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Uganda's Green Recovery Action Plan

September 2021 - Uganda



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Table of contents

Table of contents	3
1.0 Background	4
2.0 Uganda’s Situation	5
3.0 Impact of COVID 19 in Uganda	6
3.1 Socio- Economic Impact	6
3.2 Impact on the environment and climate action	10
4.0 Green Economic Recovery	10
4.1 How green is Uganda’s Recovery Plan	12
4.2 Opportunities for Greening Uganda’s recovery	14
4.2.1 Green Recovery thematic areas	14
4.2.2 Synergies with NDC-related investments and Projects	22
5.0 Greening Uganda’s Economic Recovery	24
5.1 Priority Policy Options for Greening	25
Uganda’s Economy Recovery	25
5.2 Costing green recovery response measures	27
6.0 Conclusion	32
References	33

1.0 Background

2021 presents a glimmer of hope with the possibility to have vaccines to counter the deadly pandemic and with an unprecedented global effort to repair the economic damage. A renewed faith in science and the power of collective action to find solutions to global problems has manifested even more as the world confronts an existential threat even bigger than COVID-19- climate change. In 2020, climate impacts continued to multiply, even as the already meagre funding for climate action was cut back. Extreme weather events including floods and hurricanes compounded the challenges of responding to the pandemic, proving that our health, economic, and climate emergencies are inextricably linked.¹

Besides highlighting the underlying drivers of vulnerability like poverty, inequality, limited social safety nets, weak health systems, and structural gender inequality, COVID-19 has exposed gaps in social protection systems and wider policies for delivering public goods. It has also heightened awareness of risk and made a strong case for adopting risk-informed decision making and mainstreaming resilience to manage future shocks, including those that are climate induced. The impact of the coronavirus crisis only increases the need for a more transformative and catalytic climate finance system to build back better.

The national and international stimulus packages to combat economic slowdown are a chance to build back better, but only

if each dollar of limited public funding for climate action can be leveraged with many more times funding from other sources.² Beyond the emergency COVID-19 response, countries need to plan for the medium and longer-term recovery phase, including economic stimulus measures yet many COVID-19 policy responses and recovery packages have initially focused on saving lives and health. The environmental sustainability of these measures has been questioned with some analysts contending that there is a risk of further exacerbating the looming emergencies associated with climate change and biodiversity loss.³ Governments across the world have responded with a range of massive fiscal interventions for resetting and directing investments towards green stimulus with developed nations taking the lead. Germany's stimulus in June 2020 amounting to US\$45 billion for example was the first to provide substantial support to green measures. Amidst the 'green recovery' drive however, many governments are still prioritizing environmentally unfriendly stimulus measures supporting fossil fuels to support poverty eradication and economic development which remain the key priorities for developing countries.⁴ Suffice to note is that finance for climate adaptation is likely to have suffered a single-digit percentage fall in 2020 as financial institutions prioritized rescue packages that supported countries' immediate efforts to mitigate health impacts and the economic downturn. Developing countries are as a result presented with an even steeper funding gap for climate adaptation.⁵

¹ Global Centre on Adaptation: State and Trends in Adaptation Report 2020 Building Forward Better from COVID 19: Accelerating Action on Climate Adaptation

² World bank Economic Update: From Crisis to Green Resilient Growth: Investing in Sustainable Land Management and Climate Smart Agriculture, 17th Edition

³ (Vivideconomics, 2020[4]; CarbonBrief, 2020[5]; OECD, 2020[6]; Buckle et al., 2020[7])https://www.oecd-ilibrary.org/sites/4b08b7be-en/1/3/2/index.html?itemId=/content/publication/4b08b7been&_csp_=c6f3f519f231a3bb752ee0777d54c922&itemGO=oeed&itemContentType=book

⁴ Institute for Energy Economics and Financial Analysis and IISD, 'How Green Is India's Stimulus for Economic Recovery?'

⁵ Research by the Climate Policy Initiative (CPI) in Global Centre on Adaptation: State and Trends in Adaptation Report 2020 Building Forward Better from COVID 19: Accelerating Action on Climate Adaptation

2.0 Uganda's Situation



Uganda which is currently in the second wave of the pandemic and consequently total lock down has already experienced dire impacts following the slowdown in economic activity and slump in household incomes in 2020. A number of people returned to agriculture and other natural resource dependent activities, as a means of coping with the crisis, and this has put additional strain on natural resources, which were already stretched from rapid population growth, urbanization, a refugee influx, and the drive for industrialization. Increased demand for food and energy to sustain livelihoods and create income sources have added to the already high levels of unsustainable natural resource utilization. The World Bank reports that about 41 percent of Uganda's land is now degraded, with an unsustainable rate of soil erosion and land degradation whose cost is estimated at about 17 percent of GDP; forest cover is declining by 2.6 percent every year, which is one of the highest rates of forest loss globally. Climate risks, including slow-onset change and extreme events, have exacerbated this natural capital degradation contributing to economic vulnerabilities and poverty and will continue to do so in the future.⁶ This coping mechanism and response to the pandemic has heightened the urgency to enhance sustainable use of natural resources so as to build resilience of communities and the economy. Macroeconomic recovery and stimulus packages must therefore integrate measures to address these environmental and climate issues to spur a green, resilient, and inclusive growth path for the country.

A quick analysis of Uganda's economic recovery shows that the government has rightly put people first by preparing policy measures to increase health spending and strengthen health systems. Still, environmental and climate issues have been relegated to the back. It is important to note that the mid-term review of the second National Development Plan (NDP II 2015/16-2019/20) attributed the failure to achieve the plan's targets on economic growth, employment, export volumes and income poverty to climate change which has been integrated into development planning but not followed with appropriate budgets. The budgetary allocations FY 2020/21 for example show that the Climate Change Programme projected allocation of UGX 593.61 Bn in the NBFY 2021/22 represented only a quarter (25%) of the programme's resource requirement in the NDP III.⁷ Compounding this is the already affected international sources of financing which makes it more likely that climate action will during and after the COVID-19 pandemic continue to face marginalization in terms of resource allocation and that any progress on climate change will significantly depend on the policy choices adopted for economic recovery. The International Monetary Fund notes the challenge of integrating adaptation and mitigation policies but is cognizant of the numerous opportunities to set the economy on a greener path, including the Nationally determined Contributions.

It is against this backdrop therefore, that this paper makes the case for leveraging Nationally determined contributions to integrate climate-resilient and low emission measures into Government's short -, mid - and long-term responses to COVID-19.

⁶ World bank Economic Update: From Crisis to Green Resilient Growth: Investing in Sustainable Land Management and Climate Smart Agriculture, 17th Edition

⁷ ACODE&CARE, Mainstreaming Climate Change in the National Budget Memorandum of Issues from The Review of The Budget Framework Paper FY 2021/2022

3.0 Impact of COVID 19 in Uganda

3.1 Socio- Economic Impact

State of the Economy:

Uganda's economy is recovering albeit with uncertainties especially in light of the second wave of the pandemic that the country is currently facing. The COVID-19 shock slowed growth to its lowest pace in over three decades, with real GDP growth estimated to reach above 3 percent during financial year 2021. As restrictions were loosened, business and trading conditions improved both locally and globally, allowing investments to pick up in the last quarter of 2020, with stronger signs of recovery in the manufacturing and construction sectors continuing into the quarter ending March 2021. Growth in agriculture has been sustained through the cash crops sector, which is relatively better than the food crop sector, in the use of improved farming practices to manage weather variability.⁸

The economy is however expected to feel the impact of the slowdown of the global economy and this may result in a significant loss export earnings from agriculture, remittances from abroad, foreign direct investment (FDI) and the tourism sector because of the lockdown and global travel restrictions. Uganda also exports labour to several Middle East countries which is a source of remittances and support to many poor and vulnerable households. The flow of remittances were predicted to decline by 20% in 2020 due to the economic crisis induced by the Covid-19 pandemic.⁹ However, additional waves of the virus globally and in Uganda, could deter the recovery in Uganda's exports; adversely impact a rebound in FDI, tourism, and remittances; and further depress the domestic economic recovery. Such developments could also worsen the external and fiscal imbalances, and lead to more severe social impacts. Near-term macroeconomic management also faces major challenges and risks related to the oil sector development, shrinking fiscal space amidst rising security spending, increasing use of non-concessional borrowing and fast-rising debt; and growing concerns over governance that could reduce access to external funding.¹⁰

Given the large share of the informal sector in Uganda's GDP (50%) and employment (98% of the working age labour force),

Covid-19 response measures have negatively impacted Uganda's economy and affected people's livelihoods. A total lockdown of the country has resulted in immediate job losses for many Ugandans employed mainly in the informal sector. All teachers in private schools, many boda-boda taxi riders, roadside food vendors, petty traders, and dealers in non-food items have lost their livelihoods. Those in the formal sector have also been affected following several employers in the private sector terminating staff contracts because they can no longer afford to pay their staff.¹¹ With the current second wave, priority remains that of saving lives by intensifying measures that limit the spread of the virus, protect the most at-risk populations and overcome vaccine-related challenges to avoid long-term socio-economic damage from the pandemic.

Sustainable Development Goals:

While SDGs were impacted across the board, the impacts were most severe for the following SDGs: Eliminating Poverty (SDG1), Zero Hunger (SDG2), Good Health and Well-Being (SDG3), Gender Equality (SDG5), and Decent Work and Economic Growth (SDG8).¹²

Increase in poverty and vulnerability:

Following a significant loss of jobs and labour income shocks arising out of the pandemic, Uganda is positioning among the top ten contributors to additional global poverty. 25% of the citizens is back to living below the poverty line, an increase from 21% at the beginning of 2020.¹³ 98% of Uganda's total working age population are engaged in the informal sector where most businesses are neither registered nor protected by the state making it difficult for them to benefit from governments impact mitigation programmes for businesses. In the initial COVID-19 lockdown period to June 2020, 91 percent of households involved in non-farm family businesses received less or no income from their businesses.¹⁴ The lockdown and other COVID-19 related restrictions affected the operation of informal businesses and Small and Medium-sized enterprises (SMEs) that continued to pay rent for premises without operations. By February 2021,

⁸ World bank Economic Update: From Crisis to Green Resilient Growth: Investing in Sustainable Land Management and Climate Smart Agriculture, 17th Edition

⁹ Development Initiatives, 'Socioeconomic Impact of COVID-19 in Uganda: How has the government allocated public expenditure for FY 2020/21'

¹⁰ World bank Economic Update: From Crisis to Green Resilient Growth: Investing in Sustainable Land Management and Climate Smart Agriculture, 17th Edition

¹¹ Development Initiatives, 'Socioeconomic Impact of COVID-19 in Uganda: How has the government allocated public expenditure for FY 2020/21'

¹² United Nations in Uganda Report, (2020) Leaving No One Behind: From the COVID-19 Response to Recovery and Resilience-Building Analyses of The Socioeconomic Impact of Covid-19 In Uganda

¹³ <https://www.independent.co.ug/1-8-million-fall-back-into-poverty-as-uganda-launches-2021-22-budget-strategy/>

¹⁴ World bank Economic Update: From Crisis to Green Resilient Growth: Investing in Sustainable Land Management and Climate Smart Agriculture, 17th Edition

about 50 percent of non-farm family businesses still reported revenues to be below pre-COVID-19 levels, which includes about 10 percent whose businesses remain closed. At the same time, incomes from farming and wage employment also remained lower in about 40 percent of households. As a result, the number of poor people in Uganda is projected to increase by 2.6 million in the short-term. Although people have gone back to work since the steep decline in the employment rate between March and June 2020, household incomes have not fully recovered, and agriculture has absorbed many workers who lost their jobs in other sectors. If not temporary, the shift to agriculture would have reversed somewhat the structural transformation in the labor market (i.e. shift to off-farm and wage employment) that had been realized over the last decade.¹⁵ The urban dwellers suffered a greater risk following the loss of income, although those in the rural areas were also affected due to heavy dependence on subsistence rain-fed agriculture for their livelihoods. Like the ill targeted economic stimulus that benefited the formal sector more than the informal sectors, the government's food distribution intervention had minimal impact. It is important to remember the disproportionate impact on categories such as older persons, women, households with a high ratio of persons with specific needs in addition to those with refugee or migrant status and marginalized groups such as indigenous communities.¹⁶

Impact on sectors:

Whereas all sectors of the economy were impacted by COVID-19 pandemic, the manufacturing and tourism sectors faced a significant impact. The manufacturing sector has felt significant impact, with firms cutting down on production and labour. The onset of COVID-19 has negatively affected the manufacturing sector through closure of plants, factories, and industries. The ban on public transport and the movement restrictions rendered many workers unable to reach the manufacturing plants, except for workers in specific subsectors like large-scale sugar firms and cement factories, which have staff quarters near the plant.¹⁷ The tourism sector, which is one of Uganda's core sectors contributing significantly to job creation and export revenue generation, was badly hit by the pandemic. Similarly, the reduction in Central Government releases of non-wage recurrent budget to Local Governments (LGs) also affected service delivery.

Increasing food insecurity

Most households in Uganda were considered as largely food secure in the period prior to Covid-19. However, the imposition of the nationwide lockdown and other restrictions in response to the pandemic has disrupted food supply chains and have threatened

food and nutritional security. There has been labour shortages, disruption in the supply of farm inputs for both crops and animals, increase in post-harvest losses, especially for perishables due to reduced demand and price collapse, a temporary spike in prices of cereals, and dry products due to panic buying and convenience for bulk storage by households. The severe impact has been felt in the poultry and fishing industries owing to the sharp decline in demand and challenges in accessing inputs. Net food-buying households are severely impacted, compounded by the loss of household incomes. At the same time, subsistence farmers with access to food from own-production could maintain minimal food requirements despite critical hits on income.¹⁸ People living in poverty in urban areas, who primarily rely on casual jobs in the informal sector, have been disproportionately affected due to reduced access to income and high dependence on market purchases. Food security experts warn that while urban areas are likely to transition to a normal food security situation as the first harvest from July lowers food prices, the poorest households in urban areas are likely to face increased food insecurity through much of the remaining months of the year. At macro level, agriculture remains the mainstay of Uganda's economy, supporting the livelihoods of over 70% of the population, most of whom rely solely on subsistence agriculture for their livelihood yet in addition to COVID-19, Uganda also faced a locust invasion affecting crop production in parts of the northern and eastern regions. Added to this, was the impact of flooding and landslides that had a significant negative impact on Uganda's food security situation. These natural disasters have affected the harvest and caused increased food insecurity in the worst-hit areas. The poorest and most vulnerable communities, including persons with disabilities, women, and child-headed households, have suffered the most.¹⁹ Furthermore, continued degradation of the country's natural capital combined with the increasing frequency of climatic shocks could impact many farms and households in Uganda given their limited adaptive capacity to natural disasters and climatic stressors and generally low technology adoption rates.²⁰

Increasing public debt

The fiscal expansion, while important for supporting economic activity and social spending during the crisis, has exacerbated Uganda's fiscal and debt position and compounded the deteriorating trends of the past five years. The fiscal deficit is estimated to widen to about 9.9 percent of GDP by end FY21, from 7.1 and 4.9 percent in FY20 and FY19, respectively. With businesses still constrained by COVID-19 related restrictions and fiscal support to the private sector largely sustained through the exemption and deferral of tax payments, total revenues are

¹⁵ World bank Economic Update: From Crisis to Green Resilient Growth: Investing in Sustainable Land Management and Climate Smart Agriculture, 17th Edition

¹⁶ United Nations in Uganda Report, (2020) Leaving No One Behind: From the COVID-19 Response to Recovery and Resilience-Building Analyses of The Socioeconomic Impact of Covid-19 In Uganda

¹⁷ United Nations in Uganda Report, (2020) Leaving No One Behind: From the COVID-19 Response to Recovery and Resilience-Building Analyses of The Socioeconomic Impact of Covid-19 In Uganda

¹⁸ United Nations in Uganda Report, (2020) Leaving No One Behind: From the COVID-19 Response to Recovery and Resilience-Building Analyses of The Socioeconomic Impact of Covid-19 In Uganda

¹⁹ Development Initiatives, 'Socioeconomic Impact of COVID-19 in Uganda: How has the government allocated public expenditure for FY 2020/21'

²⁰ World bank Economic Update: From Crisis to Green Resilient Growth: Investing in Sustainable Land Management and Climate Smart Agriculture, 17th Edition

estimated at 13.1 percent of GDP in FY21. Meanwhile, both current and development spending are estimated to have breached the budgeted levels for FY21 on the back of supplementary spending to manage the pandemic and its effects, meet classified spending needs, and sustain infrastructure spending. External financing is set to finance 60 percent of the fiscal deficit, which is ambitious, and, as a result, domestic borrowing will likely increase beyond the estimated 3.9 percent of GDP for FY21.²¹ As a result, public debt will rise sharply and exceed the 50 percent of GDP threshold by FY22, while liquidity risks have increased due to increased non-concessional and domestic borrowing. This trend is a major challenge for a country whose debt servicing commitments have steadily increased as rising external public loan financing continues to attract high commitment fees.²²

Major short falls in Domestic revenue collection:

In April 2020, Uganda Revenue Authority (URA) collected about 60% of what was expected and made a shortfall of about UGX 638B and in the previous month of March when the lockdown started, URA collected less revenue by UGX 276B. A 26% drop in exports was also witnessed at the start of the lockdown. Imports from China were greatly affected, and the impact was beyond consumables, but also industries, which were setting up were affected, as machinery could not come in as well the experts to install the machinery and this affected local production. URA notes that parliament removed tax measures from the budget but did not reduce expenditure; hence the budget is no longer balanced.²³

Impact of COVID-19 on the education sector:

Uganda's Vision 2040 highlights education as a crucial mechanism for economic growth, yet the sector has badly been hit by the COVID 19 pandemic. The young comprise 75% of the population and therefore have potential to increase capital and economic growth. In response to the pandemic, e-learning has been adopted but there are massive gaps in access to technology among urban and rural areas in Uganda which perpetuates inequality. Furthermore, electricity is needed to power the technologies for remote learning, yet 8% of households in rural areas have access to the national electricity grid compared to 71.2% in urban areas.²⁴ In addition, there is no policy whatsoever to support online teaching. The impact on private institutions has also been immense as the majority of these are operating on loans, and most of them have breached their loan repayment terms.²⁵

Impact on the health sector

With much of the health sector's focus now shifted to addressing COVID-19, the implementation of Uganda's free universal healthcare programmes at government health facilities has been affected. People living in poverty who mostly rely on free healthcare programs now have to wait longer to access the services or give them up altogether due to travel and other restrictions that make it more difficult for them to access the health facilities. Other impacts of COVID-19 on the health sector are manifesting in the form of reduced attendance to their places of employment by healthcare professionals at a time when many districts have between 30–50% of their approved healthcare staff posts vacant, lack of stock of essential medicines in health centres and the increased incidence of preventable deaths.²⁶

Impact on refugees

Uganda is considered to be one of the most conducive environments in the world for refugees because refugees are allowed to set up businesses, offer labour services for others, and move freely in different spaces in the country. The impact on refugees has been multifaceted including socio-cultural, economic and psychosocial impact. Whereas the impact has been across the country, the living conditions of urban refugees have particularly made it more problematic for them to adhere to public health measures. Many urban refugees live in poorer urban suburbs of Kampala such as Kisenyi, Bwaise, Makindye, Nsambya, Kirombe and Kasaato with inadequate accommodation and public facilities. Some urban refugees are homeless while others live in rented and crowded living conditions without access to water, sanitation, and hygiene (WASH) facilities for good hand washing and hygiene practices that reduce transmission and exposure to the coronavirus.²⁷

Since COVID-19 is perceived as "imported", refugees are considered as its potential transmitters, which heightens stigma and isolation. Lack of culturally and linguistically accessible information and services excludes them from on-going efforts to prevent the pandemic. The lockdown has affected refugee livelihoods and increased income insecurity, sexual and gender-based violence and anxiety.²⁸ In general, the situation has been difficult for refugees who lack contingency livelihoods and social support networks that can serve as shock absorbers and coping resources.

²¹ World bank Economic Update: From Crisis to Green Resilient Growth: Investing in Sustainable Land Management and Climate Smart Agriculture, 17th Edition

²² Development Initiatives, 'Socioeconomic Impact of COVID-19 in Uganda: How has the government allocated public expenditure for FY 2020/21'

²³ Advocates Coalition for Development and Environment. (2020). Fiscal Responses to COVID-19 Pandemic and Economic Recovery Measures: A Synthesis Report of Proceedings of the 10th Annual High-Level Pre-Budget Dialogue, ACODE, Policy Dialogue Report Series No.35.

²⁴ <https://www.globallivingston.org/dir/research/effect-of-covid-19-on-the-educational-sector-in-uganda>

²⁵ Advocates Coalition for Development and Environment. (2020). Fiscal Responses to COVID-19 Pandemic and Economic Recovery Measures: A Synthesis Report of Proceedings of the 10th Annual High-Level Pre-Budget Dialogue, ACODE, Policy Dialogue Report Series No.35.

²⁶ Development Initiatives, 'Socioeconomic Impact of COVID-19 in Uganda: How has the government allocated public expenditure for FY 2020/21'

²⁷ The socio-economic and psychosocial impact of Covid-19 pandemic on urban refugees in Uganda

²⁸ The socio-economic and psychosocial impact of Covid-19 pandemic on urban refugees in Uganda



3.2 Impact on the environment and climate action

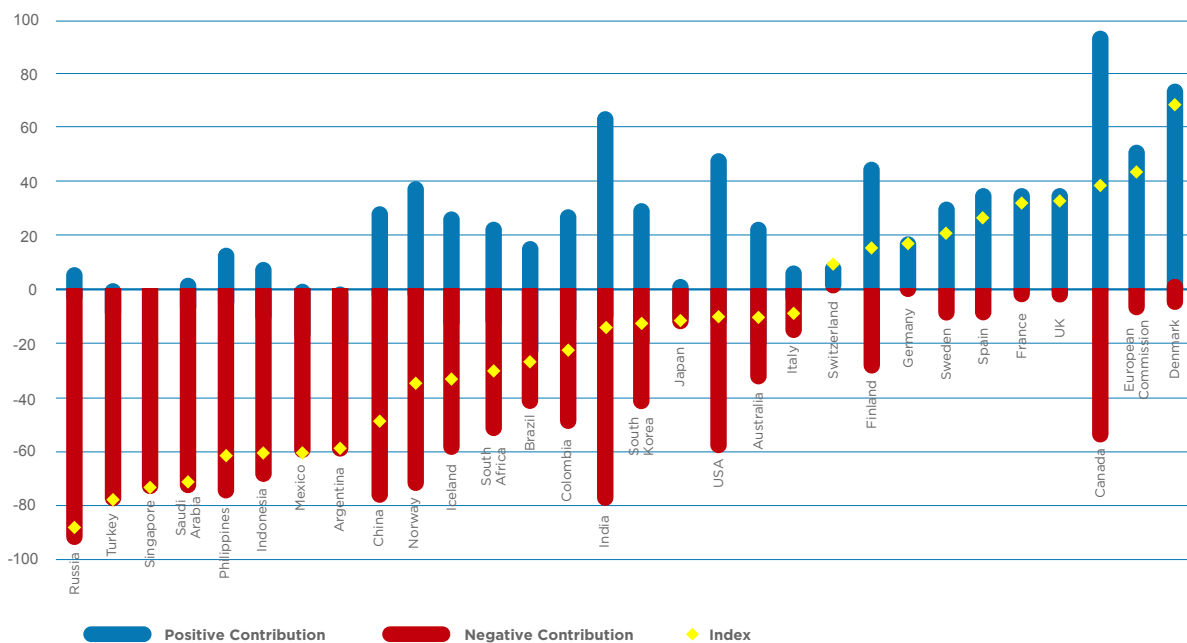
COVID presented a number of effects on the environment and also had implications for climate action including: Postponement of critical conferences like the Africa Climate Change Week and the Uganda Water and Environment Week (UWEWK) 2020; Delay of development of key policy documents like the Climate Change Bill, Enhancement of the Nationally Determined Contributions and development of the Long-term Strategy; Deforestation; impact in biodiversity hotspots like the Albertine Region. On a positive note however, there has been increased: plastic recycling, cycling and walking, increased urban gardening, funds for conservation and clean energy.

4.0 Green Economic Recovery

Recovery spending is likely to exacerbate environmental degradation in most of the economies. Data from Vivid Economics reveals that across 30 major economies and out of the US\$14.9tn total global fiscal stimulus packages, around 31% (amounting to US\$4.6tn) will flow into sectors that have intensive impacts on the environment including agriculture, industry, waste, energy and transport and only US\$1.8tn is green. By April 2020, all G20 countries had signed fiscal measures into law most of which were the rescue kind and prioritizing increasing cashflows to individuals in financial distress and in need of basic needs. With a life and death view, rescue packages differ from recovery packages that embody a longer term view for reshaping the economy for future generations including impact on the climate.

The momentum towards a green recovery is however building and as of February 2021, 17 countries have improved their Green Stimulus Index (GSI) scores, including China, the U.S. and India as illustrated in the figure below.²⁹ In comparison to the 2020 policy announcements, this marks a significant improvement towards greening economic recovery.

Figure 1: Greenness of Stimulus Index as of February 2021



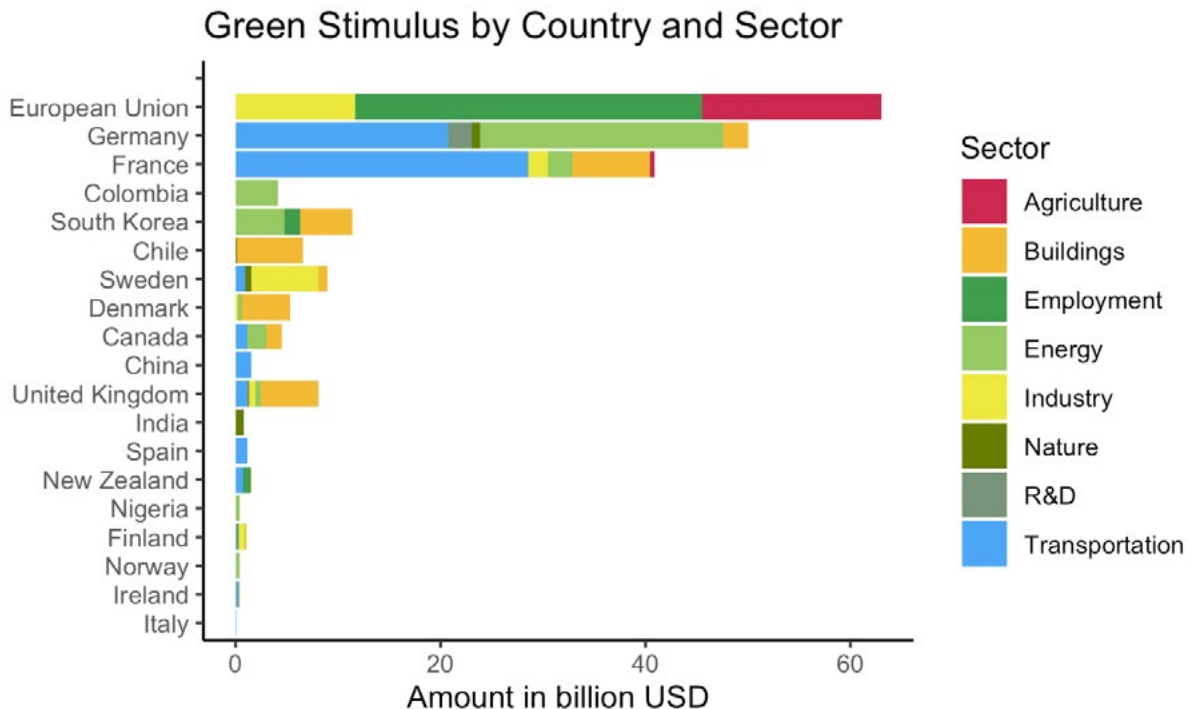
Source: Vivid Economics using a variety of sources
Note: Updated on 30 June 2021

²⁹ Vivid Economics in Institute for Energy Economics and Financial Analysis and IISD, 'How Green Is India's Stimulus for Economic Recovery?'

Some countries are leveraging the pandemic to achieve more resilience to the looming climate crisis. Germany's \$145 billion stimulus plan devotes about one-third of its funds to public transportation, electric vehicles, and renewable energy, with no money provided for combustion engine vehicles. The government is also driving down the cost of clean energy, increasing research and development of green hydrogen, and investing in more sustainable agriculture and forest management as well as initiatives to decrease shipping and airlines emissions; France is investing \$8.8 billion to help its car industry, to become the main producer of electric vehicles in Europe. Its plan includes financial incentives to encourage people to exchange their old cars for lower-emissions vehicles and to buy electric cars; South Korea has introduced a Green New Deal that would make it the first East Asian country to commit to a goal of net-zero emissions by 2050. The plan, which still needs to be signed into law, would include a carbon tax, more investment in renewable energy, training for workers displaced by the transition to clean energy, and an end to public financing of fossil fuel projects; the US

has proposed a \$1.5 trillion green infrastructure plan with much of it focused on green initiatives, resiliency, and reducing the emissions of the transportation sector. The European Union's 750 billion euro (\$825 billion) economic recovery plan, which includes financing for renewable energy, electric vehicle charging and other emissions-friendly projects, including retrofitting old buildings and developing no-carbon fuels like hydrogen, is the world's greenest stimulus plan.³⁰ One of the package's principles is "Do no harm". The money will be spent only on projects that meet some green criteria and 25% of all funding will go to climate change mitigation.³¹ In 2021, the US Administration announced the \$1.9 trillion American Rescue Plan Act of 2021 together with the Build Back Better Plan.³² The Carbon Brief Green Recovery Tracker showcases green stimulus by country by sector including all measures for supporting low-carbon economic activities that are proposed, agreed, and implemented by governments around the world.³³

Figure 2: Green Stimulus by Country and Sector



³⁰ <https://news.climate.columbia.edu/2020/06/25/covid-19-impacts-climate-change/>

³¹ Wikipedia: Impact of the COVID 19 pandemic on the environment

³² Wikipedia: Impact of the COVID 19 pandemic on the environment

³³ https://ledsgp.org/2021/03/green-recovery-for-all-how-developing-countries-can-build-forward-better/?loclang=en_gb

The paths taken by different countries and fiscal policymakers to green their response to the COVID-19 crisis, are diverse and dependent on their macroeconomic conditions, fiscal space, extent to which broad-based stimulus packages have already been launched, capacity to incorporate climate considerations, the ambition of their climate commitments, and the importance placed on other policy objectives.

The illustrations above show that 97% of public spending on post-COVID green recovery is mainly in OECD countries. Developing countries which are the most vulnerable to external shocks including economic turbulence, public health threats and climate change impacts, are still lagging behind. While the EU has reserved 30% of its recovery budget for low-carbon activities, many developing countries lack the requisite public finance to

4.1 How green is Uganda's Recovery Plan (Uganda's Economic Stimulus and Growth Strategy)?

While the Ugandan Government has taken commendable steps to contain the virus, the post-crisis, reconstruction phase should not focus only on health, economic and social issues but must focus on the increased efforts to protect the environment.

During the budget reading in June 2020, the economic stimulus and growth strategy was presented under the theme: Stimulating the economy to safeguard livelihoods, jobs, businesses, and industrial recovery. The objectives are: improving the wellbeing of Ugandans, boosting economic transformation and promoting peace and security and good governance. The recovery package focus areas include: restoring household incomes and safeguarding jobs; reigniting business activity; monetary policy interventions; tax relief to businesses; providing emergency social protection; and health-related expenditure.

The ability of many of the recovery packages to have a positive impact on people living in poverty and other vulnerable groups remains under scrutiny due to what has been construed as bad targeting. The low-interest loans, for example, are unlikely to reach the very poor due to physical, socioeconomic and other barriers.³⁶ Most of the information on eligibility criteria and application processes for loans, was accessible on websites that presented a challenge to the target demographic, which often lacks internet.³⁷ Current social protection programmes have minimal coverage and are not well-targeted. On another front,

address this. However international funding can close this gap and it therefore follows that having a convincing, ambitious, and realistic green recovery plan can be an effective strategy for attracting funders and investors. Climate and SDG-related considerations play an increasing role in determining grant/loan eligibility at multilateral development banks. International public funds such as the Green Climate Fund are making new financing available specifically for green recovery efforts.³⁴

In light of greening recovery and enhancing climate action, the Africa Green Stimulus recommends supporting priorities already identified in countries' national or sectoral master plans, particularly climate change adaptation plans and the Nationally Determined Contributions (NDCs) of the Paris Agreement.³⁵

the government's food relief distribution programme in 2020, targeting the vulnerable urban poor in Kampala and Wakiso districts has also been critiqued for not being targeted to where the greatest need is.³⁸

The above analysis notwithstanding, it is clear that the government has rightly put people first by preparing policy measures to increase health spending and strengthen health systems, but environmental issues have been relegated to the back. It is important to note that the economic stimulus and growth strategy presents an unparalleled opportunity to align COVID-19 recovery to environmental fiscal reform goals. Such reforms are already enshrined in the Uganda Green Growth Development Strategy. Looking at the budgetary allocations FY 2020/21 for the environment and climate change sector, including funding to enhance resilience to climate change, restoration of degraded and protected ecosystems, and forest conservation, the allocated resources are inadequate and focus on business-as-usual activities. They lack consideration of environmental sustainability in the long run.³⁹ In April 2020, President Yoweri in a letter to the Ministry of Water and Environment, explained that it would be suicidal for people to encroach on wetlands, steep mountain ridges, shorelines, and river banks especially in the wake of rising water levels that recently disrupted life on landing sites. In his subsequent national addresses to the public before and during the COVID-19 lockdown, President Yoweri Museveni

³⁴ https://ledsgp.org/2021/03/green-recovery-for-all-how-developing-countries-can-build-forward-better/?loclang=en_gb

³⁵ Africa Green Stimulus: <https://wedocs.unep.org/bitstream/handle/20.500.11822/34409/AGSP.pdf?sequence=3>

³⁶ Development Initiatives, 'Socioeconomic Impact of COVID-19 in Uganda: How has the government allocated public expenditure for FY 2020/21'

³⁷ Only nine percent of Ugandans living in rural areas have access to the Internet and about a third (30%) of urban area dwellers using it Uganda's covid-19 economic stimulus package: Will it deliver?

emphasized 'key' sectors that support the economy and strengthen economic resilience. Whereas he greatly emphasized the role of agriculture and manufacturing, he gave little emphasis to sustainable management of the environment and natural resources that provide raw materials, water for production and supports community livelihoods. It is, therefore, more likely that the Environment and Natural Resources sector will during and after the COVID-19 pandemic continue to face marginalization in terms of resource allocation, which makes it essential for the climate change, environment, and natural resources sectors to be prioritized in the allocation of resources and programming during and post COVID-19.⁴⁰

Uganda developed and adopted a Green Growth Development Strategy (2017/18 – 2029/30) intended to operationalize the broad green growth principles highlighted in the Uganda Vision 2040 and the NDP to support Uganda's accelerated transition to middle-income status. Uganda's development model has hitherto emphasized Gross Domestic Product, per capita income, and poverty reduction as measures of progress with little regard for resource use efficiency, maintenance, and national accounting for natural capital depreciation. While costs are associated with a green transition, especially in the short term, such as increased investment and the resultant tradeoffs, the long-term benefits outweigh the initial investment costs.⁴¹ It has been observed that if the identified green growth interventions were fully implemented, they could provide a boost to economic activity, worth around 10% of GDP by 2040, deliver employment of up to 4 million jobs and reduce future greenhouse gas emissions by 28%.⁴²

In the stimulus package however, green measures are relatively few and shallow, with pledges to invest in a small number of solar-powered irrigation/ water supply schemes (but no broader

consideration of renewables in relation to energy or transport sectors); a generic commitment to enforce existing environmental protection legislation; some support for green jobs and inclusivity (through seed capital to women and youths as well as government's public works programme but it remains unclear what industries and sectors the funds will prioritize. In general, the stimulus supports business as usual activities and lacks alignment with green recovery and more ambitious structural transition as spelt out in Uganda's Green Growth Development Strategy.⁴³ Suffice to note that the stimulus package takes on more of a rescue approach (which is quick and addressing immediate 'life and death' issues) than a recovery approach with a long-term view.

Given the already highlighted impact and considering that Uganda is a natural resource-based economy where the majority of the population highly depends on natural resources for their livelihoods, it follows that the transition to a green economy will require a paradigm shift in the management of the natural resources. The natural environment is humanity's first line of defense against floods, droughts, heat waves, and other disasters thus the need to protect and work with nature to build resilience and reduce climate risks at all scales.⁴⁴ This will require catalytic investments in sectors that have got high green growth multiplier effects like Agriculture, Energy, Industry, Transport and Urban green cities where the transformative aspect of urbanization can be harnessed.⁴⁵

The constrained fiscal space notwithstanding, there are many opportunities to find the resources for green recovery, including: leveraging the Sustainable Development Goals and using them to measure, evaluate, and report on green recovery efforts; designing sector-specific policies for decarbonization identifying funding sources to allocate necessary budgets.

³⁸ UBOS shows that the regions with the highest poverty rates are the Karamoja (61%), Bukedi (48%) and Busoga (42%) sub-regions while Kampala and Wakiso have the lowest poverty rates of about 3%. In Development Initiatives, 'Socioeconomic Impact of COVID-19 in Uganda: How has the government allocated public expenditure for FY 2020/21'

³⁹ <https://www.greeneconomycoalition.org/news-and-resources/ugandas-covid-recovery-must-be-green-and-fair>

⁴⁰ Mugenyi, O., Mugeere, A., and Amumpiire, A., A. (2020). Conserving the Environment and Enhancing Community Resilience: The Key Climate Change Priorities during and after COVID-19, Kampala: ACODE, Policy Briefing Paper Series No.53.

⁴¹ National Planning Authority (2017) Policy Paper on Transition to Green Growth: Policy Options

⁴² Mugenyi, O., Mugeere, A., and Amumpiire, A., A. (2020). Conserving the Environment and Enhancing Community Resilience: The Key Climate Change Priorities during and after COVID-19, Kampala: ACODE, Policy Briefing Paper Series No.53.

⁴³ <https://www.greeneconomycoalition.org/news-and-resources/ugandas-covid-recovery-must-be-green-and-fair>

⁴⁴ Global Commission on Adaptation (2019): Adapt Now, A Global Call for Leadership on Climate Resilience

⁴⁵ <https://www.greeneconomycoalition.org/news-and-resources/ugandas-covid-recovery-must-be-green-and-fair>

4.2 Opportunities for Greening Uganda's recovery

There are several approaches for greening recovery including aligning with existing policy and planning frameworks; Nature-based solutions; Sustainable urban development; Economic, monetary and fiscal tools; leveraging the role of Central and national Banks; International cooperation and financing and Just transition and employment.⁴⁶ The table below further illustrates entry points for greening Uganda's recovery and some examples of what other countries have adopted.

4.2.1 Green Recovery thematic areas

Thematic area	Uganda's intervention	Experience from other countries
Aligning with existing policy and planning frameworks;	<ul style="list-style-type: none"> - SDG Business Strategy which recognizes private sector as key strategic partner; MoFPED, UBOS and NPA are developing a comprehensive business reporting tool to measure compliance with the SDGs - The Climate Change Bill was passed in April 2021 and this will give climate action a thrust - National Development Plan III has not only mainstreamed climate action but given it even more prominence as a fully-fledged programme ⁴⁹ - Uganda's draft NDC: fostering green recovery through more ambitious climate targets and inclusion of more indicators and other sectors - Green Growth Development Strategy (GGDS), which has a clear sustainability plan with implementation road maps to 2020 and 2030, key indicators and clear budget - The Uganda Strategic Investment <i>Framework for Sustainable Land Management (U-SIF SLM) under the stewardship of the Ministry of Agriculture Animal Industry and Fisheries (MAAIF) aimed to scale up and mainstream SLM and CSA into the national development agenda and across sectors.</i> - Uganda's COVID-19 recovery plan - Public Finance Management Act 2015 ⁵⁰ - Inclusive Green Economy Policy Review ⁵¹ 	<p>Nigeria: Sustainability plan for economic diversification and job creation (Renewable energy; Survival fund; removal of fossil fuel subsidies) ⁴⁷</p> <ul style="list-style-type: none"> • Supporting a green recovery through a sustainability plan for economic diversification and job creation.⁴⁸ A key piece of the plan is the US\$619 million Solar Home Systems project serving about 25 million Nigerians who are currently not connected to the national grid. It also provides monetary incentives for private solar installers and aims to create more domestic jobs. • Survival Fund to support the private sector to help diversify the economy, with a particular focus on women. • Removal of fossil fuel subsidies: The subsidy removal is expected to save the government at least US\$2 billion a year. <p>Rwanda: NDC: Fostering green recovery through more ambitious climate targets. Rwanda's NDC includes sectoral implementation plans covering both mitigation and adaptation measures, and distinguishes between measures that are possible without external support and those that would require additional assistance. An NDC Implementation Framework is currently being prepared and through consolidated support from the NDC Partnership and seven development partners, Rwanda is beginning its NDC implementation.⁵²</p>

⁴⁶ Green Recovery for Practitioners- Setting the Course Towards a Sustainable, Inclusive and Resilient Transformation

⁴⁷ Green Recovery for Practitioners- Examples from around the World for Building Forward Better

⁴⁸ According to the Rural Electrification Agency, Solar Home Systems are now available in 12 communities, with 19,000 installations. Nearly 300,000 Nigerians have benefitted from the MSME Survival Fund Payroll Support so far.

⁴⁹ Programme 9 Of the NDP III Is on Climate Change, Natural Resources, Environment, And Water Management

⁵⁰ An Act to provide for fiscal and macroeconomic management.

⁵¹ This Inclusive Green Economy Policy review is part of the Inclusive Green Economy (IGE) Programme that aims to strengthen country and regional capacity of green economy transformation in Ethiopia, Kenya, Rwanda, Tanzania and Uganda.

⁵² Green Recovery for Practitioners- Examples from around the World for Building Forward Better

Thematic area	Uganda's intervention	Experience from other countries
		<p>Jordan: Green Growth National Action Plan (smart electricity grid, a charging infrastructure for electric vehicles, water management projects and sustainable mobility solutions in selected cities). To drive the implementation of her National Green Growth Strategy' the Ministry of Environment, together with the Global Green Growth Institute (GGGI), launched the Green Growth National Action Plan (GG-NAP) 2021-2025 in July 2020. The GG-NAP is a multi-sector implementation plan that will support Jordan's economic growth objectives and climate change targets and build resilience to climate and public health shocks. It focuses on several key sectors.⁵³</p> <p>Colombia: Colombia's comprehensive national recovery package. At its core, the plan integrates climate action through investments in clean technologies and nature-based solutions. A National Policy on Sustainable Recovery has been finalized in February 2021, with a complementary green recovery strategy to follow. Nature-based solutions, supporting biodiversity and sustainable agriculture: Government is planning to invest COP\$19.2 billion of the COP\$135 billion recovery package into 25 strategic renewable energy and transmission projects, accelerating the energy transition and with the aim of creating up to 55,000 jobs. In addition, seven infrastructure and environmental projects are expected to create 59,300 jobs. The package re-affirms a previously announced goal to plant 180 million trees, and the Government has linked recovery efforts to its National Circular Economy Strategy. While Colombia is receiving some support from international lenders such as the World Bank, the Government is also planning to significantly increase public debt in order to finance these and other necessary response measures.⁵⁴</p> <p>The Republic of Korea plans to spend about US\$ 4.84 billion by 2022 on the green transformation of living infrastructure, which will create 89,000 jobs. The money will cover transitioning state-run facilities to zero emissions, as well as implementing new IT-based systems to resolve environmental issues, including tackling fine particles, low-carbon vehicle manufacturing, air quality management and environment awareness education.⁵⁵</p> <p>European Union Member States are placing the Green Deal at the heart of the Union's main recovery strategy. The Deal includes measures to improve the sustainability of agriculture, funding for renewable energy, and support for electric vehicle sales and infrastructure.⁵⁶</p>

⁵³ water, waste management, energy, agriculture, tourism and transport. For instance, it supports the development of a smart electricity grid, a charging infrastructure for electric vehicles, water management projects and sustainable mobility solutions in selected cities. The energy and transport sectors are major contributors to increasing emissions in Jordan.

⁵⁴ Green Recovery for Practitioners- Examples from around the World for Building Forward Better

⁵⁵ http://mirror.unhabitat.org/downloads/docs/E_Hot_Cities.pdf.

⁵⁶ www.gov.kr/portal/ntnadmNews/2174390; http://www.koreatimes.co.kr/www/biz/2020/06/367_290494.html.

Thematic area	Uganda's intervention	Experience from other countries
Economic monetary and fiscal tools	<ul style="list-style-type: none"> - The Climate Change Bill that was passed in April 2021 proposes the establishment of a Climate Change Fund as a special mechanism for climate change financing and management - National Financial Inclusion Strategy 2017-2022: with policies towards micro –credit and digital commerce but with limited acknowledgement of sustainability issues; ongoing plans to create a Green Growth Financing Vehicle; - Green fiscal and monetary policy: MoFPED has directed all government bodies down to local level to produce budgets for environment, biodiversity and climate change; (a certificate of compliance will be required according to the climate change bill)⁵⁷ - Pricing carbon: proposal for a carbon tax to fund reforestation; trading scheme proposals under discussion; - Green sectoral policy plan: guided by the GGDS, the Ministry of Trade and Uganda Cleaner Production Centre are developing a green manufacturing strategy; - Small business support: a certification scheme for green social enterprises is in development; designed to support equity, inclusiveness and environmentally friendly business for sustainable development; - Carbon budgeting: decarbonisation target is a 28% reduction in emissions by 2020; - Clean Energy Policy: ambition high with large hydro power facilities built but lack clear long term and sectoral wide reach; recent oil discoveries may also act as a distraction; - Green Jobs: guided by the GGDS, the Ministry of Gender is in the process of developing a National Green Jobs Strategy; green jobs and equality issues are recognized in the green economy planning but no actions are proposed - The Recovery plan includes: Providing credit through SACCOs and Micro Finance Institutions to support micro and small-scale enterprises; Increase access to credit at Uganda Development Bank to offer low interest financing to manufacturing, agribusiness and other private sector firms; Establishing Microfinance Recovery Fund, targeting small & medium sized enterprises; Support to UIRI (Namanve machine making plant); Providing exceptional liquidity assistance for a period of up to one year to financial institutions supervised by Bank of Uganda that may require it; Waiving limitations on restructuring of credit facilities; Engaging with Mobile Network Operators and commercial banks to further reduce fees on mobile money transactions and other digital payment charges; Increase funding to Uganda Development Corporation for public-private partnership investments to facilitate our import substitution and Uganda is further commended for the recent removal of Value Added Tax (VAT) on Liquefied Petroleum Gas (LPG). This has made it more affordable and enhances use of clean gas as an alternative to bio mass energy.⁵⁸ 	<p>Peru has carried out the following initiatives:</p> <ul style="list-style-type: none"> • The Ministry of Environment and three Peruvian finance sector bodies in October 2020 developed a green protocol with the aim of promoting the integration of environmental and social impact assessments in projects and investments. • The Roadmap to Green Finance in Peru, launched in January 2021, establishes lines of action, identifies relevant stakeholders and sets time frames, deadlines and means of implementation. • The multinational group AJE, member of the Peru Coalition for Sustainable Production, has developed drinks based on Amazonian fruits, which are purchased from Indigenous communities. Launched in July 2020, the coalition aims to achieve deforestation-free supply chains and establish sustainable business environments. <p>India's government has increased taxes on petrol and diesel with the aim of increasing government revenue amidst the economic impacts of COVID-19.⁵⁹</p>

⁵⁷ As part of the country's first National Climate Change Bill, passed by legislators in late April, all government ministries, departments, and agencies would need to submit a climate change compliance certificate to get their funding <https://news.trust.org/item/20210524135528-zp8qv/>

⁵⁸ Mugenyi, O., Mugeere, A., and Amumpiire, A., A. (2020). Conserving the Environment and Enhancing Community Resilience: The Key Climate Change Priorities during and after COVID-19, Kampala: ACODE, Policy Briefing Paper Series No.53.

⁵⁹ www.reuters.com/article/us-india-economy-fuel/india-increases-fuel-taxes-in-a-bid-to-shore-up-revenueidUSKBN211081#:~:text=The%20excise%20duties%20on%20the%20senior%20government%20official%20old%20Reuters.

Thematic area	Uganda's intervention	Experience from other countries
Just transition and employment	<p>The Recovery packages include:</p> <ul style="list-style-type: none"> - Creating jobs for the vulnerable but able-bodied persons affected by Corona Virus by expanding labour intensive public works in urban and peri-urban areas - Providing seed capital to organised special interest groups under the Youth Fund, Women Entrepreneurship Fund and the 'Emyooga' Talent Support scheme - Providing relief aid in response to the Corona Virus crisis, and natural disasters such as the locust invasion and climate change crisis – floods and landslides - Roll out the Social Assistance Grant for the Elderly (SAGE) nationwide to persons aged 80 years and above, including the elderly aged 65 years in the piloted 15 districts - Plastic Recycling: Masks for inclusivity: COVID Masks for hearing impaired people are being made from Uganda's mountains of plastic waste. The masks are designed with a transparent screen made from treated waste plastic fitted into a fabric usually cotton and finished with an elastic band and filter.⁶⁰ 	<p>South Africa: South Africa's Expanded Public Works Programme-Working for Water (WfW) programme.</p> <p>Invasive plants cover about 1% of South Africa's landmass, threatening the country's high biodiversity and water security, and negatively affecting ecosystem services, such as food harvesting or ecotourism. The Working for Water (WfW) programme was launched in 1995 to address these issues while promoting employment and was ramped up in response to the 2008/09 financial crisis as a green recovery measure. WfW employs people to clear invasive plants through mechanical and chemical means, as well as bio-control measures. It thereby pursues the dual goal of creating employment and development opportunities in rural areas as well as preserving biodiversity and reducing water stress. In 2020, the Government announced its plans to further expand WfW in the context of the National Recovery Plan.</p> <p>Ethiopia, Ghana and Kenya: In the context of the second Covid-19 response call, the develoPPP. de initiated the formation of the 'Circular Economy 4 Africa' (CE4Africa) initiative to be implemented in Ethiopia, Ghana and Kenya. The initiative is supported by a broad alliance of more than 40 German, European and African companies, associations, NGOs and innovative financing partners.⁶¹</p> <p>In Latin America, cash for work programmes are supporting the creation of jobs in the recycling sector for Venezuela's migrants. Several countries in the region, such as Brazil, also have recycling cooperatives, which provide employment for vulnerable populations.⁶²</p> <p>Pakistan has introduced a US\$ 47 million green stimulus programme to hire newly unemployed people for the "10 Billion Tree Tsunami". The initiative is designed to plant trees in rural areas so as to restore natural ecosystems.⁶³</p>

⁶⁰ <https://www.dw.com/en/uganda-turning-trash-into-covid-masks-for-the-hearing-impaired/a-56158239>

⁶¹ The consortium focuses on the short- and medium-term creation of new and improved jobs including ad hoc Covid-19 activities in the circular economy to improve health conditions in the partner countries. It commits to the development of private sector cooperation dedicated to a green economic transformation in Africa.

⁶² UN Environment Green approaches to COVID-19 recovery: Policy note for parliamentarians

⁶³ UN Environment Green approaches to COVID-19 recovery: Policy note for parliamentarians

Thematic area	Uganda's intervention	Experience from other countries
Local action and sustainable urban development	<ul style="list-style-type: none"> • Uganda has developed a National Urban Climate Change Profile 2018 • Climate Change Mainstreaming Guidelines in the Lands, Housing and Urban Development 2019 • Kampala Climate Change Action Strategy 2016- has greening the economy as one of its focus areas: <ul style="list-style-type: none"> - Green Circular Economy: Developed an urban agricultural map with a focus on mushroom and vegetable farming in urban areas. An online green services platform has also been developed to facilitate linkage between certified organic farmers and buyers. ⁶⁴ The Local Governments (Kampala City Council) (Urban Agriculture) Ordinance, 2006 further creates an enabling environment. ⁶⁵ - Urban Forestry Management Plan covering an area of 1,625 Hectares; 53,268 trees and 328 tree species 	<p>Mexico City: construction of 54 km of cycling lanes, Bogotá has created an 84 km network,</p> <p>Lima added 46 km and Buenos Aires has announced plans for 60 km.⁶⁶</p> <p>Kenya: In Kenya, Nairobi is including a focus on green infrastructure as part of its recovery plan. The city is improving the protection and quality of green spaces, especially along the Nairobi River, while Supporting people in need.⁶⁷</p> <p>Uruguay: Sustainable electric solutions for urban cargo transport and last-mile logistics SOLUTIONS plus calls on local innovators to create sustainable Urban mobility solutions. An EU-funded flagship project, SOLUTIONS plus aims to boost electrification of transport in urban areas in developing and emerging economies. In this context, Montevideo was selected as one out of two Latin American cities that will receive funds from UN Habitat to generate a programme that promotes the manufacture and use of electric bicycles and light electric utility vehicles in last-mile logistics. The initiative has gained additional importance in the course of the Covid-19 pandemic, which has severely impacted urban and in particular public transport. Many cities saw a decrease in conventional commuting activities, accompanied by a large increase in cycling and walking. Similarly, increased online shopping and greater demand for delivery services have put additional pressure on last-mile logistics (e.g. delivery services). While these developments pose serious challenges for municipalities, they also provide policymakers with a window of opportunity to transform urban traffic systems quickly and radically towards more sustainable solutions.⁶⁸</p>

⁶⁴ The platform can be accessed via the following link: www.ksmartmarket.kcca.go.ug

⁶⁵ Kampala City's Green Agenda

⁶⁶ The Mexican government has highlighted the environmental, economic and public health benefits of cycling, emphasizing the connections between reducing emissions and air pollution, improving mobility and citizens' health, and even decreasing the risk of a severe Covid-19 illness course

The Mexican government has highlighted the environmental, economic and public health benefits of cycling, emphasizing the connections between reducing emissions and air pollution, improving mobility and citizens' health, and even decreasing the risk of a severe Covid-19 illness course

Thematic area	Uganda's intervention	Experience from other countries
Nature based solutions supporting biodiversity and agriculture	<p>The stimulus package includes enhancing the provision of improved agricultural inputs using NAADS e-Voucher Scheme to farmers and upscaling agriculture extension services to boost production of key agricultural commodities</p> <p>Readiness Review for the 2030 Agenda: MoFPED has concrete targets on water pollution, ecosystem management and restoration, reforestation, R&D in its readiness review for the 2030 Agenda</p> <p>Wealth accounting: maintains a detailed and regularly updates a series of environmental accounts including natural capital</p> <p>Natural Capital Accounting Programme: supports government to quantify the value of its natural capital as a measure and indicator of future growth and progress</p> <p>Nature based fiscal reform: few taxes in place, the National Environment Act 2019 points to the use of fiscal and tax instruments to preserve the environment and natural resources</p> <p>GCF Project on Building Resilient Communities, Wetland Ecosystems and Associated Catchments in Uganda</p> <p>The European Union (EU) and the Organisation of African, Caribbean and Pacific States (OACPS) have made funds available through the IUCN Save Our Species African Wildlife Initiative and the BIOPAMA Action Component, both managed by the International Union for Conservation of Nature (IUCN).</p>	<p>Kenya's parliament is considering budget allocations to its proposed economic stimulus package; one of its pillars is dedicated to mitigating the impact of deforestation and climate change. The package also proposes allocating funds to support community conservancies and the Kenya Wildlife Service.</p> <p>The European Commission adopted a biodiversity strategy for 2030 that incorporates biodiversity loss, climate mitigation and adaptation into their recovery plans.⁶⁹</p> <p>Ethiopia: in 2019, launched a Green Legacy Initiative (tree planting) with the aim of addressing the effects of deforestation and climate change in the country. In August 2020, the UN Economic Commission for Africa (ECA) partnered with Ethiopia's Water Ministry and Sweden as donor to kick off a four-year, US\$3.6 million project on nature-based solutions for water resources infrastructure and community resilience, building on efforts in the context of the Green Legacy Initiative.⁷⁰</p> <p>Pakistan's 'green stimulus' package is anchored on the 10 Billion Trees Tsunami afforestation campaign which aims at promoting plantation and natural forests, employing people who lost their jobs to work on the 10 Billion Trees programme. It received US\$188 million from the World Bank to support these plans (April 2020);⁷¹ In response to the Covid-19-induced economic crisis, the Government has launched a 'green stimulus' effort through the programme, exempting it from lockdown orders and pledging to inaugurate seven new national parks.</p> <p>India: Creating employment and supporting biodiversity protection through national economic stimulus programs. The government is providing US\$800 million to tribal communities in forest management, wildlife protection and other related activities, as part of a larger recovery package announced by the Finance Minister (May 2020).⁷² Another green recovery initiative in India aims to extend the country's wetland conservation programme under the National Plan for Conservation of Aquatic Ecosystems (NPCA) from 100 wetlands to a network of 1,000 wetlands, ensuring planning at landscape-level focusing on ecological connectivity and ecological valuation of networks of wetlands.⁷³</p>

⁶⁸ UN Environment Programme Green approaches to COVID-19 recovery: Policy note for parliamentarians

⁶⁹ In January 2020, the European Parliament adopted a resolution calling on the European Commission to design a biodiversity strategy that would move away from voluntary commitments and set legally binding targets, which would be included in the new strategy

⁷⁰ According to the ECA Executive Secretary, the project 'will support communities to look after the trees to maturity, and to manage them for their own benefit as well as to ensure ecosystem integrity'. The project aims to create green jobs improving the livelihoods for 150,000 households, despite its modest budget. Measures include establishing a factory that makes energy-saving stoves, enabling the planting of fruit and fodder trees and building capacity for maintaining forests. One of the project's priorities is supporting rural women and girls in order to address gender inequalities and exclusion, an objective that is centrally embedded through projects such as the Oromia Region Women-Led Green Legacy Initiative.

⁷¹ Green Recovery for Practitioners- Setting the Course Towards a Sustainable, Inclusive and Resilient Transformation

⁷² Green Recovery for Practitioners- Setting the Course Towards a Sustainable, Inclusive and Resilient Transformation

⁷³ Green Recovery for Practitioners- Examples from around the World for Building Forward Better

Thematic area	Uganda's intervention	Experience from other countries
International cooperation and financing	<p>Uganda is in the process of updating its NDC to ensure raised ambition toward a low carbon, climate resilient economy. Concurrently, Uganda is also developing its Long-Term Strategy (LTS) on climate change</p> <p>The country is also benefitting from the NDC Partnership having been the first African country to come up with a National NDC partnership Plan.⁷⁴ Through the Partnership Plan, Uganda is raising its ambition by setting the timeline to achieve several NDC actions sooner.</p> <p>Supporting the off-grid solar and cook stove sectors: Private Sector Foundation Uganda (PSFU) in partnership with GIZ Energising Development (EnDev) Uganda started a project to support the off-grid solar and cook stove sectors to survive the COVID-19 crisis and increase resilience. GIZ was commissioned by Federal Ministry for Economic Cooperation and Development (BMZ) and engaged Private Sector Foundation Uganda to implement this project. The Fund run from November 2020 – March 2021.⁷⁵</p>	<p>Supporting countries in the implementation of ambitious NDCs and in their alignment with national green recovery agendas:⁷⁶ Ambition Initiative Call: At the New York Climate Week 2020, Germany and the United Kingdom announced a special Ambition Initiative under the NAMA Facility (NAMA = Nationally Appropriate Mitigation Action), aiming to support eligible countries in the implementation of enhanced and ambitious NDCs as well as the alignment of these efforts with the national green recovery agendas. More than €174 million in funding has been designated to support climate action. The fund will support developing countries with ambitious mitigation projects to achieve transformation towards carbon neutrality and to allow countries to build forward greener as they recover from the Covid-19 pandemic.⁷⁷</p> <p>Financing a green recovery through debt-for-nature swaps</p> <p>Global: Debt for Nature Swaps Even before the pandemic, concerns were growing over developing countries' debt, which had surpassed US\$8 trillion by the end of 2019. The situation has only been aggravated by the Covid-19 pandemic. Debt-for-climate and debt-for-nature swaps are programmes under which a creditor agrees for the debt to be reduced – either by conversion to local currency and/or paid at a lower interest rate or some form of debt write-off – and the money saved is used to invest in climate resilience, GHG emissions mitigation or biodiversity protection initiatives, among others.</p> <p>Examples:</p> <ul style="list-style-type: none"> • a US\$27 million investment in the Seychelles in 2018 for climate resilience, fishery management, biodiversity conservation and ecotourism. • Argentina has also implemented a debt-for-environment swap together with the United States, allowing certain debts to be bought back in local currency and reinvested in environmental protection. <p>There are new proposals such as 'Debt Relief for a Green and Inclusive Recovery' by the Heinrich Böll Foundation and others. The Alliance of Small Island Developing States (AOSIS) as well as the leaders of Pakistan, Jamaica, Namibia and Mauritania have all urged the consideration of debt-for-climate and debt-for-nature swaps for their countries' Covid-19 recovery efforts.</p> <p>Improving sustainable electricity and clean cooking : The Rwandan Government plans to provide universal access to electricity by 2024 and to clean cooking fuels by 2030. To contribute to the achievement of this goal and to a green recovery, the World Bank approved a US\$75 million grant and a further US\$75 million loan for the Rwanda Energy Access and Quality Improvement Project in September 2020. The World Bank's Clean Cooking Fund (CCF) provided a US\$10 million clean cooking component, with a further US\$10 million from the World Bank's International Development Association. The largest clean cooking operation in Africa, the project will provide access to clean cooking solutions to more than two million people in Rwanda.</p> <p>Rwanda has taken complementary measures to boost clean cooking, with the Ministry of Environment banning the use and supply of charcoal in Kigali City in May 2020 as it steps up efforts to protect the environment by reducing the use of wood fuel. The mobilised funding will be used to support the country's ongoing programme of expanding electricity grid connections, as well as to provide grants to lower the costs of off-grid solar home systems. Furthermore, it will increase the availability of clean electricity by restoring capacity at the Ntaruka hydropower project, improving transmission lines and supporting the national smart meter programme.</p>

⁷⁵ <https://www.psfuganda.org/projects/covid-19-economic-relief-fund-for-the-off-grid-solar-and-cook-stove-sector.html>

⁷⁶ Green Recovery for Practitioners- Examples from around the World for Building Forward Better

⁷⁷ Green Recovery for Practitioners- Examples from around the World for Building Forward Better

Applications for the Ambition Initiative Call will be expected to demonstrate embeddedness in national strategies as well as a clear link to the enhanced and ambitious NDCs and the country's measures to promote green recovery from the impacts of the Covid-19 pandemic. For countries that are members of the NDC Partnership, alignment with their NDC Implementation or Partnership Plans is expected.



4.2.2 Synergies with NDC-related investments and Projects

There are a number of entry points in Uganda's NDC for green economic recovery. These traverse sectors including: agriculture and livestock, forestry, infrastructure, water, energy, health and disaster risk management.⁷⁸ For mitigation, Uganda's focus areas are in the energy supply, forestry and wetland sectors. The table below illustrates the linkages:

Stimulus package		NDC / Greening Entry point	
	Short term	Mid term	Long term
Health related packages	<ul style="list-style-type: none"> - Improve early warning systems for disease outbreaks and public awareness programmes to promote better hygiene - Public health: Provide mobile toilets at evacuation centres, - Installation of community water and rainwater harvesting tanks to provide safe water 	<ul style="list-style-type: none"> - Strengthening public health systems by building hospitals and supplying them with medicine, equipment and well-trained personnel - Expanding electricity or use of off-grid solar system to support water supply - Introduce a prepayment mechanism through operationalization of the national health insurance scheme, and digitalization of healthcare <p>Need a clear strategy on the management of new strains of waste such as masks owing to the COVID-19 pandemic.</p>	<ul style="list-style-type: none"> - Vulnerability assessments of CC to the health sector - Health infrastructure: Renovate and expand health facilities while integrating green and sustainable building standards - Planning and policy: fast track mainstreaming of CC in District Development Plans, projects and programmes
Restoring Household incomes and Safe-guarding Jobs	<ul style="list-style-type: none"> - Enhance the provision of improved agricultural inputs - Offer credit to poor agricultural households at affordable rates. - Provide technical and advisory support to on post-harvest handling, produce storage, value addition - Procure and replace affected/lost livestock, damaged beehives, livestock feeds, poultry chicks - Support construction and repair of damaged fish ponds, stocking and providing fish feeds, - Procurement of poly tanks and solar water pumps for fish tanks - Support public work programmes in green sectors e.g afforestation and reforestation programmes, including in urban areas) - Encouraging efficient biomass energy production and utilization technologies e.g making briquettes, energy cooking stoves - Promote urban agriculture in high value crops - Promote agro-forestry 	<ul style="list-style-type: none"> - Construct silos for communities to increase food security; - Construct small-scale irrigation schemes. - Strengthen the provision of extension services and popularizing government livelihood programmes such as Operation Wealth Creation, NUSAF III, Youth livelihood fund <p>Provide appropriate tax incentives on irrigation equipment such as solar pumps, hose pipes, sprinklers, water storage tanks</p>	<ul style="list-style-type: none"> - Establishment of demonstration sites: e.g. vegetable nurseries, use of solar pumped water - Pasture management: Train pastoralists on pasture conservation and management and making hay - Sensitization, education and training: Sensitize farming communities on sustainable land management practices; - Financial/capital investments: provide sustainable loans - Infrastructure : Support communities that require machinery for post-harvest handling - Construct agro-processing facilities - Strengthen community infrastructure through the construction of wells, dams, water ponds etc. - Ensure social dialogue and workers' representation in decision-making

^{7,8} Uganda's Intended Nationally Determined Contributions

Stimulus package		NDC / Greening Entry point	
	Short term	Mid term	Long term
Providing Emergency social protection	<ul style="list-style-type: none"> - Enhance disaster management and alert systems - Regulate land use in disaster prone areas Regulate land use and prohibiegate land use and - Investing in making existing and new buildings more resilient - Scale up solar street lighting in all urban centers and promote household solar security lighting across the country. 	<ul style="list-style-type: none"> - Integrated Water Resources Management system for flood protection - Develop green belts starting with major streets and highways. - Identify better drainage plans: adopt and promote climate smart road construction technologies. These include: Paving of roads with durable materials; raising road levels as a solution to climate change adaptation to impacts like floods 	<ul style="list-style-type: none"> - Mainstream climate change in all sectors - Establishing a contingency fund to take care of emergency needs after an extreme climate event - Building codes: need to be revised based on region-specific hazards with climate change and multi-hazard resilient construction designs considered. - Undertake city-wide slum upgrading through investment in low cost housing and extension of support infrastructure and utilities especially safe water. - Regulation of Real Estate: Establish a regulator for real estate to eliminate haphazard mixed development, slums
Re-ignite business activity	<ul style="list-style-type: none"> - Apply green and social conditionality on lending - Promote use of renewable energy in the industrial and business parks - Climate proofing investments in electricity power sector - Investing in making existing and new buildings more resilient - Expand green industries and markets through government purchasing - Foster green procurement for public bodies, supporting sustainable supply chains - Consider digital currencies that enable microfinancing of green and social solutions. 	<ul style="list-style-type: none"> - Form and adopt 'exclusion lists' of high-carbon projects and programmes - The tourism sector should promote low-carbon initiatives. 	<ul style="list-style-type: none"> - Update mandate of local Development Banks to support a green recovery - Ensure that land use plans and building codes reflect the need to make public and private buildings more climate-resilient - Update transport codes and regulations and implement measures to ensure compliance with them

Stimulus package		NDC / Greening Entry point	
	Short term	Mid term	Long term
Tax relief to businesses	<ul style="list-style-type: none"> - Increase taxes for polluting industries - Remove fossil fuel subsidies 	<ul style="list-style-type: none"> - Expand green industries and markets through government purchasing - Move to cost-reflective energy tariffs, while protecting the poor - Reduce electricity unit costs for the domestic consumers at household level too in order to increase the use of electricity as cooking energy - Impose moratorium on fossil fuel investments 	<ul style="list-style-type: none"> - Expand planning capacity for green industrial policy and pipelines of green infrastructure projects - Impose moratorium on fossil fuel investments
Monetary Policy Interventions	<ul style="list-style-type: none"> - Include climate change in mandate for economic stability - Ensure asset purchase programmes exclude carbon intensive assets - Create fiscal space for system transformation - Set capital ratios, with higher ratios for holding high-carbon assets - Consider digital currencies that enable microfinancing of green and social solutions 	<ul style="list-style-type: none"> - Stress test all portfolios against climate risks - Cap lending for fossil fuels, end lending to companies without just transition strategies 	<ul style="list-style-type: none"> - Launch green bonds and gilts, considering SDG-linked sovereign debt

5.0 Greening Uganda's Economic Recovery

Uganda's COVID 19 Recovery Plan comprises short-term fiscal stimulus measures concerned with boosting household and business spending through lowering taxes or providing tax rebates, direct transfer to households, among others. However, the alignment of short-term and medium - to long-term policy measures hangs in balance. Suffice to note is that the proposed stimulus measures are focusing on economic activity in the short-run yet the most effective short-run measures in terms of economic recovery may often not have an environmental aspect.

Introducing environmental aspects into the packages

allows governments to make progress towards long-term environmental objectives, such as the transition to a low-carbon and resource efficient economy, while also providing a boost to economic activity in the shorter term. Uganda's economic recovery faces a huge and complex set of challenges, which can only be overcome through an integrated response across shorter-term recovery macro management policies and longer-term actions that will spur a greener, more resilient, and inclusive recovery.⁷⁹ Leveraging on the entry points for greening Uganda's economic recovery discussed above and the proposed transition to green growth policy options,⁸⁰ the next section proposes pathways for greening Uganda's economic recovery

⁷⁹ World bank Economic Update: From Crisis to Green Resilient Growth: Investing in Sustainable Land Management and Climate Smart Agriculture, 17th Edition

⁸⁰ National Planning Authority (2017) Policy Paper on Transition to Green Growth: Policy Options

5.1 Priority Policy Options for Greening Uganda's Economy Recovery

The Green Growth Development Strategies prioritises areas with the greatest green growth multiplier potential for Uganda namely: (i) Sustainable agriculture production and value chains; (ii) Sustainable transport; (iii) Natural capital management; (iv) Sustainable energy sources; and (v) Planned Urbanization (green cities).

Similarly the draft Nationally Determined Contributions prioritises the following sectors: i) Water and Environment, ii) Agriculture, iii) Forestry, iv) Fisheries, v) Energy, vi) Health, vii) Urban, Transport and the Built Environment and viii) Disaster Risk Reduction (Cross-cutting)

To prioritise areas for greening Uganda's recovery, the pertinent policy frameworks have been analysed to tease out the strategic direction of the country in regards to the green agenda. Coupled with the analysis of emerging challenges and opportunities presented by the pandemic and the coping strategies Uganda's population have devised, the following have emerged as the key priority areas for greening Uganda's recovery:



Priority 1: Finance

Climate finance flows still appear to be far below the level needed to achieve the Paris goals and there is also uncertainty over

the mid to long-term prospects of climate finance due to the pandemic. Current and estimated future levels of international public climate finance fall far short of the amount needed to effect real change and enable low-carbon, climate resilient growth in developing countries and this may only get worse amidst COVID 19. Although official statistics of estimated flows over time have not yet been determined, Uganda benefits from both domestic and global climate finance sources with global financial flows more significant than domestic sources.⁸¹ Most of Uganda's international climate finance is presently being sourced from climate funds and multi-lateral and bilateral development banks and partners. As the country seeks to green its recovery, the following will be critical:

1. Integrate climate financing in Uganda's capital markets Development Master plan 2016/17 – 2026/27
2. Green the financial sector: Develop green finance guidelines and frameworks aimed at guiding banks towards greener lending
3. Developing green segments: Enhance efforts to identify a pipeline of eligible green projects.
4. Launch green bonds
5. Develop a national green growth financing and investment plan
6. Leverage carbon markets for climate finance
7. Put in place specific eco-funding or eco-condition existing grants and loans provided for the starting of new enterprises taking into the climate resilience, energy efficiency, water efficiency and sustainable waste management.

⁸¹ Bakiika, R., Mbatuusa, C., Mugeere, A., Amumpiire, A. (2020). Climate Finance Mobilization in Uganda: The most viable financing option, Kampala: ACODE, Policy Briefing Paper Series No.51.



Priority 2: Information and Communication Technologies (Digitalization of sectors)

The COVID pandemic has clearly demonstrated the potential of the ICT sector in ensuring business continuity. ICT is indeed manifesting as an accelerator of national development. The challenge however remains that of limited access to ICT services across the country. The focus of green recovery will therefore be to increase access of ICT services for social and economic development. The following are proposed:

1. Mainstream ICT in all sectors of the economy and digitize service delivery (payments, access to markets via digital platforms and e-commerce, and digital SME finance), consumers (e.g. mobile money, remittances and e-commerce) and the most vulnerable (e.g. expanded and new short-term social safety nets).
2. Extend broadband ICT infrastructure coverage countrywide in partnership with the private sector and implement last mile connectivity in public service delivery areas
3. Expand the Digital Terrestrial Television and Radio Broadcasting network
4. Introduce a prepayment mechanism through operationalization of the national health insurance scheme, and digitalization of healthcare



Priority 3: Transport

The main drivers for transport emissions are population and economic growth. As Uganda's population grows and becomes more wealthy, the overall demand for transport will increase and there is a looming shift from non-motorised transport and public transport, to private car use. Vehicle ownership (excluding motor cycles) increased from only 2/1000 in 2008 to 22/1000 in 2016.⁸² In terms of Uganda's green recovery therefore, focusing only on growing the market for zero emission private vehicles may not be very effective. Rather, the quickest and most cost-efficient way to decarbonize people's daily mobility is to provide an increase in low and zero emissions public transport and promote active mobility alternatives. Investment in public transport not only connects people and communities to economic and social opportunities but also creates millions of decent, sustainable jobs.⁸³ The following are outlined as key entry points for greening the sector:

1. Climate proof existing and future transport infrastructure through design codes and guidelines
2. Increase access to high-volume public transport options e.g.

Bus Rapid Transit Systems, non-motorized transport, traffic controls

3. Provide Non-Motorized Transport infrastructure within urban areas
4. Put in place and implement urban drainage master plans to address drainage and storm water management: including Paving of roads with durable materials; raising road levels as a solution to climate change adaptation to impacts like floods



Priority 4: Urban and Built Environment

It has been posited that green recovery will start in cities as they are essential economic engines for jumpstarting national economic recovery. Urban transformation toward more compact, connected, clean and resilient cities can support a wide range of development priorities, including enhanced economic competitiveness, improved public health, higher living standards and reduced pollution. It is vital that governments introduce national policies that prevent urban sprawl; enhance the environmental and job creation impact; promote energy efficient buildings; promote resilient urban transportation among others as enumerated below:

1. Rehabilitation and expansion of urban drainage and flood management systems in flood prone cities including flood protection infrastructure e.g. dams, drainage channels
2. Develop standards and guidelines for climate proofing of urban built infrastructure, through revision of design codes and land use to embed resilience thinking in infrastructure design
3. Scale up solar street lighting in all urban centers and promote household solar security lighting across the country.
4. Support public work programmes in green sectors e.g urban agroforestry, urban tree-planting programmes (taking care of diversity of tree species along streets, public institutions and private.
5. Develop green parks /belts /spaces by increasing green cover and trees on lowland areas and hilltops as a way of increasing tree cover and habitats for biodiversity.
6. Promote urban agriculture in high value crops e.g. mushrooms and vegetables
7. Undertake city-wide slum upgrading through investment in low cost housing and extension of support infrastructure and utilities especially safe water.
8. Regulation of Real Estate: Establish a regulator for real estate to eliminate haphazard mixed development, slums
9. Support the creation of SMEs on green economy (green tourism activities – eco-friendly approaches, (energy, water,

⁸² Uganda TraCS: Modelling overview: Assessment of mitigation potentials of priority mitigation actions

⁸³ <https://www.uitp.org/news/public-transport-key-to-a-green-recovery-uitp-president-speaks-at-the-pan-european-programme/>

waste, eco material, biodiversity, mobility...)/ helping business access capital conditioned on eco-friendly practices and environmental performance

10. Put in place specific programs that target employment and business enterprises of women, youth and marginalized groups and communities with specific attention to green city development.
11. Engage in environmental and energy certifications and labels in different sectors such as urban agriculture, industry, tourism, services etc. (ISO 14001 and ISO 50001)
12. Invest in eco-industrial/business parks dedicated to green activities that could innovate, demonstrate, and train in green activities and offer training to SMEs.
13. Gazette, protect and restore critical wetlands and other ecosystems that support urban drainage systems.



Priority 5: Energy

Economic Stimulus plans that support clean energy and decarbonisation will certainly create new models for sustainable growth. A just energy transition across sectors and that leaves no one behind will be very important. The potential of renewable energies and energy efficiency, decarbonization, electrification of sectors, and the circular economy all make energy a key focus area for green recovery. Uganda's focus should be on efforts to:

1. Reduce electricity unit costs for the domestic consumers at household level too in order to increase the use of electricity as cooking energy.
2. Promote uptake of alternative and efficient cooking technologies (electric cooking, domestic and institutional biogas and LPG).
3. Encouraging efficient biomass energy production and utilization technologies e.g making briquettes, energy cooking stoves.
4. Expanding electricity or use of off-grid solar system to support water supply.
5. Develop and promote energy saving technologies such as energy saving cook stoves and bulbs.
6. Carryout an energy audit for to assess efficiency among industries and public institutions.
7. Identify and implement tax exemptions for renewable energy equipment and technology.
8. Increase renewable energy installations e.g solar panels in homes and institutions like health centres.



Priority 6: Public Procurement

Beyond it being an administrative function, there is an opportunity to ensure that public procurement drives innovation,

inclusivity, and sustainability and thus morph into a strategic government function.⁸⁴ Sustainable procurement is a driver for creating green jobs and greening small and medium sized enterprises, along with tools like eco-labelling and resource efficiency, which result to profitably and reduced environmental degradation. Uganda has greened its National Public Sector Procurement Policy which is a commendable step. For greening the recovery, the following are proposed:

1. Raising awareness and building capacity among procurement officials and service providers
2. Develop environmental standards criteria and specifications and initiate Eco-labelling schemes
3. Expand green industries and markets through government purchasing
4. Foster green procurement for public bodies, supporting sustainable supply chains

5.2 Costing green recovery response measures

This indicative costing has had to rely on secondary literature to derive a first approximation of the costs of the Green Economic Recovery Plan. It is therefore important to consider the results with this background.

The costing of the National Climate Change Policy Costed Implementation Strategy (CIS) has presented a benchmark for detailed, activity-based investment costs over the short, medium and long term on which other pertinent documents have anchored their indicative costing. The National Development Plan III together with the National Budget Framework Paper FY 2021/22 – FY 2025/26, National Adaptation Plan for Agriculture, the Green Growth Development Strategy, The Uganda Strategic Program for Climate Resilience; the Kampala Climate Change Action, the National Urban Climate Change Profile, Uganda's Stimulus Package and the draft Nationally Determined Contributions (NDCs) have been reviewed to generate the cost estimates that have been used for the green recovery plan.

Like the draft NDC, the National Budget Framework Paper FY 2021/22 – FY 2025/26 is directly aligned with the 5-year National Development Plan III. The report therefore assumes that all the costs are public costs across five years of implementation. With reference to the 18 programmes of the National Development Plan III, the implementing stakeholders for all the interventions in the Green Recovery Plan have been determined as illustrated below:

⁸⁴ <https://www.iisd.org/sustainable-recovery/how-can-procurement-drive-the-global-green-recovery/>

Priority sector	Interventions	Cost (bn Uganda shillings)	Opportunities from the COVID-19 Economic Recovery Plan	Lead Implementing partners
Finance	Integrate climate financing in Uganda's capital markets Development Master plan 2016/17 – 2026/27	0.1	Source of catalytic finance for other interventions; reduction of GHG emissions	MOFPED, BOU
	Green the financial sector: Develop green finance guidelines and frameworks aimed at guiding banks towards greener lending	0.2		
	Developing green segments: Enhance efforts to identify a pipeline of eligible green projects.	0.25		
	Launch green bonds	0.5		
	Develop a national green growth financing and investment plan	0.3		
	Technical Capacity built across Sectors in preparation of bankable project proposals aligned to carbon markets for climate finance	0.2		
	Put in place specific eco-funding or eco-condition existing grants and loans provided for the starting of new enterprises taking into the climate resilience, energy efficiency, water efficiency and sustainable waste management.	366		
Information and Communication Technologies (Digitalization of sectors)	Mainstream ICT in all sectors of the economy and digitize service delivery (payments, access to markets via digital platforms and e-commerce, and digital SME finance), consumers (e.g. mobile money, remittances and e-commerce) and the most vulnerable (e.g. expanded and new short-term social safety nets).	1.5	<ul style="list-style-type: none"> - Increased ICT penetration; reduced cost of ICT devices and services, - 500,000 direct jobs within the ICT sector ⁸⁵ - 80 percent of government services online.⁸⁶ 	MoICT&NG, NITA, UCC, POSTA, UTL, MEMD, UBC/SIGNET, Other Utility service providers (MoWE, MoWT), Telecommunication service providers
	Extend broadband ICT infrastructure coverage countrywide in partnership with the private sector and implement last mile connectivity in public service delivery areas	450		
	Introduce a prepayment mechanism through operationalization of the national health insurance scheme, and digitalization of healthcare	1		

⁸⁵ NDPIII

⁸⁶ NDPIII

Priority sector	Interventions	Cost (bn Uganda shillings)	Opportunities from the COVID-19 Economic Recovery Plan	Lead Implementing partners
Urban and Built Environment	Rehabilitation and expansion of urban drainage and flood management systems in flood prone cities including flood protection infrastructure e.g. dams, drainage channels	30	- More eco-friendly buildings - Increased green economy Carbon sequestration Climate resilient infrastructure	MWE, NEMA, NFA, MoLG, DLG, UWA, MoWT, MoFPED, MoLHUD, PPDA, MoLG, MoJCA, UNRA, URC, CAA, URF
	Develop standards and guidelines for climate proofing of urban built infrastructure, through revision of design codes and land use to embed resilience thinking in infrastructure design	0.3	- Reduce disaster exposure & lower costs for risk/disaster management - Increased green spaces and trees in households for improved health & income	
	Scale up solar street lighting in all urban centers and promote household solar security lighting across the country.	200	- Job growth Behaviour change	
	Support public work programmes in green sectors e.g urban agroforestry, urban tree-planting programmes (taking care of diversity of tree species along streets, public institutions and private.	50	- Improved drainage flows - Waste reduction in households & institutions	
	Develop green parks /belts /spaces by increasing green cover and trees on lowland areas and hilltops as a way of increasing tree cover and habitats for biodiversity	50	- 20% of population adopting efficient building technologies by 2025 - 60% of slums in cities and municipalities upgraded by 2025	
	Promote urban agriculture in high value crops e.g. mushrooms and vegetables	30	- Provision of at least 120,000 square meters of affordable SME workspaces for small scale value addition enterprises in 15 Cities + KCCA	
	Undertake city-wide slum upgrading through investment in low cost housing and extension of support infrastructure and utilities especially safe water.	525	- 1,085,000 jobs created, 111,000 billion Ug Shs Revenue collection 3500 new products introduced in the market	
	Regulation of Real Estate to eliminate haphazard mixed development, slums	330	- 565 industries focused on sustainability out of 1085 industries in industrial parks	
Support the creation of SMEs on green economy (green tourism activities – eco-friendly approaches, (energy, water, waste, eco material, biodiversity, mobility...)/ helping business access capital conditioned on eco-friendly practices and environmental performance	0.4			

Priority sector	Interventions	Cost (bn Uganda shillings)	Opportunities from the COVID-19 Economic Recovery Plan	Lead Implementing partners
	Put in place specific programs that target employment and business enterprises of women, youth and marginalized groups and communities with specific attention to green city development.	12		
	Engage in environmental and energy certifications and labels in different sectors such as urban agriculture, industry, tourism, services etc. (ISO 14001 and ISO 50001)	24		
	Invest in eco-industrial/business parks dedicated to green activities that could innovate, demonstrate, and train in green activities and offer training to SMEs.	5.5		
	Gazette, protect and restore critical wetlands and other ecosystems that support urban drainage systems.	12		
Energy	Reduce electricity unit costs for the domestic consumers at household level too in order to increase the use of electricity as cooking energy	3925	<ul style="list-style-type: none"> - Household and institutional savings - Increase in green jobs- Reduction in street lighting costs - Improved air quality - Energy efficient buildings - 70% of households with electricity by 2025 - 10% of households and institutions cooking with (LPG, Biogas, Solar thermal applications, etc.) by 2025 - 50% of households using biomass and clean energy for cooking by 2025 - 21 grid extensions and 200 grid intensification schemes comprising 4,000km of medium voltage and low voltage lines covering over 50 districts - 5,000 on-grid household connections 	UEDCL, UMEME, MEMD, ERA, REA, MOLHUD, LGs, DPs, MFPED DPs, UEDCL, UNBS, UEGCL, UEDCL, UETCL, REA, PSFU
	Promote uptake of alternative and efficient cooking technologies (electric cooking, domestic and institutional biogas and LPG)	0.5		
	Encouraging efficient biomass energy production and utilization technologies e.g making briquettes, energy cooking stoves	9.5		
	Expanding electricity or use of off-grid solar system to support water supply	200		
	Develop and promote energy saving technologies such as energy saving cook stoves and bulbs	9.5		
	Carryout an energy audit to assess efficiency among industries and public institutions.	4		

Priority sector	Interventions	Cost (bn Uganda shillings)	Opportunities from the COVID-19 Economic Recovery Plan	Lead Implementing partners
	Identify and implement tax exemptions for renewable energy equipment and technology.	2.83	<ul style="list-style-type: none"> - 5,000 off-grid household connections - 500 rural public institutions fitted with solar PV energy packages 	
	Increase renewable energy installations e.g solar panels in homes and institutions like health centres	111		
Public Procurement	Raising awareness and building capacity among procurement officials and service providers	1	<ul style="list-style-type: none"> - Efficient use of public resources - Source of climate finance - Helps achieve the Sustainable Development Goals including environmental targets. • Sets an example to private consumers. • Raises awareness of environmental issues. • Improves quality of life. • Helps establish high environmental performance standards for products and services 	MOFPED, PPDA
	Develop environmental standards criteria and specifications and initiate Eco-labelling schemes	0.3		
	Expand green industries and markets through government purchasing	6.3		
	Foster green procurement for public bodies, supporting sustainable supply chains	2.3		
Transport	Climate proof existing and future transport infrastructure through design codes and guidelines	11.7	<ul style="list-style-type: none"> - Household savings - Increase in green jobs Reduced GHG emissions -Improved air quality - Traffic de-congestion 8140km of urban paved road by 2025 	MoWT, UNRA, URC, UCAA and URF
	Prepare city mass rapid transport master plans and increase access to high-volume public transport options e.g. Bus Rapid Transit Systems,	375		
	Provide Non-Motorized Transport infrastructure within urban areas	6		
	Put in place and implement urban drainage master plans to address drainage and storm water management: including Paving of roads with durable materials; raising road levels as a solution to climate change adaptation to impacts like floods	18000		

6.0 Conclusion

This paper has assessed the greenness of Uganda's economic recovery plan, presented entry points and proposed pathways for greening the economic recovery in a way that catalyzes the realization of Uganda's national goals as stipulated in the Uganda Vision 2040 and the NDPIII. Whereas development and economic recovery can be achieved even with a business as usual modal, it is important to recognize that the green pathway assures the country of higher economic growth rates and GDP figures that come along with sustainable use of natural and environmental resources. The extreme weather events as a result of climate change make climate action a must rather than an option if Uganda is to achieve and sustain significant development progress.

Uganda has in the past mainstreamed climate change and green measures in development planning and budgeting and have even elevated the criticality of climate action which is now a fully fledged program in the NDPIII yet implementation remains constrained. A number of policies and plans continue to be anchored on The Green Growth Development Strategy albeit with negligible practical and on ground interventions. The few initiatives are either in a smaller scope or with unsustainable financing hence in need of scaling up. Considering that the country is in the process of updating its NDC, there is an opportunity to align implementation plans of both the economic recovery, the green growth strategy and the NDC.

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