFP for FY2025/26. The performance was rated “moderately CC responsive” given its overall allocation of Shs11.908 billion for CC interventions and action across the program.

4.4.3 Areas of Compliance

Based on available data, there are areas of compliance, such as the number of flood and drought management infrastructures constructed, where the BFP planned target and the NDPIV 2025/26 target are the same.

4.4.4 Areas of Non-Compliance

In the FY 2025/26 BFP assessment, there are several output indicators with very large percentage deviations. The areas of non-compliance entail interventions where misalignment was noted between the NDPIV and budgeting tools. The significant percentage deviations highlight potential areas of concern where planned targets fall drastically short of NDPIV goals, indicating a need for revised budgeting and implementation strategies.

4.4.5 Key Emerging Issues

- a. Budget compliance deviations for CC interventions.
- b. Inconsistent budget allocations for CC interventions.
- c. Improved budgeting and implementation strategies can ensure effective CC interventions.
- d. One deviation of concern is the ‘Number of households supported with alternative livelihood opportunities.’ If left unaddressed, this may exacerbate vulnerability to climate extremes and hazards, which are already heightened by natural resource degradation, population growth, poverty, and limited capacity for risk management.
- e. The deviation in weather information accuracy reflects limitations in the provision of reliable, location-specific forecasts for rural farmers who depend on rain-fed agriculture.
- f. Substantially and progressive increase in domestic resource mobilization for climate action will facilitate the implementation of instruments such as the National CC Financing Strategy, National Biodiversity Finance Plans (NBFs), or similar instruments tailored according to national needs, priorities, and circumstances.

4.4.6 Recommendations

- a. Prioritize just transition initiatives.

- b. Enhance implementation, coordination, and resource allocation for CC actions.
- c. Implement alternative livelihood programs to support households, providing them with climate-resilient income sources and enhancing their capacity to manage climate-related risk.
- d. Invest in enhancing the technology and infrastructure that underpin Weather and Climate Information Services (WCIS) to provide more accurate and reliable forecasts specifically tailored to local needs.
- e. Focus on providing weather information that is not only accurate but also localized and tailored to the specific needs of rural farmers who rely on rain-fed agriculture. This includes considering microclimates and providing information relevant to farmers' decision-making processes.
- f. Address barriers that limit the accessibility and usability of WCIS for rural communities. This may involve using diverse communication channels (e.g., radio, mobile phone messaging, community meetings), providing information in local languages, and ensuring that the information is easily understandable.
- g. Provide training and capacity-building programs to help farmers effectively interpret and use weather information to inform their agricultural practices. This can empower them to make better decisions and adapt to changing weather patterns.
- h. Integrate local and indigenous knowledge with scientific weather forecasts to improve the relevance and accuracy of WCIS. This can help to bridge the gap between scientific information and farmers' traditional practices.
- i. Encourage entrepreneurial organizations to collaborate with the government to enhance private sector engagement through PPPs.
- j. Expand and diversify Green Infrastructure Investments.
- k. Promote Mechanisms for Ecosystem Service Valuation and Carbon Finance.
- l. Prioritize research and advocacy on CC.
- m. Promote the use of sustainable financing mechanisms such as stimulating innovative schemes such as Payment for Ecosystem Services (PES), green bonds, biodiversity offsets and credits, and benefit-sharing mechanisms, with environmental and social safeguards.

4.5 AGRO-INDUSTRIALISATION

4.5.1 Overview of the Programme

The Agro-Industrialisation programme is one of the biggest contributing programmes to CC. This occurs through activities such as land clearance for agriculture, use of fertilisers, release of agriculture waste into the environment, and release of greenhouse gases (GHG) emissions. The programme is also vulnerable to CC due to prolonged droughts, erratic rains, floods, and pests-and-disease infestations, which affect agricultural production and productivity. The programme goals are:

- i) Increasing commercialization and competitiveness of agricultural production and agro-processing for NDPIII, and
- ii) Increased value addition to agricultural products for NDPIV

The activities earmarked to achieve the above goals have the potential to produce GHG and increase environmental waste. Climate-smart agricultural practices have to be promoted and adopted to ensure that agro-industrialisation occurs with minimal environmental degradation and GHG emissions.

Uganda's updated NDC prioritises adaptation areas for the agriculture sector (crops, livestock, fisheries and agro-forestry). The programme has actions that are aligned with the following priority areas, both for NDPIII and NDPIV. There is an observed improvement in alignment with the NDC priority areas from only 5 in NDPIII to now 15 in NDPIV thanks to recognition of the contribution of the fisheries subsector, biodiversity conservation, and agroforestry, to CC action.

- a. Climate-Smart Dairy Livestock Value Chains in Uganda
- b. Encourage agroforestry to enhance nutrient cycling and integrated pest management.
- c. Enhance biodiversity conservation and management.
- d. Enhance wetlands management and restore peatlands, riverbanks and lake shores.
- e. Expand post-harvest handling, storage, value addition and marketing
- f. Improve solid waste management
- g. Promote agricultural (livestock) diversification
- h. Promote climate-resilient capture fisheries
- i. Promote the development of climate-resilient crop varieties (crop-diversification)

- j. Promote ecosystem approach to aquaculture management
- k. Promote highly adaptive and productive livestock breeds
- l. Promote sustainable water harvesting and storage
- m. Scaling up climate-smart agriculture, including agro-ecology
- n. Strengthen policy linkage and actions on CC, migration and disaster risk reduction
- o. Strengthen water harvesting and irrigation farming.

4.5.2 Overall Score

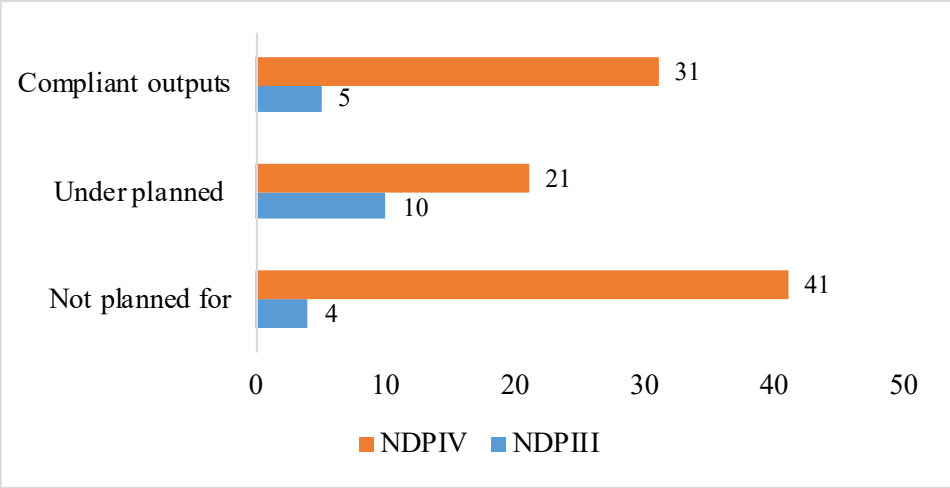
Overall, the Agro-industrialization programme's CC budgeting for FY 2024/25 was unsatisfactorily compliant at 32.6%, a decrease from 52.6% the previous year. The BFP 2026/25 under the NDPIV was also unsatisfactorily compliant at 37.1%. These low scores imply that while the Agro-industrialization programme reflects increased planning for CC action under NDPIV, there is poor institutionalisation of climate action for the programme-implementing MDAs, especially the line Ministry (MAAIF).

Note that as the MDAs were merged under RAPEX, the merged agencies like the Dairy Development Authority (DDA), Uganda Coffee Development Authority (UCDA) and National Agriculture Advisory Services (NAADs), had a good number of climate actions that were not captured in the BFP 2025/26. One major observation is that there is an increase in the number of output indicators being assessed, from 19 in NDPIII to 93 in NDPIV. This confirms the increased vigilance for CC planning at NPA.

4.5.3 Areas of Compliance

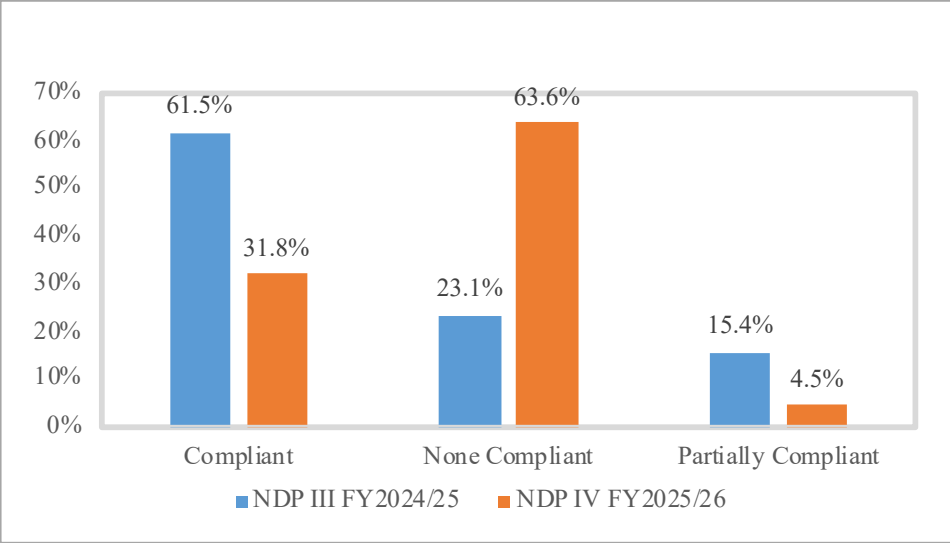
The general trend is that due to an increase in the number of output indicators being assessed, there is both an increased alignment and misalignment of CC actions in NDPIV compared to NDPIII (see Figure 4). In terms of percentages, alignment during FY2024/25 of NDPIII was 26% of the outputs, while the BFP 2025/26 of NDPIV was only 46% of the outputs aligned (see Figure 5). The outputs that were scaled down, possibly due to resource constraints, are labelled "under planned", while those that were not completely planned at all are labelled "not planned for."

Figure 4: Trends in Agro-Industrialisation compliance from NDPIII to NDPIV



Source: Author's Calculations based on FY 2023/24 Q4 Reports and BFP 2025/26

Figure 5: Proportion of complaint and non-compliant output indicators



Source: Author's Calculations based on FY 2023/24 Q4 Reports and BFP 2025/26

In FY 2024/25, five (5) out of the nineteen (19) output indicators were fully aligned to the NDPIII Agro-Industrialisation Programme Implementation Action Plans (PIAP). These were related to the following CC actions:

- (i) establishment solar powered water supply and small-scale irrigation systems;
- (ii) construction of valley dams;

- (iii) providing support to district local governments to control pests and disease epidemics; and
- (iv) construction of silos for food storage.

Ten of the output indicators were scaled down from the NDPIII targets, and these are related to: drilling of motorised production wells; establishment of small-scale irrigation systems; construction of communal valley tanks; introduction of tropicalised superior breeding stock; and production and distribution of semen.

For the FY2025/26 BFP, 31 out of the 93 output indicators are fully aligned to the NDPIV Agro-Industrialisation programme PIAP, while 21 were scaled down from the NDPIV targets. The aligned outputs are related to the following CC actions:

- (i) establishment of grain stores;
- (ii) establishing conservation structures along roads leading to agricultural production areas;
- (iii) developing bio-control technologies for management of invasive weed species;
- (iv) multiplication of climate resilient breeds;
- (v) conducting environmental social impact assessments (ESIAs);
- (vi) audits and compliance enforcements;
- (vii) establishment of irrigation infrastructure (solar powered, micro-irrigation systems and bulk water infrastructure);
- (viii) construction of individual valley tanks;
- (ix) establishing and maintaining sustainable management mechanisms for water infrastructure; construction of deep production wells;
- (x) conservation of genetic resources;
- (xi) provision of livestock vaccines; and
- (xii) developing carbon farming strategy and guidelines.

The compliant actions for FY2024/25 are equally split between MAAIF and the MoWE, which are the major ministries implementing CC-related actions for the programme. For FY 2025/26, MAAIF has 48 percent (15/31) of the compliant actions; MoWE has 13 percent (4/31); the National Animal Genetic Resources and Data Bank (NAGRC&DB) has 13 percent (4/31); National Agriculture Research Organisation (NARO) has 19 percent (6/31); NEMA has 3 percent (1/31); and the NPA has 3 percent (1/31). Despite the low scores, this is an indication of inclusive planning

for climate action in the programme, following the programme value chain.

For FY 2024/25, four (4) out of 19 output indicators were completely not planned for, while 10 were planned for but scaled down. The output indicators not planned for are mapped onto the following actions:

- (i) establishment of climate-smart centres in all the 8 Zonal Agriculture Research Development Institutes;
- (ii) establishment of a grain store;
- (iii) establishment of conservation structures; and
- (iv) establishment of micro-irrigation schemes.

For the scaled-down and non-planned outputs, 4/14 are under MAAIF; 4/14 under MWE; 2/14 under NAGRC&DB; 1/14 under NARO; 1/14 under the Ministry of Trade, Industry and Cooperatives (MoTIC); 1/14 under the former UCDA; and 1/14 under the Uganda Prison Services.

4.5.4 Areas of Non-Compliance

In the FY2025/26 BFP (NDPIV), there is no targeting for 44 percent (41/93) output indicators and scaling down targets for 23 percent (21/93) output indicators. The actions corresponding to the non-planned indicators are:

- (i) distribution of cover crop seeds;
- (ii) developing appropriate fertilizer application rates;
- (iii) developing fertilizer blends and nano-biofertilizers;
- (iv) updating soil sheets;
- (v) developing sustainable land use technologies;
- (vi) establishing demonstration plots for soil and water conservation technologies and water catchment management;
- (vii) establishment of fish seed multiplication centres for foundation seed;
- (viii) conservation of indigenous poultry breeds;
- (ix) protection of fish breeding areas;
- (x) installation of irrigation systems on Govt farms and ranches;
- (xi) construction of valley and communal dams;
- (xii) distribution of high yielding and tolerant coffee varieties;
- (xiii) clearance of tsetse flies from infected areas;

- (xiv) production of the anti-tick vaccines; promotion of integrated pest and disease management packages;
- (xv) construction of spray races and dip tanks;
- (xvi) training of dairy farmers in fodder preservation; and
- (xvii) making of bio-gas.

Thirteen (13) percent 21/41 of the non-planned output indicators are under MAAIF, 31 percent (13/41) are under NARO and 17 percent (7/41) are under NAGRC&DB.

4.5.5 Major Observations

- a. The increasingly poor alignment of climate-sensitive action targets that were scaled down in the programme is greatly a function of reduced budget allocation. For example, the programme budget allocation was reduced from UGX 1.6 trillion in FY2024/25 to UGX 1.4 trillion in 2025/26, which is 59% of the NDPIV year one budget.
- b. Some NDPIII targets were too high to be achieved, thus impacting programme scores. For example, there is a target to establish 20,000 micro and small-scale irrigation systems. Yet, over the years, less than 200 have been established annually (10 was the target for this particular year being assessed, 2024/2025). Similarly, there was an annual target to produce and extend semen for improved breeds to 500,000 farmers, but on average, 120,000 farmers were reached annually.
- c. The programme has dedicated projects for climate actions, such as the Irrigation for Climate Resilience project under MoWE, and the Uganda Climate Smart Agriculture Transformation project under MAAIF. However, some of the project actions, most of which are climate-smart, are not reflected in the BFP and MPS.

4.5.6 Key Emerging Issues

- a. For the BFP 2025/26, there are missing CC-sensitive outputs for the rationalised MDAs under MAAIF, e.g. UCDA, DDA and NAADS.
- b. Some indicators for climate action were not well crafted in NDPIV. This requires looking at the respective actions before they can be assessed. For example, an indicator written as "No. of technologies and innovations for market and industry developed" may appear not climate-sensitive. Still, when you check the action "[Improve genetic gains (yield, daily weight gain and resilience) of local livestock (cattle, goat, pig and poultry breeds) and fish]", it makes the indicator very relevant to adaptation.

- c. The assessment still lacks an assessment-tool for resource allocation to climate action.

4.5.7 Recommendations

- a. The NPA programme lead should liaise with the CC focal person in MAAIF to ensure that CC actions are captured in the Ministerial Policy Statement (MPS) and that all merged MDAs have their respective climate-smart actions captured. Further, the Planning Department should be engaged in the inclusion of Project actions in the MPS and BFP.
- b. All programme heads should review PIAP targets to ensure that they are realistic and achievable.
- c. Since CC budget tagging was accomplished for the major programmes of NDPIII, a budget performance to CC that shows resource allocation to CC action (adaptation and mitigation) for each programme should be done by the CC Unit in the Ministry of Finance, and this should always accompany this assessment.

4.6 SUSTAINABLE URBANISATION AND HOUSING

4.6.1 Overview of the Programme

The Sustainable Urbanization and Housing (SUH) Programme is one of the most vulnerable programmes to the disastrous impacts of CC. The programme's vulnerability is attributed to rapid urbanisation, currently estimated at 27 percent and growing at an unprecedented rate of 5.5% annually, but with deficits in infrastructure and housing, particularly for people living in slums and informal settlements. Whereas the SUH programme is vulnerable, it is also a major contributor to CC because urban activities, such as industrial production and transport, are major sources of GhG gas emissions.

The SUH programme will provide the highest CC multiplier effects if the 2022 NDCs interventions and actions are not fully implemented due to the large number of people living in cities. The NDC's CC actions related to urbanisation and housing include:

- (i) Expanding and maintaining cities with greenbelts,
- (ii) Improving solid waste management, Promoting efficient mobility in cities, and
- (iii) Promoting sustainable urbanization and housing.

The programme also contributes to SDGs, particularly SDG11, which aims to make cities and human settlements inclusive, safe, resilient, and sustainable, focusing on aspects like housing, transport, urbanization, and environmental sustainability. The SUH programme also aligns with African Union (AU) Agenda 2063 which emphasizes sustainable urbanization as a key driver for Africa's transformation and development.

Over 70% of global CO2 emissions are generated in cities. Thus, the resilience of Uganda's urbanization needs to be strengthened, and green urbanization prioritized, by reducing over-reliance on carbon-intensive materials for construction, enhancing green cover in urban areas, prioritising urban afforestation, expanding and protecting open spaces to provide a natural cooling effect. It also demands addressing other climate-related challenges, such as poor waste management, the urban sprawl of unplanned settlements in risk-prone areas, inadequate social services and housing, and weak institutional and adaptive capacity to CC.

The goal of the SUH programme is to attain inclusive, productive and liveable urban areas for socio-economic development. At the national level, the lead institution of the programme is the Ministry of Lands, Housing and Urban Development (MLHUD). Others include: the Ministry of Local Government (MoLG), Ministry of Works and Transport (MoWT), Ministry of Kampala Capital City and Metropolitan Affairs (MoKCC&MA), Kampala Capital City Authority (KCCA), and other city authorities, among others.

In the year of assessment (FY 2024/25), the programme prioritised CC adaptation and mitigation actions in alignment with the NDC and NDPIII. In particular, three (3) out of the five (5) programme objectives focused on the interventions under which the specific NDC actions were addressed. These are, namely:

- i) Promote green and inclusive cities and urban areas.
- ii) Increase economic opportunities in cities and urban areas (greening industrial activities.
- iii) Promote the urban housing market and provide decent housing for all.

4.6.2 Overall Score

The overall score of the SUH Programme was unsatisfactory compliant with CC planning and budgeting for FY 2024/25 with a score of 37.3 percent. Out of the 25 NDP IV output indicators, only ten (10) were compliant with CC at the BFP level assessment, a slight improvement from last year's performance of 34.1 percent. The BFP 2025/26, however,

was satisfactory at 75.0 percent alignment with the NDC and NDPIV targets, attributed to the prioritisation of CC actions during the design of the SUH.

4.6.3 Areas of Compliance

In the year under assessment (FY 2024/25), out of the 20-output planned indicators under the NDC and NDPIII, only 10 were budgeted for in the BFP, namely: expand and maintain cities with greenbelts; improve solid waste management; promote sustainable urbanization and housing; and promote efficient mobility in cities. Table 4 highlights these indicators.

As much as the 10 indicators were budgeted for at the BFP level, by the end of the FY, as indicated in the MPS, many were not financed or reported on. For instance, only 1% of the approved budget was allocated to CC as a cross-cutting issue: low funding limited the implementation of many of the planned CC interventions under the SUH programme.

Table 4: Climate change Budget Compliant indicators under the SUHP FY2024/25

No.	NDC and NDPIII priority action	Indicators in BFP 2024/25
1.	Expand and maintain cities with greenbelts.	Area of wetlands restored (Acreage).
2.	Promote sustainable urbanization and housing.	Percentage compliant with building code/ standards.
3.	Promote efficient mobility in cities.	Number of climate change and environment sustainability plans for free zones developed.
4.	Improve solid waste management	Number of Urban councils with Physical Planning and Urban Management Information Management System (PPUMIS) installed & staff trained in Geographic Information System (GIS).
		Number of Urban Councils with Physical Development Plans guiding the city's
		Number of urban areas recycling waste.
		Urban areas with access to solid waste infrastructure and management services.
		Number of solid waste and waste-water treatment plants developed.
		Undertake waste-to-wealth initiatives that promote a circular economy (new products (resources) from waste).
		Access to solid waste management services.

Similarly, in the BFP 2025/26, 10 out of the 25 output indicators were fully aligned with the NDC and NDPIV targets. Significant improvement was noted in the mapping of the NDC and NDPIV climate-change responsive output indicators to the BFP compared to the previous financial year due to the increased awareness and stakeholder engagements on mainstreaming CC across NDPIV programmes that NPA conducted during the year under assessment.

4.6.4 Areas of Non-Compliance

It was also noted that during the Assessment year (FY2024/25), 10 out of the 20 climate-change responsive output indicators were non-compliant in terms of planning and budgeting. This is attributed to the reprioritisation exercise that reduced output indicators to less than 50% of the NDPIII targets. In addition, the lack of disaggregated data on climate-related project sub-components affected reporting despite the efforts to deliver on relevant activities.

Table 5 highlights the non-compliant indicators that need to be fast-tracked under the programme in order to deliver on the NDC strategic actions/interventions, namely: (i) expand and maintain cities with greenbelts; (ii) improve solid waste management; (iii) promote efficient mobility in cities; and (iv) promote sustainable urbanization and housing.

Table 5: Non-compliant indicators to CC under SUH programme FY2024/25

No.	NDC and NDPIII priority action	Indicators in BFP 2024/25
1.	Expand and maintain cities with greenbelts	Area of open spaces protected (acreage).
2.	Improve solid waste management.	Proportion of urban roads with green road islands developed.
3.	Promote efficient mobility in cities.	Hectares of green belts protected.
4.	Promote sustainable urbanization and housing	Amount of GHG emissions.
		No. of cities with mass rapid transport master plan.
		Type of housing material (sustainable housing materials and technologies).
		Percentage of houses complying with green technology.

No.	NDC and NDPIII priority action	Indicators in BFP 2024/25
		No. of regions with functional early warning system structures in place (flooding, earthquake and landslides) systems in 7 regions as per NPDP developed
		Percentage of houses with codes.
		Reduction in the amount of energy produced by houses, %

Source: Authors' compilation

In the BFP 2025/26, there was full compliance for 10 output indicators in line with the NDPIV targets. These indicators include:

- (i) Drainage channels constructed in the Greater Kampala Metropolitan Area (GKMA) and other urban areas (Kms);
- (i) Level of compliance to the land use regulatory framework in urban areas;
- (ii) Percentage of cities and municipalities with CC resilient physical development plans (CC);
- (iii) Number of urban LGs with gazetted solid waste disposal sites;
- (iv) Number of solid waste management facilities upgraded; Tonnage of urban waste disposed at waste management facilities;
- (v) Proportion of cities and municipalities implementing customised waste management strategies;
- (vi) Compliance to building codes;
- (vii) Number of houses constructed by National Housing and Construction Company Limited (NHCCL) climate-friendly (responsive) houses e.g. solar provision, natural light, rainwater harvesting facilities, etc.; and
- (viii) Number of slums with access to WASH interventions.

These indicators align with the respective NDC action areas/ interventions.

4.6.5 Key Emerging Issues

- a. Several NDP III indicators under the SUH programme BFP FY2024/25 were not prioritised in the year under assessment. Therefore, they need to be fast-tracked to contribute to the achievement of the NDC and NDPIV targets.

- b. While the programme CC output indicators and targets are clearly articulated in the NDPIII and NDC, the Programme BFP and MPS are quite amorphous and lump up climate actions into broad interventions, making it difficult to assess the contribution of each MDA action to CC response.
- c. The deviation between the BFP and MPS demonstrates inconsistency in planning and budgeting. Further, non-infrastructureal CC outputs were most affected by budget cuts, which compromised work plan implementation and the achievement of targets set out in the NDPIII and NDC.
- d. The alignment of CC responsive actions at the programme level and Vote BFP is weak, which affects financing and onward implementation. At the programme level, the actions and targets are clear in the practical areas of waste management, public transport, urban greening, physical planning and building codes/standards. However, these are not fully translated into the BFP, compromising the achievement of the overall goal for the NDPIV and NDC.
- e. The climate-change component of projects and programmes is not disaggregated in terms of financing at the BFP level since projects are considered [to be] actions – and yet CC actions cannot be individually quantified – hence negatively affecting reporting.
- f. Financing for CC responsive actions is affected by budget cuts, highlighting strong need for additional resource mobilisation.

4.6.6 Recommendations

- a. Individual projects and programs under the SUH Programme need to clearly disaggregate the CC sub-components in terms of budgets and actions to enhance reporting.
- b. Resource mobilisation for CC-responsive actions under the Programme needs to be enhanced to achieve NDC and NDPIV targets.
- c. A separate code for CC in the PBS needs to be considered to show resource allocation to CC actions and guide implementation and reporting.
- d. Training across MDAs on mainstreaming CC in work plans and budgets needs to be increased.
- e. Efforts to attract and boost Public-Private Partnerships (PPPs) in waste management and mass transport in cities need to be fast-tracked to reduce the impact of urbanisation on CC.

4.7 MANUFACTURING PROGRAMME

4.7.1 Programme Overview

The goal of the manufacturing programme is to increase the range and scale of locally-manufactured products for import substitution and increased exports. The programme aims to achieve four (4) objectives, out of which the following three (3) particularly contribute to CC:

- (i) Develop the requisite infrastructure to support manufacturing in line with Uganda's planned growth corridors (triangle);
- (ii) Strengthen the legal and institutional framework to support manufacturing; and
- (iii) Increase value addition for import substitution and enhanced exports.

The Manufacturing programme is a major contributor to CC through GHG emissions generated by industries. Globally, steel and cement account for nearly 14% of global energy-related emissions: these are also major players in Uganda's manufacturing space. The industry contributes 25.4% of carbon dioxide through steel and cement industries, and electricity generation, among others.

In Uganda's updated NDC, the adaptation component encompasses a wide array of sectors, including manufacturing, industry, and mining, among others. Within this framework, manufacturing is emphasized alongside other sectors, featuring forty-eight (48) priority adaptation actions and 82 indicators with targets set for 2025 and 2030.

4.7.2 Overall score

For FY 2024/25, the manufacturing program is unsatisfactorily compliant at 34.0 percent and further declined to 10 percent in FY2025/26. This decline is attributed to the non-prioritization of climate-related outputs in both the Ministerial Policy Statement (MPS, FY 2024/25) and the Budget Framework Paper (BFP, FY 2025/26), as well as a lack of resource allocation to critical indicators. Notably, the following indicators were excluded from planned interventions:

- (i) Number of industries assessed and supported to identify and implement measures for Resource Efficient and Cleaner Production (RECP);
- (ii) Number of industries assessed to determine baseline and ex-post resource efficiency and pollution intensity;
- (iii) Number of green manufacturing technologies adopted; and

- (iv) Number of industrialists supported to adopt and comply with international (ISO 14000) and national environmental standards.

4.7.3 Areas of Compliance

The only area of compliance was around the output indicator on *Industrial Licensing Amendment Act* and relevant regulations enforced. This output indicator was the one on which the rest of the CC-related indicators would be easily anchored. Several areas of compliance could be achieved through other objectives, such as development of requisite infrastructure and strengthening of institutional coordination.

The Program BFP for FY 2024/25 does prioritize the measurement of greenhouse gas (GhG) emissions from industrial processes and product use. It also proposes interventions to upgrade industries for improved sustainability, resource efficiency, and adoption of clean technologies. However, these proposals are not matched by corresponding budget allocations.

4.7.4 Areas of Non-Compliance

The following indicators show significant non-compliance, with either zero planned targets or complete absence from budget documents:

- (i) Number of cleaner production technologies adopted in industry;
- (ii) Number of industries supported to diversify their product value chains into cleaner and environmentally friendly processes;
- (iii) Eco certification Program for industries and industrial products established and implemented;
- (iv) Sets of tools and equipment for undertaking resource efficient cleaner production training and assessment;
- (v) Number of industries assessed to determine baseline and ex-post resource efficiency and pollution intensity;
- (vi) Number of industries trained in RECP;
- (vii) Number of industries assessed and supported to identify and implement measures for RECP;
- (viii) Annual National RECP catalogue of RECP best practices and success stories published;
- (ix) Industrial Licensing Amendment Act and relevant regulations enforced;
- (x) Number of green manufacturing technologies adopted;
- (xi) Number of regulations and guidelines developed and enforced;

- (xii) Number of industrialists supported to adopt and comply with international (ISO 14000) and national environmental management requirements/standards.

4.7.5 Key Emerging Issues

- a. The assessment for FY 2024/25 confirmed that the Manufacturing Programme did not prioritize CC outputs. This trend continues into FY 2025/26 despite growing private sector efforts to fill the gap. Many enterprises have responded to evolving market demands by voluntarily adopting climate-friendly practices, such as pursuing ISO 14000 certification, conducting ESIAAs, and following regulator-guided monitoring practices.
- b. Although the efforts of the private sector and non-state actors are significant, they are often underreported or omitted in formal programme assessments. Enterprises that have discovered the changing market requirements continue to invest in CC interventions to penetrate and maintain regional and global markets, to ensure they are competitive, and to remain responsive to realities posed by their operations.
- c. The assessment of NDPIV was more intentional: the program goal was to increase secondary and tertiary manufacturing. The second objective of the program was to enhance sustainable secondary and tertiary value addition in priority areas, which are major drivers of CC, especially cement, steel and copper industries. As seen in the BFP 2025/26, these areas still have very little or no funding allocated to them. The regulations that operationalise the Industrial Licensing Act will go a long way in addressing the gaps in data collection and targeted support to the much-needed areas.

4.7.6 Recommendations

- a. Map and prioritise key outputs to allocate funds that are critical to CC indicators within the programme's budgeting instruments. The most pressing is to have a functional and regularly updated database of the actors. That would map all stakeholders to create, strengthen and maintain linkages across the program.
- b. Deepen program-based planning and execution of various interventions that involve not only the government but also other non-state actors (including the private sector).

- c. Operationalize the Industrial Licensing Board (ILB): activate the proposed ILB to guide policy, ensure data collection, and enforce compliance—particularly on matters affecting climate competitiveness.
- d. Capture private sector contributions: formalize reporting mechanisms to include climate efforts by the private sector and non-state actors that are currently missing from official assessments.

4.8 HUMAN CAPITAL DEVELOPMENT PROGRAMME

4.8.1 Programme Overview

The goal of the Human Capital Development (HCD) Programme is to improve the productivity of labour for increased competitiveness and better quality of life for all. The HCD program has four sub-programmes that contribute to its goal, and these include: Education and skills; Population and Health; Gender and Social Protection; and Labour and Employment. The key MDAs under the programme are the Ministry of Health (MoH); Ministry of Education and Sports (MoES); Ministry of Gender, Labour, and Social Development (MoGLSD); Ministry of Water and Environment (MoWE); Ministry of Local Government (MoLG); and National Planning Authority (NPA), including their respective affiliated MDAs. Overall, the programme has about 48 major contributing MDAs.

Three programme objectives are linked to CC:

- i. Objective 1: Improve the foundations of human capital development;
- ii. Objective 4: Improve population health, safety and management; and
- iii. Objective 5: Reduce vulnerability and gender inequality along the lifecycle.

The HCD results are linked to CC effects like prolonged dry spells that lead to food insecurity due to drought and famine, hence increasing hunger, malnutrition or stunting; floods and landslides that displace people, hence the need for addressing shocks and building resilience to reduce vulnerabilities. Secondly, increasing pandemics have affected human capital outcomes, resulting in increased morbidity and mortality. Priorities identified are to help reduce issues of stunting and wasting, zero hunger, low water coverage and poor sanitation, provision of social protection measures to vulnerable or displaced persons, and disaster management measures for prevention and mitigation.

Uganda continues to have the highest fertility rate at 5.2 children per woman and a relatively high population growth rate of 2.9%. This

implies that our population is drastically increasing, exerting pressure on the land, wetlands, and forests for survival. The growing degradation of natural ecosystems occasioned by a growing population has led to increased disasters such as prolonged drought, floods and landslides. A growing population, rapid urbanisation, industrialisation and technological changes breed changes in the composition of urban waste, creating waste-management challenges.

There is a need to integrate sustainable mechanisms and interventions to avert CC through the development of education policies and programmes that will help in training and building capacity in climate-resilient interventions in education, health, water, sanitation, and social protection.

4.8.2 Overall Score

The overall percentage score (performance) was unsatisfactory at 56.4 percent in 2024/25. This increased to 66.7 percent in 2025/26. The change in score is attributed to higher targets set in the NDP III compared to those in the BFP.

4.8.3 Areas of Compliance

From the assessment, the indicators that are compliant with CC were the number of water meter testing and calibration stations.

4.8.4 Areas of Non-Compliance

Areas of non-alignment in terms of prioritization and targeting included:

- (i) percentage of Health facilities with climate-resilient infrastructure (solar energy, incinerators, WASH);
- (ii) No. of climate-resilient piped water supply systems constructed in rural areas;
- (iii) Number of climate resilient point water facilities constructed in rural areas;
- (iv) Number of climate-resilient communal rainwater facilities constructed in rural areas;
- (v) Number of villages with at least one safe water source;
- (vi) Number of water systems constructed in refugee and host communities;
- (vii) Number of climate resilient point water facilities constructed in refugee/migrant communities;
- (viii) Number of public institutions with water supply facilities;

- (ix) Number of piped water supply systems constructed in urban areas;
- (x) Number of Water supply systems targeting industrial parks developed;
- (xi) Number of piped water supply systems in rural areas rehabilitated;
- (xii) Number of point water facilities in rural areas rehabilitated;
- (xiii) Number of existing piped water supply systems in small towns rehabilitated;
- (xiv) Number of existing piped water supply systems in large towns rehabilitated;
- (xv) Number of water supply systems rehabilitated in refugee and host communities;
- (xvi) Number of existing point water sources in rural areas upgraded and expanded;
- (xvii) Number of piped water supply systems in large towns upgraded and expanded;
- (xviii) Number of piped water supply systems in refugee settlement upgraded and expanded;
- (xix) Length of water pipe network extended (Kms) in large towns;
- (xx) Length of water pipe network extended (Kms) in small towns;
- (xxi) Length of water pipe network extended (Kms) in refugee settlements;
- (xxii) Number of new household connections made in small towns;
- (xxiii) Number of new household connections made in large towns;
- (xxiv) Number of pro-poor public stand posts constructed in small towns;
- (xxv) Number of pro-poor public stand posts constructed in large towns;
- (xxvi) Number of water meter testing and calibration stations;
- (xxvii) Number of regional pipe testing laboratories constructed;
- (xxviii) Number of specialized equipment for pattern approval and verification of water meters installed; and
- (xxix) Number of mechanical test benches constructed.

4.8.5 Key Emerging Issue

- a. The change in performance is attributed to the targets set in the BFPs being too low compared to those in the NDP III, implying misalignment in planning and budgeting.
- b. Growing need for disaster fund and social protection services to cater for CC emergencies
- c. People's health and livelihood are affected and disrupted by poor waste disposal and management systems, especially in urban settings: the recent disaster at the Kitezi landfill in Kampala, which led to loss of lives, properties, and human displacements, is an apt example.

4.8.6 Recommendations

- a. There is a need to align performance targets in the BFP to the PIAPs.
- b. Early warning systems need to be explored in the prevention of epidemics, and mitigating and management of disasters caused by CCs.
- c. Access to water and sanitation facilities in rural and urban settings is still below the desired full coverage targets.
- d. Protect the health and lives of the people by collaborating with the Sustainable Urbanization Programme to prioritize waste disposal and management mechanisms through sustainable and innovative systems and processes.
- e. Train and empower the youth, women and persons with disabilities that benefit from livelihood programmes on mitigation and natural resources conservation.

4.9 TOURISM PROGRAMME

4.9.1 Overview of the Programme

Tourism and CC are closely interconnected. The industry both contributes to CC and is affected by CC impacts. This relationship is evident in two key aspects: mitigation—reducing tourism's environmental footprint; and adaptation—ensuring the industry's resilience amid changing climatic conditions. Tourism significantly contributes to GHG emissions, primarily through infrastructure development, transportation (especially aviation and road travel), and accommodation (energy consumption in hotels and resorts). Addressing these challenges requires a balanced approach that minimizes tourism's impact on the environment while enhancing its ability to adapt to a warming world.

The Tourism Development Programme seeks to increase Uganda's competitiveness as a preferred tourism destination. The following programme objectives resonate with CC:

- i. Develop, conserve, and diversify tourism products and services, and
- ii. Increase the stock and quality of tourism infrastructure.

The Programme performance against the NDPIII CC interventions in FY2024/25 is provided below.

4.9.2 Overall Score

The overall percentage score for the Tourism Development programme, with regards to the integration of CC in its budgeting frameworks, is moderately satisfactory at 60% for FY 2024/25; and unsatisfactory at 30 percent for BFP of FY 2025/26. The underwhelming outcomes can be attributed to insufficient resources for the various interventions under the programme.

During the first three years of NDP III, the Ministry of Tourism, Wildlife and Antiques and its agencies, received only 20% of the total planned funding for the entire five-year period. This resource constraint meant that most of the planned CC and tourism-development interventions were not implemented.

4.9.3 Areas of Compliance

The areas of alignment between the Annual Budget and the NDP III interventions are:

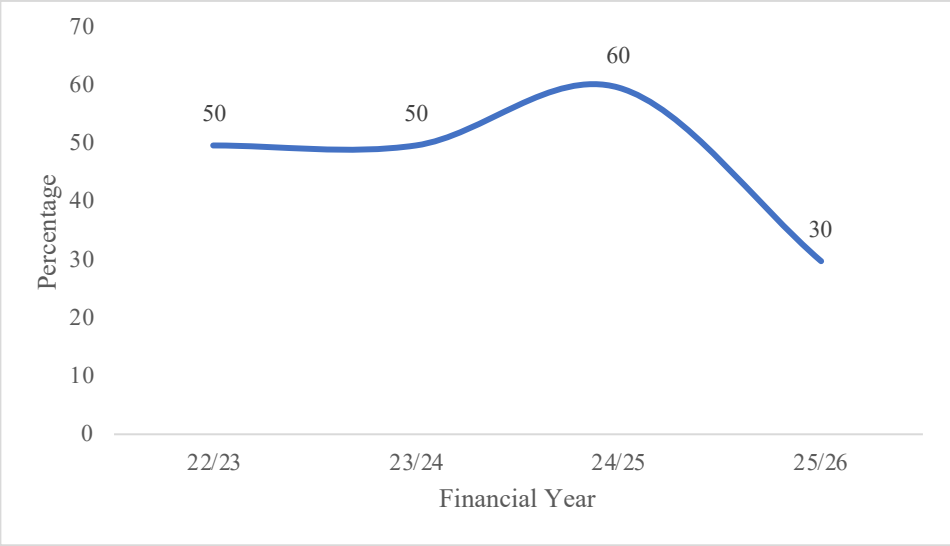
- a. Diversify tourism products (e.g., cultural) and map more tourism potential across the country, including conducting hazard risk and vulnerability mapping for tourism areas.
- b. The output indicator was the **Number of water dams constructed in Protected Area**. The target of NDP III was three dams, while that of the Annual Budget was 4, indicating a higher level of ambition.

4.9.4 Areas of Non-Compliance

The areas of non-alignment in terms of CC prioritization and targeting are::

- a. Length of trails (pathways to protected areas) maintained
- b. There is no designated target or allocated budget to address the proportion of protected areas affected by invasive species, despite it being a clear impact of CC

Figure 6: Trend of Tourism Development Budget Compliance under NDP III



The Tourism Development Programme’s CC compliance performance under NDP III shows fluctuating trends across the assessed financial years. The performance remained steady at 50% in FY 2022/23 and FY 2023/24, indicating moderate adherence to CC mitigation and adaptation measures. A notable improvement was recorded in FY 2024/25, where compliance peaked at 60%, possibly due to increased policy interventions, sustainable tourism initiatives, or enhanced stakeholder engagement.

However, this progress was not sustained. Instead, performance significantly dropped to 30% in FY 2025/26. The decline suggests challenges in maintaining climate resilience efforts, which may stem from policy shifts, funding constraints, or external environmental pressures. This trend underscores the need for consistent and reinforced strategies to integrate CC adaptation into Uganda’s tourism sector for long-term sustainability.

4.9.5 Key Emerging Issues

- a. In FY 2025/26, no specific target or allocated budget has been set to address the number of facilities with access to reliable, clean, and safe water in protected areas despite Uganda experiencing increasingly high temperatures. Uganda Wildlife Authority (UWA) is solely responsible for CC interventions under the Tourism Development Programme. The authority must prioritize budgeting for the extension of clean, safe, water in protected areas and the removal of invasive species to enhance ecosystem resilience.

- b. The program aims to drive the recovery and competitiveness of Uganda's tourism industry; however, it falls short in integrating concrete measures to address the impacts of CC within its objectives.
- c. Human-wildlife conflicts driven by CC—such as increased animal encroachments on farmlands due to drought or habitat loss—are not adequately addressed in budget instruments. Prolonged dry spells, for instance, often force wild animals to stray from national parks into nearby communities in search of water and food, leading to crop destruction and threats to human safety.
- d. Under NDP IV, the tourism sector includes only one CC adaptation intervention: protecting wildlife and conservation areas against CC impacts. This limited scope means that CC-related initiatives in the sector will receive minimal budget allocation.
- e. In FY 2024/25, no budget allocation was made for investing in Forests and Protected Areas for Climate-Smart Development. However, UGX 1.020 billion was allocated to the Mitigating Human-Wildlife Conflict Project under the Programme.

4.9.6 Recommendations

- a. To effectively achieve CC targets, especially given the vulnerability of eco-based tourism, funding for the Tourism Development program should be increased to at least match the UGX 464 billion allocated in the FY 2025/26 Tourism Development PIAP.
- b. The program should integrate comprehensive CC mitigation measures, including establishment and protection of wildlife corridors, reforestation and afforestation efforts, wetland restoration, promotion of eco-friendly tourism infrastructure, and sustainable water management systems. These interventions will enhance the resilience of wildlife and ecosystems against climate risks and hazards in Uganda.
- c. Uganda Tourism Board (UTB) must incorporate CC interventions into its strategies, as Uganda's tourism sector is primarily eco-based and highly susceptible to CC. UTB should implement targeted initiatives to strengthen climate resilience and promote sustainability within the tourism industry.

4.10 SUSTAINABLE DEVELOPMENT OF PETROLEUM RESOURCES

4.10.1 Overview of the Programme

The Programme focuses on sustainable management of petroleum (oil and gas) resources along the entire value chain. The oil and gas comprises the upstream (e.g., promotion, licensing, exploration, field development and extraction of petroleum resources), midstream (e.g., transportation, refining of oil and conversion of gas), and downstream (e.g., distribution, marketing and sale of petroleum products).

The goal of this programme is to attain equitable value from petroleum resources and spur economic development in a timely and sustainable manner. The programme objective that is linked to CC adaptation, resilience building and mitigation in order to enhance quality health, safety, security and environment (QHSSE). Suppose appropriate mitigation measures are not put in place: in that case, the development of petroleum resources contributes to global warming and the resultant adverse weather conditions and environmental degradation issues, especially due to the pollution of land and water bodies. Oil and gas are highly flammable and toxic, and can cause monstrous disasters.

Unlike in developed countries, where the production and use of fossil fuels (crude oil, natural gas, and coal) are the primary sources of GHG emissions, Uganda does not yet emit GhGs from petroleum sector. Agriculturally-driven land use changes are the major cause of GHG emissions. The petroleum sector will place Uganda among petroleum-driven GhG emitting countries.

The key programme actors include: Ministry of Energy and Mineral Development (MEMD), MoFPED, Petroleum Authority of Uganda (PAU), Uganda National Oil Company (UNOC), Joint Venture Partners, Ministry of Works and Transport (MoWT), Uganda Civil Aviation Authority (UCAA), Uganda National Roads Authority (UNRA), MoLHUD, MoWE, MoICT&NG, LGs, NEMA, NPA, Ministry of Justice & Constitutional Affairs (MoJCA), Parliament, MoES, National Council for Higher Education (NCHE), MAAIF, PSFU, UDB, NITA-U, among others.

The score/performance of the Sustainable Development of Petroleum Programme, against the NDPIII CC interventions in FY2024/25, is provided in the section below.

4.10.2 Overall Score

The programme is moderately satisfactory at 66.7 percent. The performance is mainly attributed to the development of priority climate

adaptation and mitigation frameworks such as environmental and social management plans, disaster preparedness and contingency plans, QHSSE systems, and the standardization of continuous implementation of actions within these frameworks. This shows the country's commitment and preparedness to CC-responsive development of its oil and gas resources.

The programme, however, does not quantify the contribution of the oil and gas industry to greenhouse gas emissions in terms of targets. Therefore, it does not define the level of ambition and assessment of progress. Whereas there has been collaboration amongst other key stakeholders, including NEMA, MWE, MoES, MAAIF and local communities, on mitigation and adaptation to CC effects resulting from the development of petroleum resources, the budget frameworks do not disaggregate the efforts of other actors in this regard. This necessitates deliberate effort to show the contributions of other actors both in terms of budgetary allocations and results attained.

The BFP FY2025/26 performance is moderately compliant at 75.0 percent score. This performance is attributed to the alignment of the BFP priorities to the set targets in NDPIV. Aligned targets are realized for the following indicators:

- (i) number of QHSSE strategic assessments and baseline studies undertaken;
- (ii) disaster preparedness and contingency plan in place;
- (iii) number of disaster recovery initiatives implemented; and
- (iv) environmental and social management plan implemented.

Misalignment is, however, noticed in the development and implementation of oil and gas QHSSE systems and standards.

4.10.3 Areas of Compliance

- a. Development of climate adaptation and mitigation frameworks and commitment to implementation of priority interventions through the budget instrument.

4.10.4 Areas of Non-Compliance

- a. Accurate measurement and quantification of the contribution of the oil and gas industry to greenhouse gas emissions in terms of targets.
- b. Measurements of the contribution of non-State and non-Joint-Venture-Partner Actors.

4.10.5 Key Emerging Issues

- a. The programme has the necessary frameworks to guide appropriate CC-responsive interventions
- b. Quantification of the contribution of the oil and gas industry, specifically developments so far undertaken and potential contribution during oil production, to GhG emissions is critical.
- c. Detailed outputs are not provided in the BFP and the MPS.

4.10.6 Recommendations

- a. Revise the budget frameworks to align with the NDP climate priorities. The current budget architecture lumps allocation under one output without disaggregating what exactly goes into climate interventions, thus making climate budget analysis difficult.
- b. There is need for adequate budget, consistent allocations, and disaggregation.
- c. Develop and apply tool(s) for measuring the contribution of non-State actors in CC mitigation efforts under the Sustainable Development of Petroleum Programme.

4.11 SUSTAINABLE MINERAL DEVELOPMENT

4.11.1 Overview of the Programme

Mineral exploitation often leads to severe weather conditions such as droughts, torrential rains, windstorms, floods, and landslides. This heightens the need for adaptation and mitigation measures. Torrential rains loosen soils, sometimes burying miners in excavated pits. Excavation mining removes vegetation surface cover and creates craters that increase the speed of water runoff, thus increasing soil erosion. Droughts and windstorms induced by forest- and tree-cover losses and floods arising from mining activities negatively impact livelihoods and lives of communities living near mining areas. Vegetation, forest and tree cover losses arising from mining also induce and landslides.

The goal of the programme is, therefore, to increase the exploitation and value addition to selected resources for job-rich industrialization. The key programme actors include: MEMD, MoFPED, MoPS, DPs, MTIC, NEMA, NPA, LGs, CSOs, UIA, URA, MSTI, UIRI, MoES, UNCST, NCHE, among others.

The Programme performance against NDPIII CC interventions in FY2022/23 is provided below.

4.11.2 Overall Score

The Sustainable Minerals Development programme score for FY 2024/25 is unsatisfactory at 33.3 percent, similar to 33.3 percent compliance in the previous year with regard to the integration of CC in its budgeting frameworks. Whereas the budget frameworks have prioritized climate CC interventions for companies and/or /miners complying with regulations and artisanal miners utilizing the appropriate technology, the targets fall short of plan-the planspecificity in the NDPIII.

The BFP FY2025/-26 performance is moderately satisfactory at 66.7 percent. This performance is attributed to the alignment of some of the BFP priorities to the set targets in the NDPIV plan. Aligned targets are realized for indicators the following indicators: (i) the number of geohazard reports and maps generated; and the (ii) number of artisanal miners registered on the biometric system. Misalignment is, however, noticed in the number of artisanal miners utilizing CC-the appropriate technologies..

4.11.3 Areas of Compliance

The areas of compliance are improved early warnings to potential geohazards.

4.11.4 Areas of Non-Compliance

Low targets from companies/miners complying with regulations and artisanal miners utilizing the appropriate technology.

4.11.5 Key Emerging Issue

The Budget Framework Paper (BFP), FY 2025/2026, does not comprehensively capture all the priority climate interventions in terms of budget and targets.

4.11.6 Recommendation

Reconfigure the BFP structure to align with the new NDPIV PIAPs in the next financial year.

4.12 SUSTAINABLE ENERGY DEVELOPMENT

4.12.1 Programme Overview

The Sustainable Energy Development Programme was one of the key actors and enablers of national development, as alluded to in the NDPIII. It rightfully contributes to CC drivers and remains a key factor in mitigating the same. With the energy transition in play, it was expected that a reduction in the use of fossil fuels, reducing the use of biomass as the primary source of energy (especially for cooking), and ensuring

that the country's base electricity is secure, would fuel socio-economic transformation. Uganda's energy policy is aimed at a sustainable, adequate, affordable, competitive, secure, and reliable supply of energy at the least cost geared to meet energy demand while protecting and conserving the environment.

The Programme NDPIV interventions are linked to NDC actions on environment and ecosystems, water, and disaster risk reduction. Priority adaptation actions for the programme include:

- (i) Improving access and utilization of electricity from sustainable sources, promoting the use of renewable energy sources and energy-efficient technologies,
- (ii) increasing access to clean energy cooking technologies, and
- (iii) Rehabilitating and climate-proof electricity transmission infrastructure.

On the other hand, the mitigation actions include: renewable energy generation, reduction in transmission and distribution losses; improved efficiency of charcoal production; industrial energy efficiency; industrial fuel switching; increased electricity access for households; lighting energy efficiency in households; cooking mitigation measures (including energy efficiency and fuel switch).

It should be noted that whereas the Programme set CC interventions and actions in the NDPIII FY2024/25, they were independent of what other programs and MDAs planned and budgeted for in their MPS and BFPs. It was expected that each of the programs would finance their areas of intervention that speak to the required CC outputs. The program-based approach continues to be a learning curve among key State [and non-State] actors.

In addition, under the NDPIV FY2025/26, the Sustainable Energy Development program has thirty-six (36) output indicators in relation to CC. This is an increase from 15 in the FY 2024/25 period. The increase is attributed to consolidation and acceleration of the gains from the previous period on top of the massive investments needed to meet the 10-fold growth especially the expected growth in energy demand for the FY2025/26 to increase by 14% and 20% by end of the NDPIV period.

Interestingly, in FY 2025/26, there was less emphasis on investment in biomass but increased efforts to reduce the dependence on biomass for cooking hinged on fuel switching, increasing electricity access, and incentivizing postmodern energy technologies, among others.

4.12.2 Overall Score

Overall, the Sustainable Energy Development Programme CC budgeting for FY2024/25 was moderately satisfactorily compliant at 64.6%, which is a decline from 69.2% in the previous year. The level of performance in FY2024/25 is attributed to the huge percentage (%) deviations between the NDPIII and MPS targets regarding non-prioritisation, as the focus was on completion of key projects in transmission and generation to reduce expenses on deemed power. Areas that suffered due to reprioritisation included: energy efficiency, biofuels, access to electricity and connections to the grid. Another factor was budget cuts: there were not sufficient funds to conclude projects, including promoting the use of LPG for cooking and other projects like support for the program to undertake independent data collection activities.

The BFP 2025/26 was unsatisfactorily compliant at 48.3%, which is a decline from the previous year's performance of 70.8%. The programme's low performance is not conclusive as several other interventions were done by different actors who provided off-budget support. They are mentioned in the activities for FY 2025/26 but not prioritised because of budget ceilings.

4.12.3 Areas of Compliance

In FY 2024/25, only eight (8) out of the 15 output indicators that contribute to CC actions in the selected regions were fully aligned to the NDPIII PIAP and compliant.

In the FY2025/26 BFP, fourteen (14) out of the thirty-six (36) output indicators were fully aligned. The increase in the indicators was attributed to the profound emphasis on expanding the gains in the value chain, including promoting access to clean and reliable electricity, promotion of productive use of energy, implementation of the Biofuels Act, and increasing access to electricity.

Table 6: Compliant indicators in the FY 2024/25 and FY 2025/26 (BFP)

S/N	FY 2024/25	FY 2025/26
1.	Km of low voltage networks constructed	Number of hydropower plants rehabilitated
2.	Electricity consumption per capita (kwh per capita)	Number of wind energy systems upgraded
3.	Share of clean energy used for cooking	Percentage progress of nuclear power plant development works
4.	Share of biomass Energy used for cooking (%)	Number of km of transmission lines constructed

S/N	FY 2024/25	FY 2025/26
5.	Energy generation capacity (MW)	Number of standalone solar home systems connected
6.	Percentage of households with access to electricity	Energy intensity (KgoE/\$1000 GDP)
7.	High-voltage transmission lines	Average Fuel Consumption (L/100km)
8.	Energy losses (%): Transmission and Distribution	Number of bankable clean energy development projects developed
9.		Proportion of electric vehicles registered
10.		Number of Energy service companies provided with technical assistance to support renewable energy deployment and access to financing
11.		Number of Households, institutions and enterprises provided with renewable energy solutions (solar for lighting and productive use).
12.		Number of Households, institutions and enterprises provided with renewable energy solutions (clean cooking solutions).
13.		Number of financial products intermediated successfully.
14.		Number of techno-economic feasibility studies undertaken

4.12.4 Areas of Non-Compliance

In FY 2024/25, the areas for non-compliance are presented in the Table 7.

Table 7: Non-compliant indicators in the FY 2024/25 and FY 2025/26 (BFP)

S/N	FY 2024/25	BFP/ FY 2025/26
1.	Km of medium voltage networks constructed	Generation capacity of new energy sources
2.	Population connected to the national grid (%)	Number of on-grid Solar PV power generated (MW)
3.	Number of adaptation and mitigation activities undertaken	Number of wind energy systems upgraded

S/N	FY 2024/25	BFP/ FY 2025/26
4.	Standards on quality of service in the energy industry in place	Proportion of hydro power plant construction works completed %
5.	Accreditation and proficiency testing of the Electricity meters laboratory	Proportion of hydro-power plant construction works completed
6.	% of households and institutions cooking with: (LPG, Biogas, Solar thermal applications, etc.)	Number of km of the electricity transmission grid refurbished and upgraded
7.	MW of energy saved	Number of km of the electricity distribution network refurbished and upgraded
8.		Number of high voltage transformation capacity added to the grid (MVA)
9.		Number of km of distribution lines constructed
10.		Number of electricity distribution transformation capacity added to the grid (MVA)
11.		Number of on-grid last-mile connections implemented
12.		Number of mini-grid last mile connections implemented
13.		Number of ethanol micro-distilleries constructed
14.		Number of clean cooking technology production enterprises supported
15.		Proportion of HHs and institutions using clean cooking technologies (LPG, Electricity, advanced bioenergy, Ethanol) %
16.		Number of industrial and commercial enterprises electrified.
17.		Number of public institutions electrified.
18.		Number of feedstock production farms established
19.		National Biofuels Laboratory in place
20.		Number of biofuels blending facilities constructed

S/N	FY 2024/25	BFP/ FY 2025/26
21.		National clean energy workforce training program in place
22		Number of staff trained in clean energy specialties and other technical areas

4.12.5 Key Emerging Issues and Recommendations

- a. For ease of reporting, it is important to assess each program actor on its indicators on CC, both from off-budget and on-budget support, to ensure that the actual picture of different actors' interventions is captured.
- b. Improve the capacity of the program secretariat to collect, monitor and disseminate accurate data that reflects the actual narrative. What was identified as data from key stakeholders was conflicting, for example regarding the number of people using clean cooking technologies, the percentage of households connected to the grid, and the per capita electricity consumed.
- c. Some indicators were captured at the outcome level, and are therefore missed at the output level, which had a bearing on the score. A case in point is: households connected to the grid, share of energy used by households, among others. It is recommended that since the program has a direct input on these indicators, they should also be reported on.

4.13 INTEGRATED TRANSPORT INFRASTRUCTURE AND SERVICES PROGRAMME

4.13.1 Overview of the Programme

The Integrated Transport Infrastructure and Services is comprised of thirty-three contributing MDAs. The main contributing MDAs have been the Ministry of Works and Transport (MoWT), Uganda National Roads Authority (UNRA), Uganda Railways Corporation (URC), Uganda Civil Aviation Authority (UCAA), Uganda Road Fund (URF), Ministry of Lands, Housing, and Urban Development (MoLHUD). This was until November 2024 when UNRA and URF were merged with the Ministry of Works and Transport, following rationalization of government agencies.

The goal of the Programme is to develop a seamless, safe, inclusive and sustainable multi-modal transport system. The programme aims to achieve six (6) objectives. Out these, three (3) objectives particularly contribute to CC through aiming to increase the accessibility of

greener modes of transport and improving road conditions to reduce travel through roads. This entails fostering designs of climate-resilient infrastructure and minimizing GHG emissions generated by the use of fossil fuels. These CC-contributing programme objectives are:

- a. Optimize transport infrastructure and services investment across all modes;
- b. Prioritize transport asset management; and
- c. Transport interconnectivity to promote inter and intra-regional trade and reduce poverty.

An assessment of the CC mitigation potentials and actions in Uganda's transport sector (final modelling report, 2022) undertaken by Dominic Sheldon revealed that transport is a major contributor to CC in the country. This occurs through GHG emissions generated by the use of fossil fuels in road, air, rail and water transport. On the other hand, transport infrastructure, including roads, railways and airports, is prone to the impacts of CC, evidenced by the number of deteriorated conditions of gravel and tarmacked roads, bridges and railway lines. Particularly, the Pakwach bridge and several parts of roads in Kampala were flooded after rains in November 2024.

The programme is partially aligned to both the NDPIII and the updated NDCs, as has been demonstrated by the NDC Priority Adaptation Actions and Strategic Programme Interventions, such as building climate-resilient roads, bridges, water, and rail transport infrastructure systems, which are monitored through the indicators of Paved National Roads (Kms), Paved urban roads (Kms), and Permanent way/railway and roads (Kms), among others.

4.13.2 Overall Score

The FY 2024/25 Ministerial Policy Statement (MPS) of the ITIS program is a satisfactory compliance to the budget at 80.0 percent. That notwithstanding, the programme funding allocation to climate-related interventions in the BFP of FY2025/26 is an unsatisfactory complaint at 38.2 percent.

Whereas the ITIS Programme Implementation Action Plan (PIAP) has numerous climate-related interventions, there are no clear targets and budget allocations to achieve these indicators in the BFP for FY 2025/26, hence the low score.

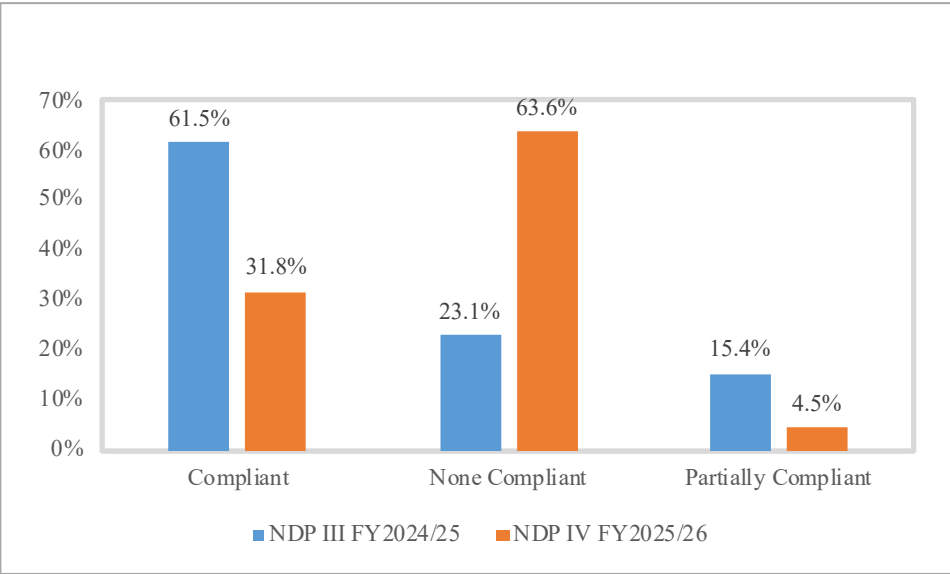
4.13.3 Areas of Compliance

Areas of compliance included in both FYs include: paved national roads (km), paved urban roads (km), rehabilitation of metre gauge rail (MGR),

and service life of transport infrastructure, among others. The areas particularly target the improvement of road conditions, mass passengers, and freight transportation.

Planned interventions that are not fully aligned with the budget despite being in the BFP and MPS include the construction of the Kampala-Malaba Standard Gauge Railway line (272 km), and the construction of Non-Motorized Transport (NMT) infrastructure. They are not fully compliant because the planned targets are less than the NDPIV anticipated targets. Figure 7 shows the compliance level of the Programme MPS for FY 2024/25, where 13 indicators have been assessed; and the Programme BFP for FY 2025/26, where 22 indicators have been assessed.

Figure 7: ITIS Programme CC compliance levels



4.13.4Areas of Non-Compliance

Areas of the programme non-compliance in the FY 2025/26 BFP include: progress of the flood management system created in navigable sections (%); percentage implementation for the pilot mass transport systems, number of electric vehicle charging points established (CRMW); progress of establishment of a vehicle-end-of-life (ELV) facility (%); number of vehicle emissions measurement and calibration stations established; percentage of unpaved national roads in fair to good condition; and percentage of district, urban and community access (DUCA) roads in fair to good condition, among others.

The NDPIV anticipated the provision of 7.1km of Non-Motorized Transport (NMT) infrastructure, such as walkways, cycle lanes, and pedestrian

streets, among others. However, this has not been provided. Rather, the NMT Implementation Strategy is planned for preparation in FY 2025/26. However, only 1km is provided in the budget, which will impair the anticipated mitigation and reduction of GHG emissions.

4.13.5 Key Emerging Issues

- a. It is evident from the assessment that while a number of interventions are captured in the programme PIAP, their clear targets and funding allocations at BFP have not been prioritized.
- b. It is not clear whether interventions that were allocated funding in FY 2024/25 have been implemented since this assessment excluded the budget and physical performance of interventions.
- c. Whereas more than 50 percent of projects implemented under the ITIS Programme involve consideration of climate resilience in their planning and budgeting, a number of them are not completed within the anticipated time frame due to financial constraints. As a result, the project objectives are not realised in terms of planned project time (schedule), scope and cost of implementation, as evidenced in allocations made to some interventions, such as Construction of New Ssezibwa Bridge allocated UGX 0.001 Billion. The emergency reconstruction of selected sections along Kampala-Masaka Road is also allocated UGX 0.001 billion, among others.
- d. The programme aims to develop a seamless, safe, inclusive and sustainable multi-modal transport system. However, interventions under inland waterways have remained under-prioritized, receiving less than 2.0 percent of the programme budget allocation, as demonstrated in allocations made to inland water interventions such as improvement of Ferry Services.
- e. The programme is challenged by the continually growing debt that hinders progress in project implementation. Specifically, the debt accrued to national roads stood at UGX 1.74 trillion as of February 2025. Of the total debt, UGX 1.55 trillion is for road development, while UGX 190.8 billion is for road maintenance.

4.13.6 Recommendations

- a. In the future, the programme needs to track funding allocation and the implementation of several climate-related outputs. This should be done by tracking data on allocation and actual expenditure.
- b. Future assessment should involve tracking of financial resources released to and utilized on major climate-related projects or

interventions, as well as the physical progress of those interventions to ascertain the delivery of the intended results.

- c. The programme should prioritise the implementation of a few well-facilitated projects to allow timely and cost-effective delivery of anticipated results, specifically in addressing the country's dire need for speedy transport between regions and major urban centres.
- d. The MoFPED, ITIS programme, and UCAA should prioritize payment of arrears. In addition, the affected entities should, in the future, desist from committing to government through the signing of work contracts before confirmation of funding.

CONCLUSION

The assessment of Uganda's national budget compliance with CC commitments reveals a mixed performance. While there have been improvements in certain areas, significant gaps remain, particularly in aligning budget allocations with the ambitious targets set forth in the NDP III. The overall compliance levels for FY 2024/25 and FY 2025/26 are unsatisfactory, indicating that more efforts are needed to effectively integrate CC considerations into budgetary planning and execution.

Key programmes, such as agro-industrialization, natural resources, environment, CC, land and water management, and sustainable energy development, have shown moderate compliance. Yet, they fall short of fully meeting the NDP III targets. The lack of prioritization and adequate funding for CC interventions poses risks to the achievement of Uganda's climate goals. This could undermine the long-term resilience of vulnerable communities and the economy at large. In addition, the focus on administrative and soft interventions, rather than robust, climate-responsive, infrastructure projects, limits the effectiveness of climate actions. The implications for inclusive development are profound. Vulnerable groups, including women, children, rural and peripheral communities, ethnic minorities, refugees and other displaced persons, are disproportionately affected by CC impacts. Without targeted interventions and adequate funding, these groups risk marginality in the development process.

This assessment highlights the need for increased budget allocations, enhanced capacity building, and better stakeholder coordination to ensure comprehensive and inclusive CC responses. The assessment recommends a more ambitious approach to CC budgeting, including the integration of climate indicators at both output and outcome levels and greater emphasis on mobilizing domestic and international climate finance. Strengthening institutional frameworks and enhancing the transparency and accountability of climate-related expenditures will be crucial in driving effective climate action and promoting sustainable, inclusive, and climate-change-resilient development in Uganda.

By improving budget compliance with CC commitments and ensuring that interventions reach the most vulnerable, Uganda can build a resilient and equitable society that can amply withstand climate change.

ANNEX

National Budget Framework Paper FY 2025/26 Available at: <https://budget.finance.go.ug/content/national-budget-framework-paper-15>

NPA (2021). The Third National Development Plan (NDP), 2021/22-2024/25. Available at: https://www.npa.go.ug/wp-content/uploads/2023/03/NDPIII-Finale_Compressed.pdf

ABOUT ACODE

The Advocates Coalition for Development and Environment (ACODE) is an independent public policy research and advocacy think tank based in Uganda. ACODE's work focuses on four programme areas: Economic Governance; Environment and Natural Resources Governance; Democracy, Peace and Security; Science, Technology and Innovation. For the last eight consecutive years, ACODE has been ranked as the best think tank in Uganda and one of the top 100 think tanks in Sub-Saharan Africa and globally in the Global Think Tanks Index Report published by the University of Pennsylvania Think Tanks and Civil Societies Program (TTCSP).



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