



Civil Society Budget Advocacy Group

CSO PERSPECTIVES ON LOCALLY LED ADAPTATION FOR CLIMATE FINANCE IN UGANDA

Discussed at the 2nd Climate Finance Conference, Kampala April 2025



OXFAM

CSO perspectives Locally Led Adaptation for Climate Finance in Uganda

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ACRONYMS

AF	Adaptation Fund
GCF	Green Climate Fund
GEF	Global Environmental Facility
FY	Financial Year
IPCC	Intergovernmental Panel on Climate Change
LLA	Locally Led Adaptation
NDCs	Nationally Determined Contributions
NDP	National Development Plan
UNFCCC	United Nations Framework Convention on Climate Change

1.0 ABOUT CSBAG

Civil Society Budget Advocacy Group (CSBAG) is a coalition formed in 2004 to bring together civil society actors at national and district levels to influence public resource allocation and accountability. Since 2004 CSBAG engages Uganda's budget process to incorporate the views of the marginalized people in the national budget. Aligned with this mission, CSBAG has developed this analytical paper to provide deeper insights into locally led adaptation financing for climate change and to explore ways in which the Government of Uganda can strengthen this approach. This paper is a product of the 2nd African Climate Finance Conference, held in Kampala in April 2025.

2.0 INTRODUCTION

Uganda faces escalating climate-related risks, including extreme weather patterns, floods, and heatwaves, significantly impacting its economy and the livelihoods of its citizens. Addressing these challenges requires substantial financial resources, estimated at USD 28.1 billion by 2030, for adaptation and mitigation efforts (NDCs,2022).

This paper explores the crucial role of climate finance in Uganda, emphasizing the need for mitigation, adaptation, capacity building, and technology transfer, especially to those most affected by climate. It highlights key international agreements such as the UNFCCC, Kyoto Protocol, and Paris Agreement, as well as the roles of international bodies in mobilizing climate finance. It further examines Uganda's budgeting for climate finance, compliance with climate change-responsive budgeting, and the allocation of resources to relevant programs.

Finally, it introduces the concept of Locally Led Adaptation (LLA) as a mechanism to prioritize local decision-making and empower communities to implement tailored climate adaptation solutions, advocating for a shift towards channeling 70% of climate finance directly to local actors to address their specific needs.

3.0

Climate Landscape in Uganda.

Uganda's climate-related risks continue to rise with extreme weather patterns, heavy and erratic rains that have caused landslides and flooding. Moreover, on an annual basis, floods impact nearly 50,000 people and cost over \$62 million In Uganda. The recent Uganda multi-hazard, 2025 report indicates that 1,336 people were displaced in January 2025. Key among the prone areas include Bududa, Kasese, Ntoroko, and the Capital City itself, which is always submerged in water after down pour. The heatwaves that hovered over the country in January to February 2025, with temperatures reaching and above 37°C, this is further exacerbating the drought conditions and wildfires in the country. Climate-related risks have an impact on the economic growth and livelihood of citizens. According to the Annual State of Disaster Report, Uganda suffered direct economic loss due to disaster worth UGX. UGX 234.70 billion. A price due to climate inaction will cost the country about US\$273 and US\$437 billion in the core sectors of Agriculture, Infrastructure Energy and water.

Table 1: Summary of costs of inaction to climate variability and change 2010-2050 for Uganda Annual Costs (US\$Mn.)

Sector	2025		2050		Total 2010-2050	
	LB	UB ³	LB	UB	LB	UB
Agriculture	293	513	1,401	2,458	22,200	38,300
Water	2,437	4,499	5,538	10,225	120,356	222,225
Energy	338	338	10,443	10,443	123,600	123,600
Infrastructure (*)	94	505	581	3,857	6,478	52,747
Total Costs to Uganda	3,162	5,855	17,963	26,983	272,634	436,872

Source: Economic Assessment of the Impacts of Climate Change in Uganda Report, MWE

3.1 Why Climate Finance?

Uganda requires USD 28.1 billion to implement both unconditional (domestic resources) and conditional (subject to international support) adaptation and mitigation actions, targets, and cross-cutting issues of technology development and transfer, gender, and capacity building across all sectors up to 2030. Financial support is expected to be mobilized from domestic and international sources. The estimated cost for adaptation and mitigation is USD 17.7 billion (63% of the total cost) and USD 10.3 billion (37% of the total cost), respectively, up to 2030. Of the adaptation and mitigation budget, 85% of the funds are conditional on external support, while only 15% is non-conditional and can be mobilized within the government's means.

Due to the population's vulnerability, Uganda must quickly adjust and move toward a low-carbon (green) economy in order to preserve future prospects for economic growth. A significant investment in green technologies will be necessary for this to be achieved. This requires massive investment in green technologies. As such, this calls for a better alignment of the financial sector with policies and practices that support green growth.

Climate finance is crucial to meet the substantial expenditures that are needed to drastically reduce emissions, particularly in sectors that release big amounts of greenhouse gases thus playing a key role in reducing negative implications of Climate Change. It is also equally important for adaptation, for which significant financial resources are similarly required to allow societies and economies to adapt to the adverse effects and reduce the impacts of climate change. Besides, climate financing is relevant in the discourse on tackling the issue of loss and damage.

Key focus Areas Under Climate Finance

- **Mitigation:** Reducing greenhouse gas emissions.
- **Adaptation:** Building resilience to the impacts of climate change.
- **Capacity Building:** Supporting developing countries to develop and implement climate action plans.
- **Technology Transfer:** Facilitating the transfer of climate-friendly technologies.
- **Financing Mechanisms:** Establishing mechanisms for mobilizing climate finance from developed to developing countries

3.2. Uganda's Climate Policy and Legal Framework

Uganda has a strong legal and policy frameworks, which provide a roadmap to address climate change, translate international commitments into enforceable actions, and ensure a coordinated, sustainable approach to tackling this global challenge. These include.

The National Climate Change Act, 2021 provides the legal framework for climate finance in Uganda. This Act provides for participation in climate change mechanisms as well as institutional arrangements for coordinating and implementing climate change measures; provides for financing for climate change; and for related matters. Specifically, Section 30 of the National Climate Change Act 2021 mandates the Minister in consultation with the Chairperson of the National Planning Authority, to issue a certificate certifying that the Budget Framework Paper is climate change responsive and contains adequate allocation for funding climate change measures and actions. Climate Change Act, 2021.

National Climate Change Policy (2015, revised 2023). Guides to climate action and financing as well as the Nationally Determined Contributions (NDCs, Updated 2022). Uganda's updated Nationally Determined Contribution (NDC), submitted in 2022, aims for a 24.7% reduction in greenhouse gas emissions by 2030 compared to a business-as-usual scenario, an improvement from the 22% target in its 2016 Intended Nationally Determined Contribution (INDC).

3.3 Country level strategies

Uganda continues to develop and implement new measures to strengthen its capacity to address climate change. These efforts aim to translate international commitments into enforceable actions and ensure a coordinated, sustainable approach to tackling this global challenge, as outlined below.

The National Climate Financing Strategy 2023/24 - 2029/30. This initiative, currently underway under the Ministry of Finance, Planning, and Economic Development, will be anchored in the NDC conceptualization and will outline strategies and interventions to unlock the necessary climate finance. It will define approaches to mobilizing both public and private climate finance, facilitating capital flows toward climate change investments.

Guidelines for mainstreaming climate actions into the financial sector 2024. These guidelines provide a clear framework for managing climate-related risks, identifying sustainable investment opportunities, and aligning institutional objectives with Uganda's climate commitments. They empower financial institutions to drive green financing, enhance resilience, and contribute to a low-carbon economy while ensuring long-term financial sustainability.

Uganda Carbon Markets Regulations & Fiscal Framework 2025. Aims to enhance the country's readiness to engage in carbon markets while establishing clear fiscal guidelines for participation. The fiscal framework integrates carbon pricing strategies and financial incentives to attract private sector investment in climate-friendly projects.

The National Disaster Risk Financing Strategy & Implementation Plan 2025 -Strengthens disaster preparedness by mobilizing finance swiftly and at scale. The strategy seeks to expand disaster financing instruments beyond the contingency fund, ensuring a more comprehensive approach to managing climate-related risks. Additionally, it focuses on strengthening national preparedness to access global financial mechanisms, such as the Loss & Damage Fund,

which supports countries in addressing climate-induced disaster.

National Green Taxonomy (NGT) 2025. Provides clear criteria for classifying green projects. It aims at supporting the private sector to channel capital into investments that contribute to carbon reduction and climate resilience

National Development Plan IV (2025/26-2029/30). Integrate climate finance into national planning.

First National State of Climate Finance Report 2025. The report underscores the need for transparent and equitable funding mechanisms to support climate adaptation and mitigation efforts. Additionally, it examines fiscal policies that align with Uganda’s climate goals.

3.4 Institutional Framework for Climate Finance

Uganda has established an institutional framework to address climate finance, focusing on mobilizing resources for climate change adaptation and mitigation, promoting accountability, and fostering sustainable development. Below are some of the institutions and their role in climate finance in Uganda.

Table 2: Key Institutions and their roles

Institution	Role
MoFPED (Climate Finance Unit)	Established in 2023, mobilizes climate finance from national & international sources and coordinates its utilization for climate action
Ministry of Water and Environment (Climate Change Department)	Coordinates Uganda’s climate action efforts, including adaptation, mitigation, outreach, and international collaboration.
National Environment Management Authority (NEMA)	Regulates and monitors environmental management practices and ensures climate action compliance with national policies.

Institution	Role
Bank of Uganda & Private Sector Engagement Platforms	Facilitates the mobilization of financial resources for climate investments and engages the private sector in green financing
Uganda Green Growth Development Coordination Secretariat	Coordinates green growth initiatives, ensuring that Uganda's development is low carbon and climate resilient
Development Partners and Multilateral Institutions	Provide technical and financial support to Uganda's climate initiatives through grants, loans, and investment in Climate projects
Office of the Prime Minister (OPM)	Office of the Prime Minister (OPM) Implements disaster risk reduction strategies and coordinates national responses to climate induced disasters, ensuring resilience building and emergency management across all sectors

3.5 Major Climate Change Agreements

The major climate change agreements include the United Nations Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol, and the Paris Agreement, with the Paris Agreement being the most recent and comprehensive, aiming to limit global temperature rise.

United Nations Framework Convention on Climate Change (UNFCCC): This is the foundational international treaty on climate change, adopted in 1992, with the objective of preventing dangerous man-made interference with the global climate system.

Kyoto Protocol: Adopted in 1997, this protocol introduced the first legally binding emissions reduction target for developed countries, which expired in 2020.

Paris Agreement: Adopted in 2015, this agreement is a legally binding treaty that sets a global goal to limit the planet's average temperature

rise to well below 2°C (3.6°F) above pre-industrial levels, with a further pursuit to limit the increase to 1.5°C (2.7°F). **Copenhagen Accord:** While not a formal agreement, the Copenhagen Accord was a non-binding agreement reached at the 2009 Copenhagen Climate Change Conference, which laid the groundwork for the Paris Agreement.

Montreal Protocol: While primarily focused on protecting the ozone layer, the Montreal Protocol has indirect benefits for reducing climate change by phasing out ozone-depleting substances that are also potent greenhouse gases.

3.6. Key international bodies

International bodies play a crucial role in financing climate change initiatives, with key organizations like the UNFCCC, IPCC, and various climate funds (e.g., Adaptation Fund, Green Climate Fund) providing platforms and resources for international action and funding. The table below shows key international Bodies for financing climate change adaptation and mitigation as well as their their roles. (<https://www.carecprogram.org/uploads/PPT-Adaptation-26August-CL.pdf>)

Table 3: Key international bodies and their role in the Global Climate Finance Landscape

Key International Bodies Roles	Key International Bodies Roles
United Nations Framework Convention on Climate Change (UNFCCC)	The main international forum for addressing climate change, with 195 countries participating
Intergovernmental Panel on Climate Change (IPCC)	A leading international body for assessing climate change, providing scientific information and guidance to the UNFCCC and Paris Agreement
Adaptation Fund (AF)	Finances concrete adaptation projects and programs in developing countries vulnerable to climate change impacts.
Green Climate Fund (GCF)	Aims to support developing countries in raising and realizing their Nationally Determined Contributions (NDCs) towards low emissions, climate-resilient pathways
Global Environmental Facility (GEF)	A financial institution that provides grants for projects addressing global environmental issues, including climate change
Climate Investment Funds (CIF)	A group of funds that provide financial support for climate change mitigation and adaptation projects in developing countries, focusing on renewable energy and climate-resilient infrastructure

Source: CSBAG's Compilation using information from CAREC

3.7 Challenges in Climate Finance Mobilization & Utilization

Uganda, like many developing countries, has encountered several challenges associated with mobilizing resources for climate finance. These include:

Inadequate Private Sector Participation. This is caused by the perceived risks in green investments, but also by other factors such as high costs of doing business, limited management capacities, weak supporting environments, weak enforcement of standards, as well as corruption and lack of transparency.

Insufficient Tracking & Reporting Mechanisms. This hinders transparency, accountability, and effective resource allocation, impacting climate action and development efforts. It is also attributed to by lack of professional personnel such as lack of a Carbon Auditor who is responsible for measuring, analyzing and reporting on greenhouse gas emissions.

Limited Access to International Climate Finance. This is a result of stringent eligibility criteria and co-financing requirements that a developing country like Uganda finds it very difficult to comply with or to meet.

Weak Coordination at the National and Local Governments. There is over-centralization of Climate change initiatives, and this slows down the implementation of Climate change projects at the local government level, where communities are the direct victims of climate change.

Limited Technical and Institutional Capacity. Uganda faces challenges in accessing and effectively utilizing climate finance due to limited technical and institutional capacity, hindering the development of bankable projects and the implementation of climate change actions. (Need for capacity-building in financial structuring).

4.0

Uganda's Climate Financing Needs.

Uganda requires USD 28.1 billion to implement both unconditional and conditional adaptation and mitigation actions and targets of the updated NDC and its cross-cutting issues of technology development and transfer, gender, and capacity building across all sectors up to 2030. Financial support is expected to be mobilized from domestic and international sources. Across all sectors, the estimated cost for adaptation and mitigation is USD 17.7 billion and 10.3 billion USD, respectively, up to 2030. Of the adaptation and mitigation budget, 85% of the funds are conditional on external support, while only 15% is non-conditional and can be mobilized within government means. Also, the estimated cost of crosscutting activities, including coordination support, is USD 0.1 billion. (Ministry of Water and Environment, 2022).

4.1 Climate finance in Uganda

Institutionally, the National Climate Change Act devotes the mandate of mobilizing climate finance to the Ministry of Finance, Planning and Economic Development (MoFPED). This aligns with MoFPED's mandate of mobilizing financial resources, regulating their management and formulating policies that enhance overall economic stability and development. MoFPED works closely with the National Planning Authority and the Ministry of Water and Environment (Climate Change Department).

According to the Programme approach, climate change adaptation and mitigation is delivered under the Natural Resources, Environment, Climate Change, Land and Water Management Programme. In the Financial Year 2023/24 Ministry of Finance introduced budget outputs in the Integrated Financial Management System (IFMIS) specifically, Code 000089 for Climate Change Mitigation and Code 000090 for Climate Change Adaptation with an intention of ease tracking and reporting on the Climate finance within the national budget.

Government has since FY2022/23 produced compliance assessment reports to the National Budget Framework Paper through Ministry of Water and Environment and the National Planning Authority. The compliance report for FY2024/25 and FY2025/26 reveals a decline in the overall compliance from 62% in FY2024/25 to 53% in FY2025/26.

A further look at this assessment reveals significant variation in their scores, such as Natural Resources, Environment, Land and Water Management Programme, which improved from 55% (unsatisfactory) in FY2024/25 to 91% (satisfactory) in FY2025/26 Agro-Industrialization, which improved substantially from 60% in FY2024/25 to 79% in FY2025/26, while Integrated Transport Infrastructure Services declined sharply. See table below for more details

Table 4: Climate Finance Compliance Scores for National Budget Framework Paper FY2024/25-FY2025/26

PROGRAMME	COMPLIANCE SCORE FY2024/25	COMPLIANCE SCORE FY2025/26
Private Sector Development	35%	45%
Development Plan Implementation	80%	46%
Regional Development	68%	48%
Agro-Industrialization	60%	79%
Sustainable Urban Development	31%	57%
Manufacturing	33%	47%
Tourism Development	60%	58%
Sustainable Energy Development	80%	75%
Integrated Transport Infrastructure Services	78%	40%
Sustainable Development of Petroleum Resources	83%	49%
Mineral Development	80%	
Natural Resources, Env't, Land and Water Mgt	55%	91%
Human Capital Development	67%	44%
Overall Score	62%	53%

Source: CSBAG Compilation Climate Change Budget Compliance Assessment Report, 2024 & Budget Committee Report NBFP FY2025/26

The Natural Resources, Environment, Climate Change, Land and Water Management Programme, the focus for FY 2024/25 was to invest in economy-wide climate change adaptation and mitigation measures in all sectors through mainstreaming and implementation of climate change mitigation below:

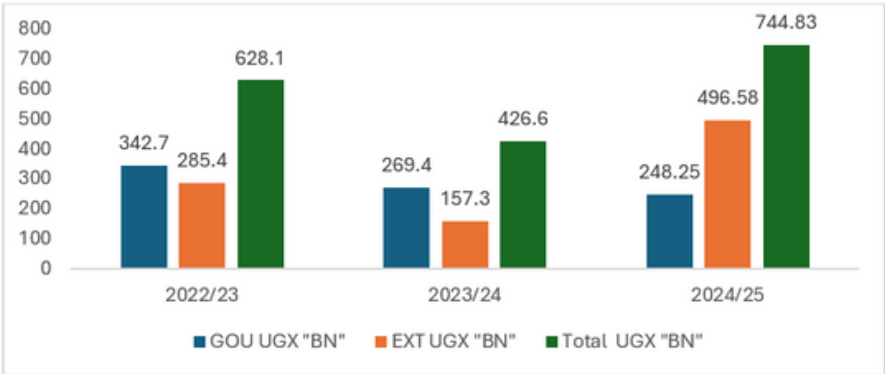
1. Carbon pricing; investing in emission tracing infrastructure to showcase carbon competitiveness.
2. Investing in climate-smart infrastructure.
3. Supporting Research & Development in climate-smart technologies.
4. Investing in economy-wide adaptation in all sectors e.g., efficient irrigation structures and water management infrastructure, introduction and adoption of drought-prone and flood-prone crop varieties; and
5. Make financing options more accessible such as insurance schemes for agriculture.

4.2 Trends analysis of the Programme Allocations

Over the past three years (FY2022/23- FY2024/25) , the Natural Resources, Environment, Climate Change, Land and Water Management programme received total funding of UGX 1799.53Billion with external financing amounting to UGX 939.28 billion, constituting 52% of total financing and Government of Uganda financing amounts to UGX 860.35 billion, constituting 48% of the total financing. This makes the programme vulnerable to shifts in foreign policies which affect the implementation of the sector plans.

Graph showing financing of the Natural Resources, Environment, Climate Change, Land and Water Management Programme Allocations for Financial Year 2024/25 (UGX Billion) by source of funds.

Graph 1: Trends analysis of the Programme Allocations FY2022/23-FY2024/25



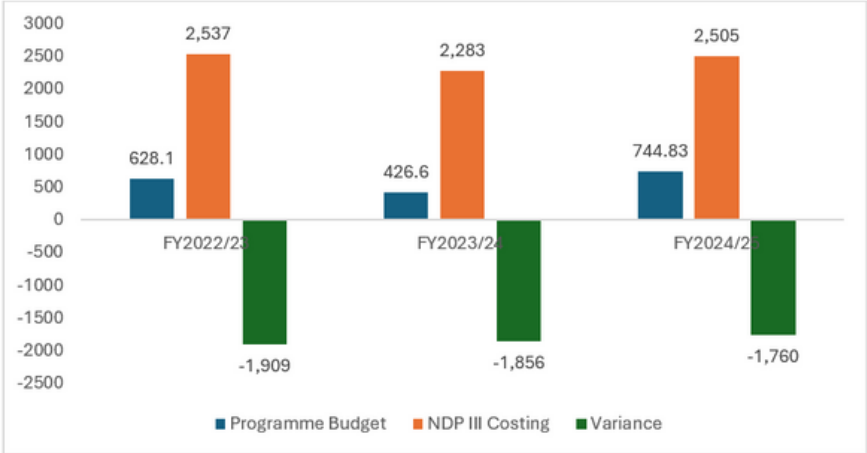
Source: CSBAG's Compilation based on Approved budgets for FY2022/23,2023/24, and FY2024/25

UGX 1799.53Billion
allocated to the Natural Resources,
Environment, Climate Change, Land and
Water Management programme in
FY2022/23- FY2024/25

4.3 Alignment to the NDPIII Targets FY2022/23-FY2024/25)

In addition, in the graph below, over the financial years, there were inconsistencies between budget allocations to Natural Resources, Environment, Climate Change, Land and Water Management Programme and the corresponding NDP III cost for the programme. Categorically, in FY2022/23, the financial gap of the Natural Resources, Environment, Climate Change, Land and Water Management Programme, concerning the NDP III, was higher than the other preceding financial year. See figure below for more information

Graph Programme Allocations in relation to NDP III targets FY2022/23-FY2024/25



Source: Authors' construction using data from the FY2024/25 approved budget for programme budget, MoFPED and National Planning Authority for NDP III.

There inconsistencies between budget allocations to Natural Resources, Environment, Climate Change, Land and Water Management Programme and the corresponding NDP III cost for the programme

4.4 Budget Performance

A review of budget performance by half year FY2024/25 reveals significant disparities between the approved budgets and actual funds utilized by September 2024. For instance, whereas the Ministry of Water and Environment had an approved budget of UGX 167.89 billion, it spent only spent UGX 4.717 billion by September 2024, representing a low absorption of 2.81%. Similarly, the National Forestry Authority had an approved budget of UGX 74.003 billion but only spent UGX 3.457 billion. Also a look at NEMA budget performance reveals a utilisation percentage of 14.75 %. In that whereas NEMA had an approved budget of UGX 25.935 billion, only UGX 3.827 billion was spent by the end of September 2024 raising concerns its mandate of conserving the environment and enforcing environmental protection which is a preventive side of adverse climate change shocks are underfunded. See table below for details on budget performance of the Program Votes.

Table 5: Budget Performance of Programme Votes FY2024/25

Billion Uganda Shillings	FY2024/25		2025/26
	Approved Budget	Spent by End Sep	Proposed Budget
003 Office of the Prime Minister	15.684	1.199	15.684
012 Ministry of Lands, Housing & Urban Development	122.808	30.618	3.1
019 Ministry of Water and Environment	167.89	4.717	296.973
122 Kampala Capital City Authority (KCCA)	19.296	1.072	17.956
150 National Environment Management Authority (NEMA)	25.935	3.827	25.934
157 National Forestry Authority (NFA)	74.003	3.457	47.033
606 Local Governments 06	9.112	0	4.82
Total for the Programme	473.72	48.284	411.5

Source: National Budget Framework Paper FY2025/26.

Whereas the Ministry of Water and Environment had an approved budget of UGX 167.89 billion in FY2024/25, it spent only spent UGX 4.717 billion by September 2024, representing a low absorption of 2.81%.

5.0

Locally Led Adaptation (LLA)

Locally Led Adaptation (LLA) is a climate adaptation mechanism which aims to prioritize local knowledge, decision making and their leadership. It aims to empower those most affected by climate change such as local governments, indigenous groups and communities. So that they are able to have the capacity, resources and power to implement climate adaptation solutions that best fit their needs.

5.1 Funds mobilized for Adaptation by multilateral actors and developed country contributions.

In 2023, MDBs committed \$27.7 billion to adaptation, complemented by significant pledge by the GCF \$12.8 billion of which 50% for is LLA, continued funding through the AF \$1.23 billion, enhanced adaptation efforts and the GEF \$5.3 billion with 74% of the principal for Adaptation and lastly ongoing support from the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) for vulnerable nations of more than \$ 10 billion

Table 6: Climate Finance mobilised

Source	Amounted Mobilized (USD. Bn)	Narrative
Multilateral Development Banks (MDBs)	27.7	Adaptation Programming
Green Climate Fund (GCF)	12.8	Pledge with 50% for LLA (2024-2027)
Adaptation Fund (AF)	1.23	Committed to 147 projects in developing countries as of June 2024
Global Environment Facility (GEF)	5.3	74% of the GEF funds principal for adaptation
Least Developed Countries Fund (LDCF)	10	488 adaptation projects in LDCs and SIDS

Source: Doubling Adaptation Finance, Glasgow Climate Pact.

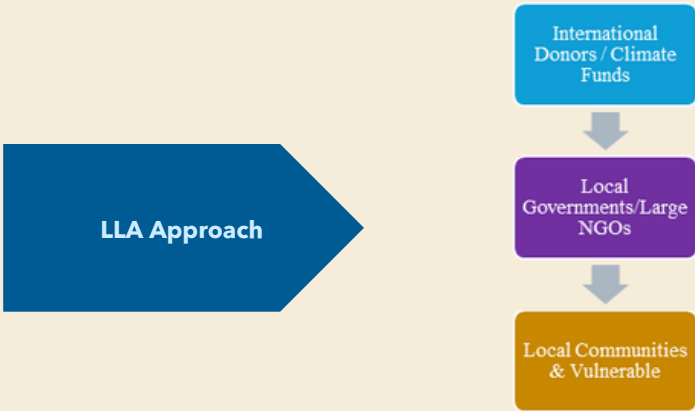
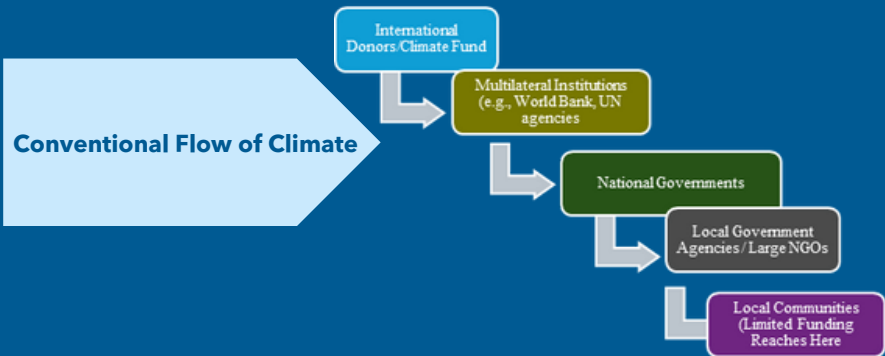
5.2 Justification for Locally Led Adaptation

According to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC,2023), It affirms the key barriers to adaptation, especially among LDCs. This includes limited resources, lack of private sector and citizen engagement, insufficient mobilization of finance, low climate literacy, lack of political commitment and limited research, among others,

It further highlights that Adaptation finance has come predominantly from public sources. Currently, the global financial flows for adaptation, inclusive of public and private finance sources, are insufficient and constrain the implementation of adaptation options, especially in developing countries.

LLA comes in to check the bureaucratic centralized systems (top-down approach) in which climate finance has been channeled, which have failed to address the specific needs of the acutely affected persons at the local level. It aims to channel at least 70% of the climate finance inflows directly to local actors , which include: public (subnational & local authorities), private (formal and informal enterprises), civil society, and household individuals (women, youth, PWDs and other marginalized groups)

Ideal flow of Climate Finance



“Locally Led Adaptation is not just about including communities—it’s about shifting power so that they own and drive climate solutions. By embracing LLA, we create more effective, just, and lasting responses to climate change.”

5.3 Principles of LLA

LLA is guided by eight principles, which were developed by the Global Commission for Adaptation and launched in the Climate Adaptation summit in 2021.

Devolving decision making to the lowest appropriate level: Bestow local institutions and communities with more direct access to finance and decision-making in power over designing, implementing, monitoring, and evaluation of adaptation.

Addressing structural inequalities faced by women, youth, children, the disabled, displaced, Indigenous Peoples and marginalised ethnic groups: This entails wholesome inclusion; gender-based, economic, and political inequalities, the root causes of vulnerability in the core of adaptation action and encouraging meaningful participation of the vulnerable and marginalized individuals and lead adaptation decisions.

Providing patient and predictable funding that can be accessed more easily to enhance local governance and capacity through simplified access d reliable funding, enabling communities to effectively implement adaptation actions.

Investing in local capabilities to leave an institutional legacy: Through empowering local institutions to comprehend climate risks,

Develop solutions, and manage long-term adaptation initiatives without relying on project-based donor funding.

Building a robust understanding of climate risk and uncertainty to base adaptation decisions to have local, traditional, Indigenous, generational and scientific knowledge that can enable resilience under a range of future climate scenarios.

Flexible programming and learning: It supports adaptive management to tackle uncertainty in adaptation through monitoring, flexible financing, and adaptable programming.

- Ensuring transparency and accountability: The principle intends to make the process of financing, designing, and delivering programs more transparent and accountable downward to local stakeholders.

- Collaborative action and investment: It entails collaboration across sectors and funding sources like humanitarian assistance, development, and green recovery funds, so as to support one another, avoid duplication, and enhance efficiency.

5.4 Case Studies on LLA in Uganda

LoCAL (Local Climate Adaptive Living Facility) in Performance-based Financing with technical support and capacity building to local governments for climate adaptation. LoCAL, designed by the UN Capital Development Fund, offers a customized approach to help countries integrate climate change adaptation into the planning and budgeting systems of local governments. It uses a demonstration effect to trigger further flows for local adaptation, including national fiscal transfers and global climate finance for local authorities, through their central governments.

LoCAL has been implemented in over 30 countries and Uganda in four districts of Kasese, Nwoya, Nebbi and Zombo, with a total disbursement totalling UGX 2.14 billion.

Table 7: Pilot Projects in Uganda

Status of implementation of LoCAL
Kasese
Kasese was to receive UGX 805m (approx. US\$ 217,554) to deliver the following interventions
- Construction of a mini-irrigation scheme to supplement rain-fed agriculture in water-stressed areas. - Demarcation and restoration by creating a 30-metre buffer along a 5 km stretch. - Beating up (gap filling) with bamboo and seedlings.
Nebbi
Nebbi will receive UGX 486m (approx. US\$ 131,335) to implement the following interventions
- Construction of the Got-tar dam with an animal water trough, chlorine dosing unit, and watering points for household use (safe water) in Porombo sub-county, a water-stressed area in the district. - Planting trees along feeder roads (142 km) and at health centre units; - Growing tree seedlings for planting along the road reserves and around the boundaries of health units. - Establishing on-farm demonstrations for soil and water conservation structures.
Nwoya
Nwoya district is to receive UGX 438.7m (approx. US\$ 118,569) to finance the following investments
- Construction of institutional renewable energy cooking stoves for four secondary schools. - Growing trees to establish woodlots in and around five public institutions for windbreaks, ecotourism, and biomass energy supply. - Construction of a remedy to bottleneck on the Anaka-Agung Road.
Zombo
Zombo will receive UGX 417.8m (approx. US\$ 112,919) to finance the following investments:

• Reconstruction of a bridge damaged by floods on the Namthin River.
• Installation of lightning arresters at lightning-prone primary schools.
• Afforestation of local forest reserves.
• Assessment and collection of data on climate-related disaster occurrence.

Source: *Climate Finance and Justice, 2024 Oxfam-Uganda.*

LIFE-AR (Least Developed Countries (LDC) Initiative for Effective Adaptation and Resilience) Approaches.

The LIFE-AR is an LDC-led, LDC-owned initiative to develop a long-term vision for delivering a climate-resilient future and achieving low carbon. It embeds the aspect of long-term environmental sustainability over the short-term benefits of conventional strategies to leave no LDC behind.

The current LDC 2050 vision highlights that the gap in adaptation finance remains significant in developing countries, which will require US\$93.7 billion annually starting from 2020 to implement their nationally determined contributions (NDCs). Currently, only 18% of global climate finance is directed towards least developed countries (LDCs), and less than 10% of climate funding from dedicated sources reaches the local level, where climate action is needed most

Table 8: Summary of climate finance adaptation metrics as per the LDC 2050 vision

Metric	Value
Annual Adaptation Finance Needed (from 2020)	US\$93.7 billion
Current Share of Global Climate Finance to LDCs	18%
Climate Funding Reaching Local Level	Less than 10% (from dedicated sources)

Source: *LDC-2050 Vision*

LIFE-AR looks at decentralizing climate finance based on the principles of inclusion, participation, justice, equity and leaving no one behind, especially the most fragile LDCs and most vulnerable locations. It looks at empowering communities hinging on the whole society's approach to secure climate resilience, especially at the local communities.

Box 2: LIFE-AR in Uganda

Uganda has piloted LIFE-AR in 12 districts under the Decentralization Climate Finance (DCF) Mechanism. These includes Kalaki, Pader, Lwengo, Kibaale, Rakai, Kaabong, Ntungamo, Kalungu, Yumbe, Ngora, Pakwach and Karenga. It is based on community-led planning, anchored within and supportive of devolution, social inclusion of climate-vulnerable people, including women, flexible and adaptive management and emphasis on investments in public goods

6.0 CHALLENGES IN SCALING UP LLA FINANCING

Limited transparency and complexity in tracking Climate Change Adaptation (CCA) finance.

In Uganda, there is no National green taxonomy that classifies what is green and non-green investment and the generic nature, especially at the national and sub-national levels, leads to ambiguous tracking climate Adaptation plan. For instance, when projects don't have a specific CCA objective, resources are used for development over adaptation.

Mismatch between National Policies and Local Adaptations:

There is a disconnect between national adaptation policies and their implementation at the local level in Uganda, exemplifying the extent of low awareness of national planning instruments such as the NAPA, meaning local projects like the TACC project (UNDP), which closed in 2013 in Mbale. Despite the existence of a National Climate Strategy, very few local governments have developed their adaptation plans. Only two out of 136 local governments (Buikwe & Kamwenge) have adopted such plans.

Capacity Constraints: Lack of technical expertise and basic knowledge at both national

and subnational levels on the complex architecture of climate finance leaves this approach in harm's way. This is a significant barrier to first identify and prioritize adaptation needs, translate them to bankable adaptation projects and finalize the effective management and utilization of LLA financing.

High Risk Perception by Investors.

Many investors perceive climate projects in Africa, including Uganda, as high-risk due to concerns of project quality, unclear regulations, perception of limited local market mechanisms and financial intermediaries available for climate action projects in Africa. This is evidenced by the GCF's low number of accredited entities suitable for working at the local level is also linked to the risk-averse behavior of the fund.

Inadequate Private Sector

Involvement: Public sector financing dominates climate adaptation funding in Uganda, with minimal private sector participation. This limits innovation and additional financial resources for LLA projects

7.0 OPPORTUNITIES FOR SCALING UP LLA FINANCING

Building national and local level platforms: Creating mechanisms for donors, governments, NGOs, and community representatives to oversee the design and distribution of climate finance can ensure it meets local priorities and foster participation of multiple stakeholders from the national down to the local level. To tap into funds like FIP, the GEF Small Grants Programme etc.

Establishing necessary climate finance instruments, such as the National Green Taxonomy and others, will set clear criteria for channeling funding as per the classification suite. The risk-averse approach of the innovative financial instruments available, especially from both donors and the MDBs, will also enhance transparency and track these adaptation funds.

Build capacity national and local levels on international climate finance architecture to enhance the preparation of bankable projects and effective, sustainable finance.

8.0 RECOMMENDATIONS

In light of high reliance on inadequate climate financing dominated by external financing and low involvement of local communities in climate change adaptation and mitigation initiatives, we call upon the government of Uganda to adopt measures that will enhance financing of the climate change programs but also continue to promote locally led adaptation which puts local communities at the center. As CSBAG, we recommend the following measures.

i. The Natural Resources, Environment, Climate Change, Land and Water Management programme actors need to leverage the Climate Change Act provision of a Certificate of Compliance with climate change responsive budgeting to advocate for an increase in budgetary allocations to climate change responsive interventions. In so doing, more climate change interventions and actions can be realized through integrating climate change interventions and actions at all levels of planning and budget tagging.

ii. Government should repurpose some of the external financing votes of the programme, more away from consultancy services to more critical budget lines such as enhancing Resilience of Communities to Climate Change, investing in Forests and Protected Areas for climate smart

Development, sensitization and information management and Ecosystems Restoration and Protection among others.

iii. For adaptation, a significant gap exists in local governments' capacity and awareness on how to integrate CC adaptation into their plans, hindering effective implementation and mainstreaming of adaptation measures, which are crucial for addressing interconnected challenges such as biodiversity loss, water scarcity, and others, while promoting sustainable development and community resilience.

iv. Prioritize Interventions at the Local Levels. The effects of climate change are more felt at the local level, where communities are more vulnerable. Climate change interventions need to focus on the local level and tap into government programmes such as the Parish Development Model (PDM) and the Emyooga, and other local development plans.

v. build/promote strategic partnerships, leverage innovative financing models, and enhance institutional capacities for Uganda to effectively bridge its climate finance gap and drive sustainable development.

9.0 CONCLUSION

In conclusion, the Sustainable Energy Development Programme during the National Development Plan IV (NDP IV) aims to increase access to and consumption of reliable, affordable, clean, and modern energy services. However, several significant concerns must be addressed. These include low budget allocations and high dependence on external financing for the Sustainable Energy Development Programme, inadequate investment in energy research and development, limited financing for renewable energy sub-programs at the local government level, high costs, and limited access to clean and renewable energy sources in rural communities, and the limited capacity of the Uganda Electrical Distribution Company Limited (UEDCL) to assume responsibilities from UMEME. To address these challenges, it is imperative for the government to adopt a comprehensive approach to rural electrification. This should include increased investment in research and development, active engagement with local governments, recapitalization of UEDCL, and prioritization of domestic financing for the programme.



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Vision

A Uganda with a people centered budget that dignifies humanity.

Mission

Working towards ensuring that resource mobilization, allocation and utilization is inclusive for a transformed Uganda.

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