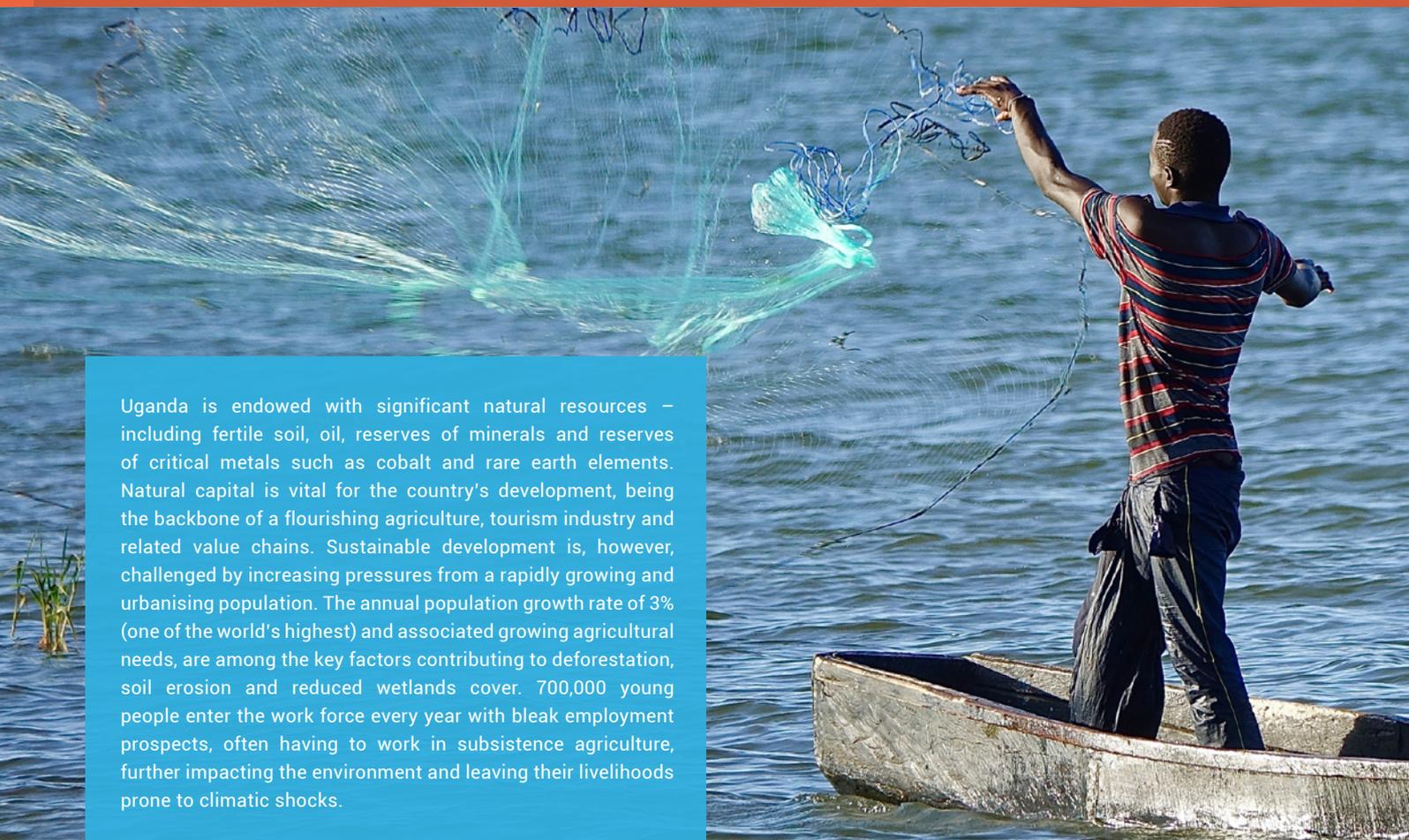


# Uganda goes green and circular

## *Milestones in the transition*



Uganda is endowed with significant natural resources – including fertile soil, oil, reserves of minerals and reserves of critical metals such as cobalt and rare earth elements. Natural capital is vital for the country's development, being the backbone of a flourishing agriculture, tourism industry and related value chains. Sustainable development is, however, challenged by increasing pressures from a rapidly growing and urbanising population. The annual population growth rate of 3% (one of the world's highest) and associated growing agricultural needs, are among the key factors contributing to deforestation, soil erosion and reduced wetlands cover. 700,000 young people enter the work force every year with bleak employment prospects, often having to work in subsistence agriculture, further impacting the environment and leaving their livelihoods prone to climatic shocks.

The elaboration of the country's **Vision 2040**, provided the foundations (as early as 2007) for a "green economy and clean environment where the ecosystem is sustainably managed and the liveability of the urban systems is greatly improved". A few years later, when integrating the SDGs into the [Second National Development Plan](#) (NDP II) 2015/16-2019/20, the Government took significant steps towards green growth, including the adoption of a National Climate Change Policy (2015).

Two studies, on the "[Economic Assessment of the Impacts of Climate Change in Uganda](#)" (2016) and on "Achieving Uganda's Development Ambition" (2016), guided the development of the [Uganda Green Growth Development Strategy](#) (UGGDS). A consultative process led by a multi-sector National Task Force prepared the UGGDS (2017) and complementing Roadmap, focusing on five areas of investment: agriculture, natural capital management, green cities (urban development), transport, and energy. Sector-specific strategies and policies, such as the **Sustainable Energy 4 All** action agenda 2015-2030, and

**Nationally Appropriate Mitigation Actions**, further supported the green economy transition. Relevant ongoing policy processes also include the **National Climate Change Law**.

Discussions on the green growth agenda in Uganda have been increasingly influenced by the circular economy (CE) transition narrative. Ministries from various sectors have progressively acknowledged the benefits of valuing waste as a resource, for example through bringing in circularity considerations to landfill design. The private sector has shown a growing interest in **CE investments**. This interest has particularly focused on **industrialisation and urbanisation**, as reflected in the [Third National Development Plan \(NDP III\) 2020-2025](#), and is expected to be integrated into the **National Low Carbon Industrialisation Strategy 2020-2040**.

# Uganda's path to a Greener and more Circular Economy

## Translating international targets into national development plans:

As the 2030 Agenda took effect globally, the Uganda Government used the opportunity to renew its commitment to sustainable development including the green growth agenda. The integration of the SDGs into national planning signalled the transition to an inclusive green economy, and provided an entry point for the CE transition narrative.

## Evidence-based decisions/Informing policy decision-making:

Extensive research and analysis carried out for the Uganda Green Growth Development Strategy improved the understanding of the challenges and opportunities related to the green growth (and increasingly the CE) model. Relevant discussions pinpointed the need to improve the investment climate, to invest in health and education, as well as to improve agricultural productivity, develop high-value services and industry, provide access to modern energy, and harness the opportunities from urbanisation.

## Working with stakeholders to coherently shape green / circular economy policy:

A participatory approach to green policy processes guaranteed a wide stakeholder ownership and engagement to the green / circular economy transition. Inclusiveness targeted multiple functions in policy formulation, including the mobilisation of a multi-sector National Task Force in strategy development (UGGDS), and the engagement of civil society in both the implementation of policy and the creation of enabling policy conditions for Uganda's transformation to an inclusive green economy (e.g. policy dialogues promoted by the Green Economy Coalition).

## Formulating Strategy and Roadmap:

The [Uganda Green Growth Development Strategy](#) (2017) provides policy options that enhance and exploit synergies between economic growth, environmental sustainability and social equity reconciling the existing economic, social and environmental conflicts. The strategy's focus on areas with the highest green growth potential in terms of investments comprises agriculture, natural capital management, green cities (urban development), transport, and energy.

## Mainstreaming the Green Growth and Circular Economy Agenda:

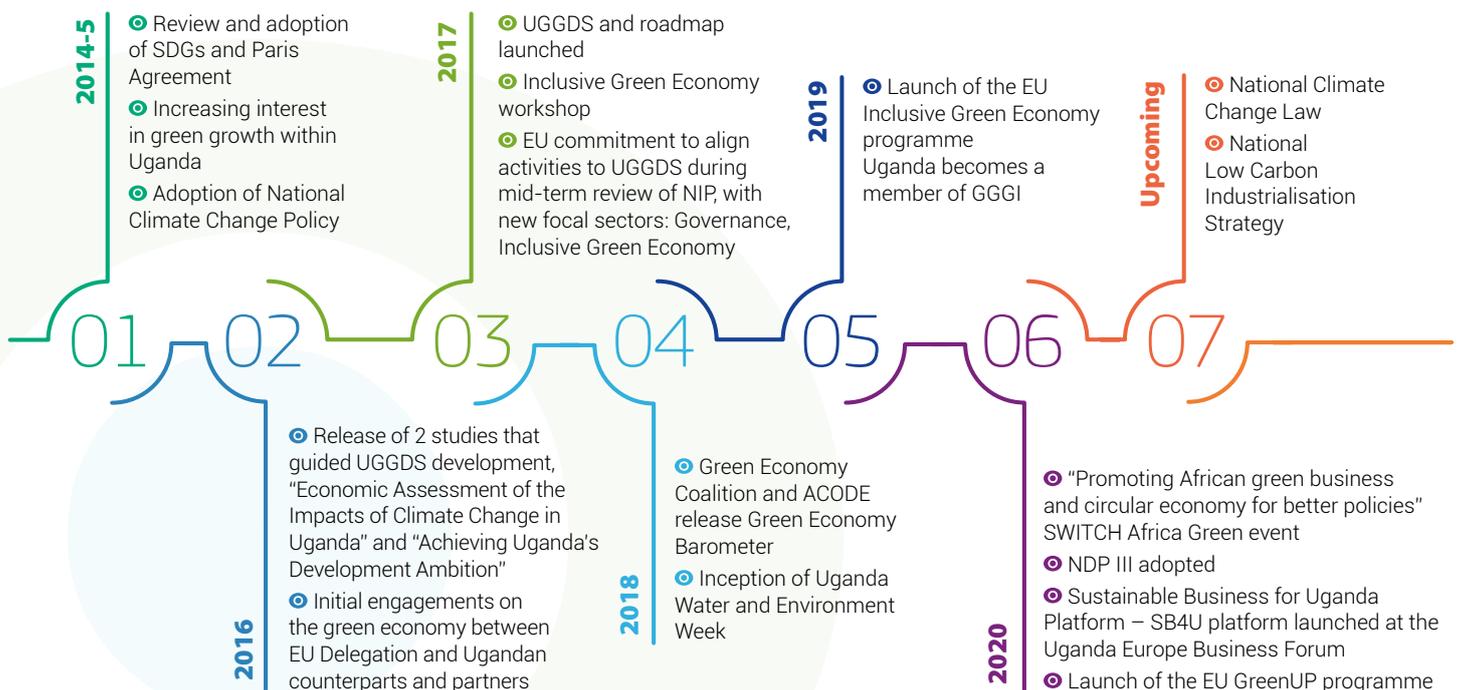
The inclusive green economy agenda, including CE considerations, is currently mainstreamed into the implementation of the Uganda NDP III, supported by the EU action "Inclusive Green Economy Uptake Programme."

Harnessing opportunities for cooperation: An inclusive green and more circular economy is addressed as a crosscutting topic, spanning across several sectors and actors, embracing a culture of collaboration among the Government, the private sector, civil society and development partners in Uganda.

*“ Topics related to the circular economy have always been present in conversations on green growth, but have been elevated in the green growth narrative when actors have come in to demonstrate the value of closing loops in the circular economy ”*

George Asiimwe, Global Green Growth Institute

## Milestones for the transition



## Drivers for the transition to a greener and more circular economy

🕒 **Job creation:** Implementation of the interventions outlined in the UGGDS is projected to deliver an additional 4 million green jobs in high potential sectors such as transport, energy, and agriculture. The opportunity to address unemployment and a rising workforce is a key trigger for investment into a greener and more circular economy.

🕒 **Investment opportunities in low carbon development and industrialisation:** A 2016 report by the Government of Uganda indicated an opportunity for a green economy to boost GDP, deliver employment and reduce future GHG emissions by prioritising the implementation of sustainable investments. Tapping into green climate finance and leveraging private sector investments in green sectors, such as sustainable industrialisation, agriculture, and city planning, notably waste to wealth initiatives, may both contribute to Uganda's transition to a middle-income country and support job creation.

### DRIVERS

Job creation  
Economic opportunities  
Green urbanisation  
Valuing waste  
and natural capital

🕒 **Improved quality of urban life by sustainable urbanisation:** As the population is moving to cities, there is a strain on infrastructure, including water and sanitation infrastructure. There is interest in exploring green city planning, particularly in circular economy solutions for Kampala and for secondary cities to prepare for future pressures.

🕒 **Business opportunities from valuing waste and natural capital:** This trigger comes predominately from the private sector, which looks at opportunities for closed loop production, either through SMEs developing waste to resource business models and products, or through larger companies contributing to a sustainable resource use of their inputs, e.g. water.

## How the EU supports a just transition to a greener and more circular economy

As Uganda's interest in green growth developed, the EU Delegation to Uganda underwent a similar process of growing appreciation of a green development agenda. Following pilot actions such as the projects implemented in Uganda with support by the SWITCH Africa Green programme, the EU Delegation shifted the focal sectors of the National Indicative Programme to (1) Governance, and (2) Inclusive Green Economy.

The launch of the External Investment Plan in 2017 with new instruments to leverage private investments offered opportunities to build a programme that linked public and private sector actions. The EU Delegation aimed to further develop green economy awareness and capacities both in-house (EU Delegation staff) and in partner organisations in Uganda, with an inspirational, learning and networking event, the Inclusive Green Economy Workshop (2017). Organised under the DG DEVCO Methodological Knowledge Programme with support from the SWITCH to Green Facility, the workshop brought together representatives from the EU, international organisations, the national and local governments, the private sector, civil society, and financial institutions.

The Inclusive Green Economy focal sector comprises EU projects on **access to energy, inclusive green city planning, and access to finance**. In compiling actions, the EU Delegation to Uganda was able to build on existing projects that contribute to green and inclusive economy objectives, address the environmental and social impacts of ongoing projects, and engage with other development partners. Many programme components have therefore been co-financed with financing from other actors.

The EUD funds the "[Inclusive Green Economy Uptake Programme \(GreenUP\)](#)". The programme looks at making Uganda's policy and

regulatory framework conducive to private sector involvements in the green and circular economy. It addresses Uganda's business environment, investment climate, and value chain development.

More recently, frameworks taken into consideration by the EU Delegation to Uganda when developing the Inclusive Green Economy programmes have included the European Green Deal roadmap and the EU Taxonomy for sustainable investment. In March 2020, the first ever Uganda-Europe Business Forum (3/2020) was conducted with EU support. At the forum the Sustainable Business for Uganda Platform (SB4U) was launched with a view to facilitating a structured dialogue between investors and the private sector.

### EU support at a glance

- 🕒 Supporting the action "[Promoting Inclusive Green Economy in Uganda](#)"
- 🕒 Conducting the [Uganda Inclusive Green Economy Workshop](#)
- 🕒 Supporting projects on **access to energy, inclusive green cities planning, and access to finance**
- 🕒 Support to the [Uganda Europe Business Forum](#) and the Sustainable Business for Uganda Platform – SB4U
- 🕒 Supporting the EU action "[Inclusive Green Economy Uptake Programme \(GreenUP\)](#)"
- 🕒 Supporting research and advocacy for an Inclusive Green Economy under the [Green Economy Dialogues](#) project.

## Lessons Learnt

The close involvement of the EU Delegation in accompanying Uganda in its transition to an inclusive green (and more recently a circular) economy led to the following lessons learnt:



### Rely on partners who are active in the inclusive green and circular economy to help map the sector.

The EU Delegation to Uganda navigated the complexity of the green economy environment by leveraging the experience of partners in the identification of options for potential programme components, and by viewing the just transition as an ongoing process.



### Start cooperation on the green and circular economy even before having established a strictly defined terminology for relevant actions or a shared understanding of the terms among stakeholders.

A broad understanding of the processes involved, that encompasses multiple types of projects, is sufficient to get started. A more detailed operational agenda can be subsequently developed, as a clearer definition of the transition becomes broadly accepted.



### Use the topic of access to finance to promote synergies across programme components.

Leverage private sector financing is quite a new approach, and can address challenges seen in multiple sectors. Green and circular economy projects can benefit from both blended finance operations, and technical assistance (or other support) to local banks, resulting in improved access to finance to MSMEs across value chains.



### Shifting the focus of cooperation on a green and more circular economy takes time, and should be seen as an ongoing process.

It takes time for awareness to evolve and for social progress in factors such as education and equality to create the conditions necessary for engagement of the population and the private sector. It also takes time to make appropriate implementation arrangements.

## Future Steps

Making the Ugandan economy greener and more circular requires additional efforts. **Attracting green climate finance into the country** is necessary to ensure that the policies can be implemented.

Further **mainstreaming the green and circular economy agenda** can facilitate outreach in multiple sectors and across public and private players. **Financial institutions need capacity building** to enable them to increase lending to the private sector, especially MSMEs, and to bring a green, notably circular, lens to this lending.

When implementing green and low-carbon approaches to urbanisation and industrialisation, **ensuring inclusion** is key to ensure the poorest are not left out. Support to the recently launched **SB4U Platform** can further enhance the potential for an impactful transition, especially in terms of sustainable jobs creation, trade and investment.

