



PEFA ASSESSMENT OF CLIMATE RESPONSIVE PUBLIC FINANCIAL MANAGEMENT

UGANDA



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FOREWORD

Climate change is one of the major threats to economic development effort in Uganda, with potential of reversing gains made towards stable long-term economic progress and improvement in livelihoods. Over the years, Uganda has experienced increased adverse weather patterns such as prolonged drought in the north, landslides in the east, and devastating floods. Droughts and floods, which are increasingly frequent, lead to loss of human life, property, crop failure, and damage, among many other impacts. The Government of Uganda (GOU) showed it's committed to managing climate change and its impacts by signing the Paris Agreement of the United Nations Framework Convention on Climate Change (UNFCCC) Convention. The Paris Agreement is a legally binding international treaty on climate change and limits global warming well below 2°C, preferably 1.5°C above pre-industrial levels. Uganda submitted its first Nationally Determined Contributions (NDC) in 2015 followed by the interim NDC update in 2021. The country's policy and regulatory reforms can be traced back to the 2007 Nationally Adaptation Plan of Action (NAPA) and the National Climate Change Policy (2015). In 2017, Uganda developed the Uganda Green Growth Development Strategy (UGGDS) to align sustainable development, particularly climate change adaptation and mitigation, with the country's long-term development strategy, Vision 2040. The Third National Development Plan (NDP III) also embraced climate change under the Natural Resources, Environment, Climate Change, Land and Water Resource Management program. The proposed climate change actions include mainstreaming climate change in plans and budgets through screening and tracking funds. In 2021, the Parliament of Uganda passed the National Climate Change Act. The National Climate Change Act (2021) provides for implementing public finance management actions to support mainstreaming climate change action at all levels of government.

Climate change action contributes to Goal 13 of the Sustainable Development Goals (SDGs), which calls for urgent action to tackle climate change and its impact. One of the targets of SDG 13 is to integrate climate change measures into national policies, strategies, and planning. Adaptation and decarbonization will require significant resources, but most importantly, clear political leadership and shifts in public policy for a smart allocation of resources. The PEFA Climate assessment is based on 14 indicators that assess climate responsiveness in terms of (i) budget alignment with climate change strategies; (ii) tracking climate-related expenditure; (iii) the budget circular; (iv) legislative scrutiny; (v) public investment management; (vi) asset management; (vii) Climate-related liabilities; (viii) procurement; (ix) revenue administration; (x) compliance of climate-related expenditure; (xi) fiscal decentralization framework; (xii) related performance information; (xiii) performance evaluation; and (xiv) expenditure outturn for climate activities.

The findings of this first PEFA Climate assessment for Uganda display a strong policy, legal and institutional framework for climate change action in place. The necessary policy instruments to enable climate change mainstreaming in policy implementation are largely still under development and/or pilot, and there is relatively little impact of the climate change policy, institutional and regulatory framework.

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- The Parliament of Uganda
- The Office of the Prime Minister
- The Ministry of Ministry of Finance Planning and Economic Development, particularly the OAG, the Directorate of Economic Affairs, the Directorate of Treasury and Asset Management, the Directorate of Financial Management Systems, the Directorate of Debt and Cash Policy, the Directorate of Budget, and the Departments therein.
- The Ministry of Local Government
- The Ministry of Water and Environment (Climate Change Department)
- The Ministry of Agriculture, Animal Industry and Fisheries
- The Ministry of Works and Transport (MoWT)
- The Ministry of Energy and Mineral Development (MoEMD)
- The Local Government Finance Commission (LGFC)
- The Uganda Revenue Authority (URA)
- The Bank of Uganda (BoU)
- The Public Procurement and Disposal of Public Assets Authority (PPDA)
- The Uganda National Roads Authority (UNRA)

TABLE OF CONTENTS

FOREWORD.....	i
ACKNOWLEDGEMENTS.....	ii
LIST OF ABBREVIATIONS	vi
1.0 INTRODUCTION	1
1.1 Purpose.....	1
1.2 Scope and coverage.....	3
Exchange Rate.....	4
1.3 Management, oversight, and quality assurance.....	5
1.4 Background.....	5
1.4.1 Country climate profile and Climate change policies.....	5
1.4.2 Legal and Policy Framework.....	7
1.4.3 Institutional structures	8
1.4.4 Climate finance.....	9
2.0 ASSESSMENT FINDINGS.....	11
Main findings	11
Analysis by budgetary outcomes	12
Aggregate Fiscal Discipline.....	12
Strategic Allocation of Resources	13
Efficient Service Delivery.....	14
3.0 DETAILED ASSESSMENT OF CLIMATE- RESPONSIVE PUBLIC FINANCIAL MANAGEMENT	17
CRPFM–1 Budget alignment with climate change strategies	17
1.1 Budget alignment with climate change strategies	17
CRPFM–2 Tracking climate-related expenditure	21
2.1 Tracking climate-related expenditure.....	21
Overall climate change appropriations by sector for the for FY 2020/21	22
CRPFM–3 Climate responsive budget circular	25
3.1 Budget circular.....	25
CRPFM–4 Legislative scrutiny.....	27
4.1 Legislative scrutiny of budget.....	28
4.2 Legislative scrutiny of audit and evaluation reports.....	30
CRPFM–5 Climate responsive public investment management.....	33

5.1 Climate related provisions in regulatory framework for public investment management	34
5.3 Climate related provisions for project appraisal.....	36
5.4 Reporting from entities in charge of implementation	37
CRPFM–6 Climate responsive asset management	39
6.1 Climate responsive non-financial asset management.....	39
CRPFM–7 Arrangements for complying with monitoring and reporting on climate-related debt and guarantee instruments	41
7.1 Climate related fiscal risks.....	41
CRPFM–8 Climate responsive procurement.....	43
8.1 Climate responsive procurement framework	44
8.2 Climate responsive public procurement operations.....	45
8.3 Climate responsive public procurement monitoring.....	45
8.4 Climate responsive public procurement reporting	47
CRPFM–9 Climate responsive revenue administration	47
9.1 Climate related tax management, audit and investigation.....	48
9.2 Climate related tax arrears	49
CRPFM–10 Compliance of climate-related expenditure	50
10.1 Effectiveness of the systems of controls.....	50
10.2 Audit of the compliance of transactions	51
CRPFM–11 Climate responsive fiscal decentralization framework	52
CRPFM–12 Climate related performance information	57
12.1 Climate related/ information in performance plans.....	57
12.2 Climate related information in performance reports	59
CRPFM–13 Climate-related performance evaluation.....	60
13.1 Climate related evaluation of expenditure	60
13.2 Climate related evaluation of taxes.....	61
CRPFM 14. EXPENDITURE OUTTURN FOR CLIMATE ACTIONS.....	62
14.1 Aggregate climate related expenditure outturn.....	62
14.2 Climate related expenditure composition outturn	63
Annexes.....	65
ANNEX 1. SCORING SUMMARY TABLE.....	66
ANNEXE 2: SOURCES OF INFORMATION	71
Annex 2.1. Questionnaire: Preparing the PEFA Climate assessment Climate Change Policy Context	71

CRPFM ANNEX 2.2 Persons met during the PEFA climate assessment 77
Annex 2.3: Legislation, Policies and Reports 80
Annex 3: Expenditure Outturn – CRPFM-14 86

LIST OF ABBREVIATIONS

Acronym	Definition
AMFG	Asset Management Framework Guidelines
BFP	Budget Framework Paper
BMAU	Budget Monitoring and Accountability Unit
CC	Climate Change
CCBT	Climate Change Budget Tagging
CCD	Climate Change Department
CNDPF	Comprehensive National Development Planning Framework
COSASE	Commissions, Statutory Authorities, and State Enterprises
CRMAS	Climate Change Risk Management and Adaptation Strategy
DC	Development Committee
DFS	District Forest Services
DLGs/ LGs	District Local Governments/ Local Governments
EAC	East African Community
EBUs	Extra-Budgetary Units
e-GP	Electronic Government Procurement
ENR	Environment, Natural Resources
ESIA	Environmental and Social Impact Assessment
EURECCCA	Enhancing Resilience of Communities to Climate Change
FCDO	Foreign, Commonwealth and Development Office
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environment Facility
GHG	Greenhouse Gases
GOU	Government of Uganda
GROW	Green Right of Way
IFMS	Integrated Financial Management System
INTOSAI	International Organisation of Supreme Audit Institutions
KP	Kyoto Protocol
MDAs	Ministries Departments and Agencies
MoMED	Ministry of Minerals and Energy Development
MoFPED	Ministry of Finance, Planning and Economic Development
MoTWA	Ministry of Tourism Wildlife and Antiquities
MoWE	Ministry of Water and Environment
NCCAC	National Climate Change Advisory Committee
NCCP	National Climate Change Policy
NDC	Nationally Determined Contributions
NDP	National Development Plan

Acronym	Definition
NDPIII	Third National Development Plan
NEMA	National Environment Management Authority
NPA	National Planning Authority
OAG	Office of the Accountant General
PBS	Programme Budgeting System
PCE	Policy Committee on the Environment
PEFA	Public Expenditure and Financial Accountability
PEMCOM	Public Expenditure Management Committee
PFM	Public Financial Management
PIAPs	Programme Implementation Action Plans
PPDA	Public Procurement and Disposal Agency
PPP	Public Private Partnership
PS/ST	Permanent Secretary/ Secretary to the Treasury
REAP	Resource Enhancement and Accountability Programme
SEA	Strategic Environmental Assessment
SNGs	Sub-National Governments
SOEs	State Owned Enterprises
SPCR	Strategic Program for Climate Resilience
TAC	Technical Assessment Committee
TADAT	Tax Administration Diagnostic Assessment Tool
UGGDS	Uganda Green Growth Development Plan
UGX	Uganda Shillings
UNFCCC	United Nations Framework Convention on Climate Change
UNRA	Uganda National Roads Authority
URA	Uganda Revenue Authority

1.0 INTRODUCTION

1.1 Purpose

1. The PEFA Climate assessment reviewed the current performance of the PFM systems, processes, and institutions of Uganda¹ in relation to climate change. The PEFA Climate report highlights the existing system's strengths and identifies the opportunities for Uganda to make the PFM more climate responsive. The assessment highlights the involvement of the National and Sub-national governments (SNG) in climate change actions that support PFM reforms.
2. A PEFA Climate assessment provides information on the extent to which a country's Public Financial Management (PFM) system is ready to support and foster the implementation of climate change policies, i.e., whether it is "climate responsive." It shows whether laws and regulations, institutions, systems, procedures, and processes contribute to the implementation of climate change (CC) activities throughout the budget cycle: including the planning and design of budgetary policies considering climate; the budget allocations needed to implement the policies; the tracking of the allocations to ensure that the policies are implemented as intended; and the monitoring and evaluation of the efficiency and effectiveness of the policies and investments.
3. PFM systems are ultimately judged by their ability to support governments in implementing policies and achieving policy objectives. As such, the PEFA Climate assessment provides unique insight into a subject of growing importance and concern for governments and informs discussions on the broad PFM reforms.
4. The PEFA methodology draws on international standards and good practices on crucial aspects of public financial management, as identified by experienced practitioners. PEFA incorporates a PFM performance report that presents evidence-based indicator scores and analyses the results based on existing evidence. The PEFA Climate framework is a set of supplementary indicators that builds on the PEFA framework to collect information on the extent to which a country's PFM system is ready to support and foster the implementation of government climate change policies, i.e., whether it is "climate responsive."
5. Climate change policies and strategies provide context for the PEFA assessment findings but are not themselves the subject of the assessment. PFM systems need to generate information essential for reporting against the implementation of national CC policies. Typically, CC policies will describe how the government intends to reduce greenhouse gas (GHG) emissions, decarbonise the economy and build resilience against the physical impacts of a changing climate. These policies should be aligned with the country's Nationally Determined Contributions (NDCs).
6. The identification and specification of climate policies were captured through an inception questionnaire that establishes Uganda's CC profile (see Annex 2.1). This was supplemented by interviews with specific government units and additional information gathered as follow-up (see Annex 2.3). PEFA indicators are assessed on a four-point ordinal scale from D to A, in line with the PEFA framework. To justify a score, every aspect specified in the scoring

¹ Policies conducted by Local Governments are analysed under the indicator CRPFM-11

requirements must be fulfilled. A score of D due to insufficient information is distinguished from a score of D due to low-level performance using an asterisk. When the question does not apply to a country's circumstances, the response is "NA."

Table 1-1 : Levels of CRPFM practice on a four-point ordinal scale

Score	Level of Practice
A	CC issues and the policy response are mainstreamed in relevant PFM institutions, processes, or systems
B	CC issues and the policy response are partially mainstreamed in the relevant PFM institutions, processes, or systems
C	Initial efforts have taken place to mainstream CC issues and the policy response in the relevant PFM institutions, processes, or systems
D	Performance is less than the basic level of performance

7. The Republic of Uganda has undertaken several PEFA assessments. The most recent took place in 2022 at the national level and was conducted parallel with the PEFA Climate assessment. PEFA assessments for central government entities were undertaken in 2005, 2008, 2012 and 2016. In addition, separate PEFA assessments were conducted for a sample of Local Government entities in 2005 and 2012. The Office of the Auditor General (OAG) of Uganda conducted a PEFA self-assessment in 2006, referred to as PEFA lite.
8. The Government has carried out a PEFA climate assessment using the pilot version of the PEFA Climate supplementary framework (2020) together with the regular PEFA and a Gender PEFA. This assessment examined how well PFM systems can support the implementation of the Republic of Uganda's climate change policies.
9. As this report is the very first PEFA Climate assessment in Uganda, it also establishes a baseline of practices in place against which future progress can be measured. As this is a pilot exercise, it is also anticipated to support the evolution of the assessment criterion developed by the PEFA secretariat.
10. The approved budget for FY 2018/19, 2019/20, 2020/21 and FY 2021/22 was UGX 32.70 trillion, UGX 40.49 trillion UGX 45.49 trillion and UGX 44.78 trillion respectively. The latest budget presented to the legislature at the time of assessment was the FY 2022/23 with an approved budget of UGX 48.13 trillion (MoFPED 2018, 2019, 2020, 2021, 2022).³

2 Ministry of Finance, Planning and Economic Development Final Budget Speeches FY 2018/19, FY 2019/20, FY 2020/21, FY2021/22 and FY 2022/23).

3 Exchange Rate: 3,853 Uganda shillings (UGX) = 1 US dollar (US\$), as on 1 September 2022⁴⁸

1.2 Scope and coverage

11. A recent expenditure review exercise defines climate-relevant expenditures as financial flows that contribute to financing adaptation or mitigation interventions or a combination of both. The definition of adaptation and mitigation is based on the Intergovernmental Panel On Climate Change (IPCC) Third Assessment Report AR 3 (IPCC 2001) definitions and is further narrowed down by national strategies and sectoral plans. Activities and programs identified as climate relevant are classified as adaptation; mitigation; adaptation and mitigation; or supporting areas. There is no positive list of climate-relevant activities and programs, but under the methodology, programs are designated if reference is made to climate change in national policy documents. There is no negative list of non-eligible expenditures and expenditures with adverse climate effects.
12. Several government units are covered in this assessment. Table 0.2.

Budgetary units
Ministry of Water and Environment
NEMA – National Environment Management Authority
MoFPED – Accountant General Office (AGO)
MoFPED – Gender / Climate Desk Unit
MoFPED – Directorate of Economic Affairs
MoFPED – Budget Directorate
MoFPED – Budget Monitoring and Accountability Unit (BMAU)
PPDA – Public Procurement and Disposal of Public Assets Authority
OAG - Office of the Auditor General
Departments under the AGO - Financial Management Services; Public Sector Accounts; Treasury Inspectorate and Policy; Procurements Policy and Management; and Physical Assets Management Department
NPA - National Planning Authority
URA - Uganda Revenue Authority
MoLG - Ministry of Local Government
MoFPED – Directorate of Cash and Debt Management
LGFC - Local Government Finance Commission
UCCI - Uganda Chamber of Commerce and Industry
PSFU - Private Sector Foundation Uganda
PFM Donor Partner Working Group

Table 1-2: Time period

Designation	Dates
Country fiscal year:	July 1 to June 30
Last three fiscal years covered:	Fiscal Years 2018/2019, 2019/2020, 2020/2021
Time of assessment (planned cut-off):	30 June 2022

Exchange Rate

Exchange rate: 3,853 Ugandan shillings (UGX) = 1 US dollar (US\$), as on September 1, 2022

1.3 Management, oversight, and quality assurance

13. The 2022 GoU PEFA assessment was commissioned by MoFPED and was jointly funded by GoU and Development Partners PFM group which provides funding to the Resource Enhancement and Accountability Programme (REAP) (currently KfW, European Union and DANIDA). The overall overseer of the 2022 CG PEFA assessment is PEMCOM which is responsible for steering GoU PFM reforms. PEMCOM consists of representatives from GoU, DPs and CSOs. PEMCOM is chaired by the PSST, Ramathan Ggoobi, and co-chaired by a DP representative. The Technical Assessment Committee (TAC), chaired by the Accountant General, Lawrence Semakula, was responsible for the technical overall supervision of the assessment. The Accountant General's PEFA Secretariat was charged with the day to day liaison with and supervision of the PEFA assessment team.
14. The PEFA Assessment Team, initially led by Phil Sinnet and later by Evarist Mwesigye and included other four team members, conducted the assessment through review of the literature and held interviews with GoU officials and other PFM stakeholders. The PEFA climate assessment was conducted by Getnet Haile (climate expert) and Moses Masiga (climate expert).
15. The PEFA assessment has been subjected to quality assurance review to ensure that it meets the expected requirements and acceptable standards. A concept note was produced by GoU to guide assessment. It was reviewed and approved by the Public Expenditure Management Committee (PEMCOM) which was constituted as the PEFA Oversight Committee and comprises directors of the areas considered as strategic, representatives of the DPs and Civil Society Organisations.
16. A draft final report was produced by the assessment team and was internally reviewed by its team leaders to ensure that it complied with PEFA requirements and standards. Subsequently the draft report was shared with GoU who subjected it to peer reviews of the GoU technical experts (for PFM, climate, and gender). The GoU comments were incorporated into an updated PEFA report that was shared with DPs and CSBAG (who represented the CSOs). The Assessment Team updated the draft final report with the peer review comments and GoU later forwarded the draft final report to the PEFA Secretariat who reviewed the report and made comments. The Assessment Team incorporated the peer review and PEFA Secretariat comments into the final report.

1.4 Background

1.4.1 Country climate profile and Climate change policies

17. Uganda has seven climate zones; (i) the Tropical Montane Moist (71.2 percent), (ii) Tropical Montane Dry (11.5 percent); (iii) Tropical Moist (11.4 percent); (iv) Tropical Dry (3.6 percent); (v) Warm Temperate Moist (1.6 percent); (vi) Warm Temperate Dry (0.6 percent) and (vii) Cool Temperate Moist (0.1 percent). Nearly 98 percent of the country lies within the Tropical climate zones (Montane Moist, Montane Dry, Moist and Dry), while the temperate zones occupy just over 2 percent of the country's area cover. Uganda has a population of 42.9 million people (mid-2021). At a population growth rate of 3.1, Uganda has one of the fastest growing populations in the world, moreover, 52.6 percent of the population is under 18 years old, one

of the youngest populations in the world. The Gross Domestic Product (GDP) estimates for the FY2020/21 indicate that the Ugandan economy grew by 3.4 percent, compared to 3.0 percent growth registered in FY2019/20. The GDP per capita for FY 2020/21 was estimated at \$944.6⁴.

18. Uganda is vulnerable to many of the effects of climate change, including increases in average temperature and changes in precipitation. According to the NDC Update⁵ for Uganda⁶, in the baseline scenario, greenhouse gas (GHG) emissions are projected to reach 143 MtCO_{2e} by 2030 and 236.4 MtCO_{2e} by 2050, from 88 MtCO_{2e} in 2015. The emissions are significantly higher than the projection from the NDC (2015). The implied NDC interim target is a 24.2% reduction below BAU by 2030. The prioritised mitigation and adaptation investments in agriculture, forestry, energy supply, and wetlands through cumulative impacts⁷.
19. Uganda has established a robust policy and legislative framework for climate policy implementation by being a signatory and ratifying of both the United Nations Framework Convention on Climate Change (UNFCCC) and the 1997 Kyoto Protocol (KP) on 25th March 2002 and 2015 Paris Agreement on 21st September 2016 as a Non-Annex I Party. Therefore, it is committed to the adoption and implementation of policies and measures designed to mitigate climate change and adapt to its impacts.
20. Uganda's Nationally Determined Contributions (NDC) was submitted to the UNFCCC in December 2015. At the regional level, it is a party to the African Ministers Conference on Environment and committed to the implementation of the East African Community (EAC) Climate Change Policy, which guides member States and other stakeholders on the preparation and implementation of collective measures to address Climate Change in the region while assuring sustainable social and economic development. (EAC, 2010). The above international and regional commitments have served as a basis for nationally agreed policies and strategic plans.
21. The Ministry of Water and Environment (MWE) is the leading institution on Climate Change and coordinates the implementation of the National Climate Change Policy (NCCP) 2015 together with a Costed Implementation Strategy, which is derived from the Constitution of the Republic of Uganda (1995, as amended in 2005 and 2015) and reflects Uganda Vision 2040 (2012). The priorities in the National Climate Change Policy have been integrated into the Third National Development Plan (NDP III). A National Climate Change Act (NCCA 2021) was recently enacted on 14th August 2021. The Act gives the force of law in Uganda to the United Nations Framework Convention on Climate Change, the Kyoto Protocol, and the Paris Agreement. Section 30 of the NCCA further requires MoWE, in consultation with National Planning Authority (NPA), to verify all votes and certify that the Budget Framework Paper is climate change responsive and contains adequate allocation for funding climate change measures and actions. A Green Growth Development Strategy 2017/18-2030/31 and its Implementation Roadmap were formulated to support the countries' development Vision 2040 further. National Environment regulations 2020 states that a developer shall not implement a

4 Uganda Bureau of Statistics, 2021

5 (GOU/CCD 2022) Uganda's Updated NDC

6 MWE 2021 NDC Interim Update Report for Uganda

7 (GOU/CCD 2015) – NDC Uganda

project without a certificate of approval from the National Environment Management Authority's environmental and social impact assessment.

22. The key stakeholders include the Standing Committee on Climate Change and the Sectoral Committee on Natural Resources, both of Parliament, the Parliamentary Forum on Climate Change (PFCC), Office of the Prime Minister, the National Environment Management Authority (NEMA), Uganda National Meteorological Authority (UNMA), National Forestry Authority (NFA), District Forest Services (DFS) under the District Local Government Sector, Ministry of Lands, Housing and Urban Development, Ministry of Finance, Planning and Economic Development and National Planning Authority.
23. The Ministry of Finance, Planning and Economic Development (MoFPED) leads the coordination and management of the various stakeholders in financing Climate Change actions in Uganda as provided in the Public Finance Management ACT, 2015 & National Climate Change Act, 2021. The MoFPED is also the National Designated Authority (NDA) for several multi-lateral funding under the Green Climate Fund, Global Environmental Facility, Climate Investment Fund, and Adaptation Fund. Uganda also receives bi-lateral funding for the direct programme and project support. Climate financing in Uganda is currently estimated at USD 942 million distributed in the implementation of 38 Adaptation and Mitigation projects.
24. Uganda has achieved substantial progress in mainstreaming Climate Change into the development plans, policies, and budgets of all sectors, with minimal progress registered in the other aspects of public financial management. The issuance of Guidelines for the Integration of Climate Change in Sector Plans and Budgets (2014) by the Ministry of Water and Environment (MWE) underscores its commitment to Climate Change. In 2015, the Government developed standard National Climate Change Indicators for the Output Budgeting and local government assessment toll. MoFPED issued a Climate Change Budget Tagging (CCBT) Reference Manual that provides guidance on related expenditure and seeks to identify government spending that are expected to produce co-benefits for climate change and expenditures that have only climate change benefits. The CCBT methodology involves identifying sub-Programmes (projects and department budgets) based on an objective standard of climate relevance and coding these projects and budgets to a typology of climate change actions. Climate relevance is established if:
 - For adaptation projects, the project objective includes a clear reference to climate change risks or vulnerabilities.
 - For mitigation projects, the project objective or elsewhere in the Project Profile contains a reference to greenhouse gas reductions or energy efficiency.

The CCBT manual was developed based on the National Climate Change Policy 2015, and the NDC. The definition used in the NCD report, and the update is consistent with the CCBT manual. The CCBT manual emerged as an action of the NDC Partnership Plan.

1.4.2 Legal and Policy Framework

The National Climate Change Act (2021) gives a force of law in Uganda to the United Nations Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol, and the Paris Agreement. The Act also provides for climate change response measures, participation in climate change mechanisms, measuring, reporting, and verification of emissions, institutional

arrangements for coordination and implementation, climate change response measures, and financing for climate change and related matters.

The overarching legal framework in the country is the Constitution of Uganda (1995), and alongside the National Climate Change Act (2021), other enabling laws are the Public Finance Management Act (2015), the National Environment Act (2019), the Local Government Act cap 243, and the Water Act cap 152, among others.

The Policy Framework comprises Vision 2040, the Third National Development Plan (NDP III), and the Uganda Green Growth Development Plan (UGGDS) 2017/18-2030/31, part of the Comprehensive National Development Planning framework. The Climate Change specific policies include; the National Climate Change Policy (2015), the Update NDC for Uganda (2022), the National Adaptation Plan for the Agricultural Sector 2018, National Adaptation Programme of Action (NAPA) (2007), Climate Change Vulnerability and Adaptation Preparedness in Uganda 2010, National Policy for Disaster Preparedness and Management 2011, Strategic Program for Climate Resilience (SPCR) for Uganda (2017), NDC Implementation Plan 2018, and the Climate Change Risk Management and Adaptation Strategy (CRMAS) for the Transport Sector 2012, among others.

1.4.3 Institutional structures

The institutional structure for climate change action in Uganda is set by the National Climate Change Act (2019). The Department responsible for Climate Change (currently in the Ministry of Water and Environment) coordinates, monitors, and evaluates all Government programmes and actions on climate change.

The Policy Committee on the Environment (PCE), which was established in the National Environment Act (2019), is the lead policy organ, and it is responsible for; advising the department and lead agencies on the implementation of the Act, making policies and decisions for implementation by the Department (responsible for climate change), and reviewing biennial reports prepared by the Department and making recommendations, where necessary. The PCE is also responsible for reviewing reports for purposes of compliance with international obligations.

The National Climate Change Advisory Committee (NCCAC) is constituted by the Minister responsible for Climate Change. The committee is composed of technical experts from the fields of; energy and mineral development, environment, and natural resources, works and transport, science and technology, agriculture, or any other relevant field as may be determined by the Minister. The NCCAC also includes four persons from the National Planning Authority (NPA), academia, the private sector, and civil society. At least one-third of the NCCAC are women. The NCCAC provides independent technical advice to the PCE and the Minister on climate science, technologies, interventional programmes, and best practices for risk assessment, enhancement of the adaptive capacity to potential climate change impacts, and the establishment and achievement of the set targets. The Department for Climate Change serves as the administrative office for the committee, which meets at least four times a year with a chairperson designated by the Minister.

At the national level, Ministries, Departments and Agencies (MDAs) are the lead agencies implementing climate change actions. At the sub-national level, the law designates Departments responsible for Climate Change to be similar to those responsible for Environment and Natural Resources Management. The District Committees responsible for Climate Change are also

responsible for Environment and Natural Resources Management. The law also designated Local Government committees responsible for Climate Change.

1.4.4 Climate finance

According to the Climate Change Act (2019), one of the functions of the Department responsible for climate change is to collaborate with lead agencies, individuals, and private entities, to develop a mechanism to optimise the opportunities of Uganda to mobilise climate change finance.

One of the primary sources of financing for climate change is public finance. The Climate Change Act states that the Minister responsible for finance shall, in consultation with the Minister responsible for Climate Change, provide for climate change financing, taking into account viable climate change financing mechanisms at the national level; and international climate change financing referred to in article 9 of the Agreement. Article 9 of the Paris Agreement indicates that Developed country Parties shall provide financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention.

In June 2018, the GOU developed an NDC Partnership Plan as a framework to coordinate, mobilise resources, and monitor implementation of the NDC. The NDC Partnership Plan set five outcomes to achieve by 2030. These are: (1) strengthening efficient, operational and gender-responsive policy and institutional framework for the effective governance of climate change; (2) Financing for climate change increased and reflected in relevant planning and budgeting frameworks at national and local levels; (3) effective and institutionalized Monitoring Reporting and Verification (MRV) system; (4) strengthened capacity of government officials, civil society, private sector and academia to effectively integrate NDC-SDGs commitments with a gender lens into existing and future programmes; and (5) Project financing for NDC implementation accelerated.

The priorities for climate change mitigation are shown in Table 1-3 as highlighted in the interim NDC update (MWE 2021). Table 1-4 shows the priorities for adaptation based on the Strategic Plan for Climate Resilience (SPCR). The SPCR was developed with funding from the Climate Investment Fund (CIF)'s Pilot Programme for Climate Resilience (PPCR) through an initiative implemented by the African Development Bank (AfDB) and the MWE's Climate Change Department (CCD).

Table 1-3: Sector Prioritization – Sustainable Production & Consumption Hot-Spot Analysis Tool (SCP-HAT)

Sector	Reason for prioritisation
1. Agriculture	High resource use, GHG emissions and employment
2. Households	High resource use, production and consumption emissions, air pollution and species loss
3. Education, health and other services	High production and consumption emissions and high employment

Sector	Reason for prioritisation
4. Mining and quarrying	High resource and emission trends and high mineral depletion
5. Food and beverage	High consumption emissions
6. Construction	High resource use and emission trends
7. Petroleum, chemical and non-metallic mineral products	High production emissions and trends

Table 1-4: Priority Actions - Strategic Plan for Climate Resilience (SPCR)

No.	Description of Project	Estimated Cost of Component (USD)
1	Enhancing climate-resilient agriculture and food security (in key value chains)	55
2 (a)	Integrated and Sustainable Management of Landscapes and Catchments for Improved Livelihoods, Ecosystems and Community Resilience in the Lake Kyoga and Upper Nile Water Management Zones	83
2 (b)	Climate Resilient Landscapes, Integrated Catchment Management and Nature-Based Tourism in Uganda's Albertine Rift	129
3	Strengthening Climate Resilience of Urban Communities and Infrastructure in Greater Kampala and selected Municipalities in Uganda	60
4	Strengthening Climate Information Systems and Services – hydro-met monitoring networks, data and advisory services	37
5	Capacity building for climate risk management and strategic support.	20
	TOTAL	379

2.0 ASSESSMENT FINDINGS

Main findings

Based on the 14 indicators of the PEFA Climate methodology, six indicators (CRPFM-3 Climate responsive budget circular, CRPFM-4 Legislative scrutiny, CRPFM-6 Climate responsive asset management, CRPFM-10 Compliance of climate related expenditure, CRPFM-12:Climate-related performance information and CRPFM-13 Climate-related performance evaluation) scored better than or equal to C. seven indicators received a D, D+ score and one indicator was not applicable.

Figure 1: PEFA Score by Indicators

Score	Number of scores
A	0
B	1
C	5
C+	0
D+	3
D	4
NA	1
Total	14

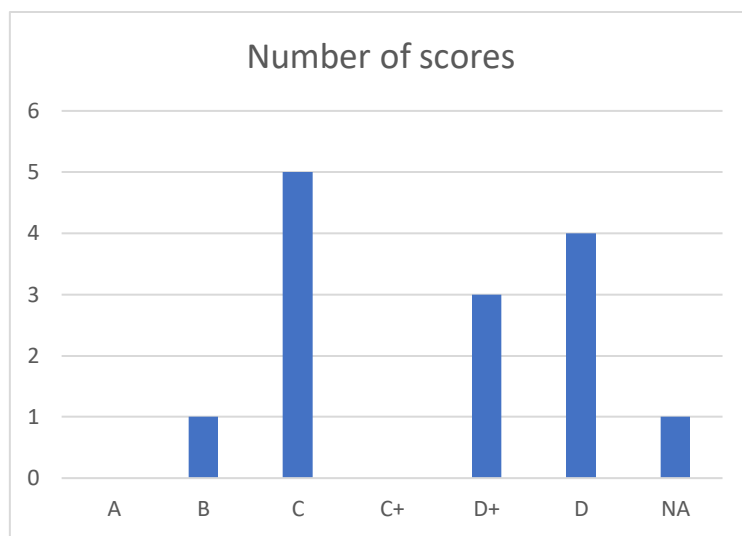


Figure 2 : PEFA scores by components (Dimensions)

Score	Number of scores
A	0
B	3
C	9
D	13
D*	2
NA	2
Total	29

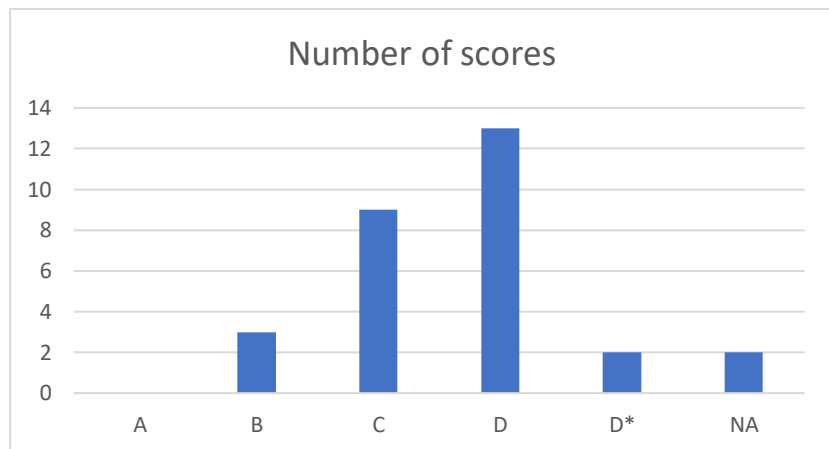
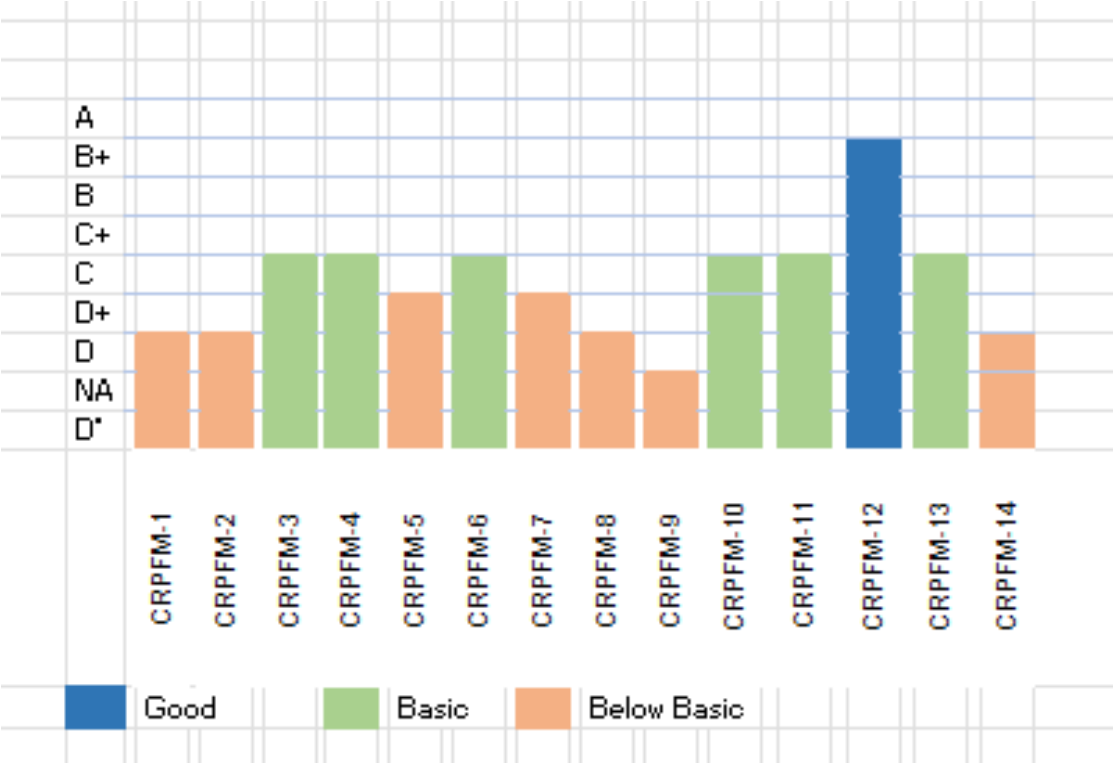


Figure 3: Figure 6: Overview of assessment findings.



Analysis by budgetary outcomes

Aggregate Fiscal Discipline

Fiscal discipline is affected by the budget reallocation between budgetary units (PI-2) and the lack of comprehensive tracking of climate-related expenditures. The performance of the Government’s costed climate change strategy can be measured when the Government can track and monitor climate-related spending. Climate expenditure tagging is a work in progress piloted in four sectors.

A framework for public investment management is available, and the environment is one of the selection criteria (though it doesn’t have an explicit procedure to measure the cost of proposed climate adaptation and mitigation) for projects to be included in the annual budget.

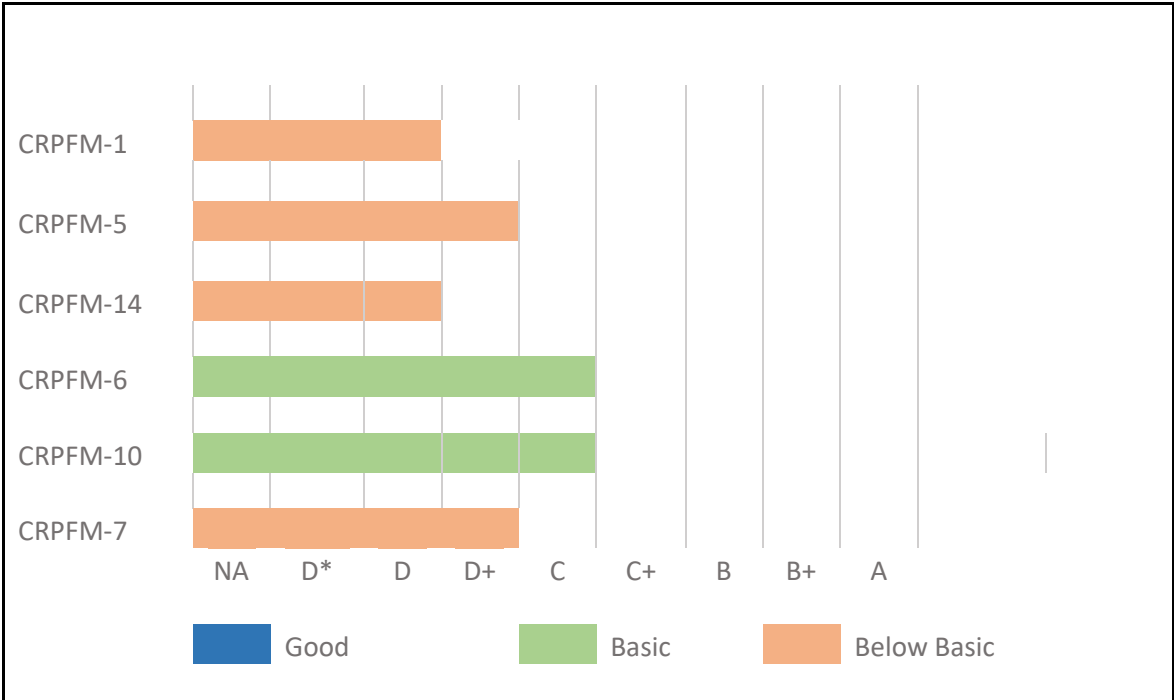
The Asset Management Framework and Guideline addressed the requirements for climate change and other environmental risks to be considered in non-financial asset management and risk exposures. Some MDAs assess the vulnerability and sensitivity of certain assets to climate variability and extreme weather events.

The legal and regulatory frameworks provide a control system for all transactions and procedures. However, climate conditionalities are mainstreamed in the overall expenditure internal control

systems and hence cannot ascertain whether these conditionalities are controlled or not. No specific audit and fraud investigation was conducted or published on the use of climate-related monies by receiving entities.

The fiscal Risk Statement of 2020/21 includes climate change-related risks. However, the recent fiscal statements (2021/22 and 2022/23) didn't explicitly include climate-change related risks. The legal framework doesn't specify climate-related loan arrangements. However, the legal framework provides overall loan arrangements, and all debts, regardless of the purpose, whether received by the national Government, SOEs, EBU, and SNGs, are included in the debt reports.

Figure 4: . Aggregate Fiscal Discipline when implementing climate change policies



Strategic Allocation of Resources

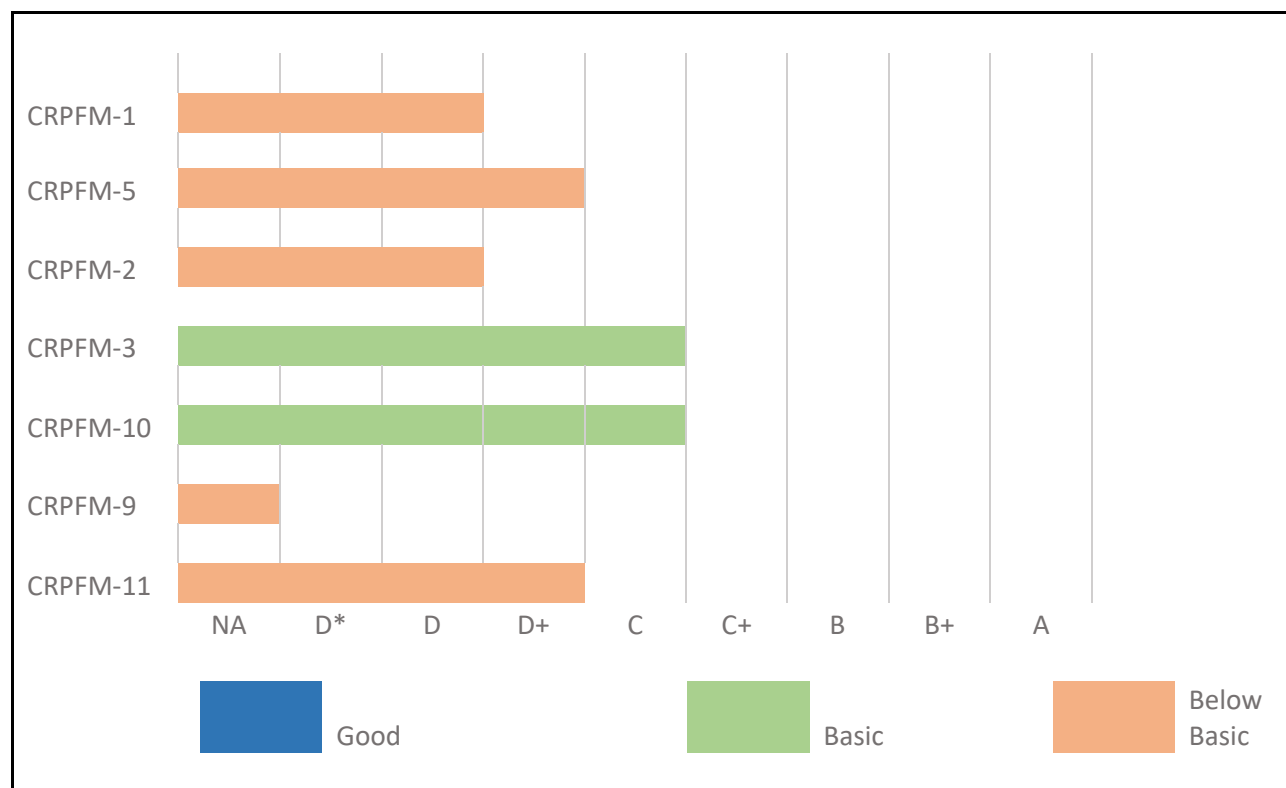
The NDPIII has established a framework for budget alignment with climate change strategies. However, many of the Programme Implementation Action Plans (PIAPs) developed do not match the climate change strategies in the climate change policy, except few entities.

The limitation of climate expenditure tagging makes it challenging to monitor the alignment of climate budgets against the national climate strategy. A development committee reviews public investment proposals based on a public investment management manual that considers climate change impacts to a certain extent. However, most of the project proposals included in the annual budget may not pass through the process.

The budget circular (2021/22) contains guidance addressing climate change impacts by supporting communities in disaster-prone areas. The budget circular indicates climate change. The climate responsiveness would have been unclear without reference to the NDP III PIAPs.

There is no climate-related tax revenue collected from polluters. GHG emitters are not identified and registered. There is no structured and systematic approach for assessing and prioritizing compliance risk for climate-related taxes.

Figure 5: Strategic Allocation of Resources for climate change policies



Efficient Service Delivery

Service delivery performance indicators are reflected in the National Budget Framework Paper. The indicators facilitate tracking each sector's performance outputs and outcomes, including climate-related projects. However, evidence was unavailable to the assessment team regarding the program performances relating to climate change other than the periodic budget monitoring reports produced by MoFPED.

The government and the legislature have not been able to monitor climate-related spending other than those strictly identified as climate change projects due to the limitation with tagging of climate expenditures.

The public procurement framework has not yet established clear criteria to determine which products or services are responsive to climate change. Hence, the procurement function is not generally climate responsive except for the procurement of works that fulfil specific environmental and social criteria. The PPDA is currently developing a sustainable procurement framework. The framework is expected to mainstream climate change in the procurement system and contribute to better service delivery.

The office of the Auditor General conducts a value-for-money audit. No evaluation of the contribution of climate-related taxes to climate change has been carried out at least once in the last three years.

Figure 6: Efficient Service Delivery when implementing climate change policies

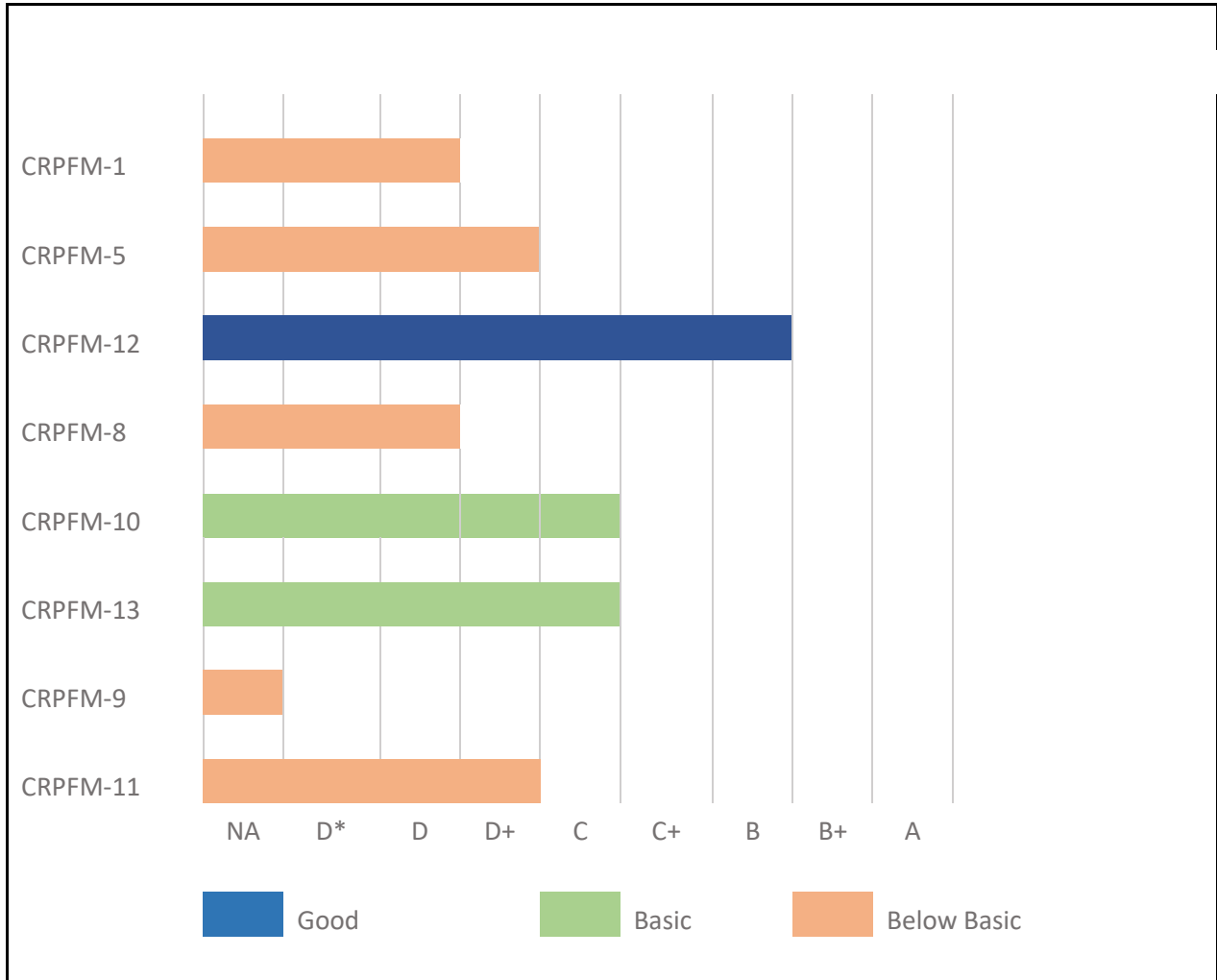


Table 2-1: Dimensions against the three budgetary outcomes, aggregate fiscal discipline, strategic allocation of resources, and efficient service delivery.

	Indicators	1	2	3	4	
CRPFM-1	Budget alignment with climate change strategies	D				D
CRPFM-2	Tracking climate related expenditure	D				D
CRPFM-3	Climate responsive budget circular	C				C
CRPFM-4	Legislative scrutiny	C	C			C
CRPFM-5	Climate responsive public investment management	C	D	D	D	D+
CRPFM-6	Climate responsive asset management	C				C
CRPFM-7	Climate related liabilities	C	D			D+
CRPFM-8	Climate responsive procurement	D	D	D	D	D
CRPFM-9	Climate responsive revenue administration	NA	NA			NA
CRPFM-10	Compliance of climate related expenditure	C	C			C
CRPFM-11	Climate responsive fiscal decentralization framework	C	C	D		D+
CRPFM-12	Climate related performance information	B	B			B
CRPFM-13	Climate related performance evaluation	B	D			C
CRPFM-14	Expenditure outturn for climate activities	D*	D*			D

25. The assessment findings point to a few systemic factors that might have contributed to this result:

3.0 DETAILED ASSESSMENT OF CLIMATE-RESPONSIVE PUBLIC FINANCIAL MANAGEMENT

CRPFM–1 Budget alignment with climate change strategies

Guiding questions

Are climate related sector medium-term strategic plans, medium-term budgets and annual budget aligned with climate change strategies?

○ **Dimensional scoring**

Indicator/Dimension	Score	Brief justification of the score
CRPFM-1	D	
1.1 Budget alignment with climate change strategies	D	<p>The system in place fulfils 5 elements. Basic (2) (2) Climate-related projects and initiatives are costed in sector medium-term strategic plans; (3) Climate-related projects and initiatives are costed in sector medium-term strategic plans;</p> <p>For the additional elements, (7) climate change policy and strategies cover subnational governments, public corporations, and other operators in charge of implementation, (10) Medium-term fiscal strategy refers to climate-related fiscal risks; and (12) there is an operational body, unit, or team in charge of fostering coordination on climate change activities in line with climate change policies, at the National Planning Authority (NPA), the Climate Finance Unit (CFU) in the MoFPED), and the Climate Change Department (CCD) in the Ministry of Water and Environment..</p>

Coverage - Budgetary central government.

Time Period -

Last budget and budget documentation submitted to the legislature. FY2021/ 22.

1.1 Budget alignment with climate change strategies

Methodology

The PEFA Climate methodology measures the indicator based on the extent to which the annual budget allocated to climate change actions results from aligning all strategic and operational planning instruments starting from the national climate change policy and strategy - and in their absence, from NDCs targets. This indicator is assessed based on the number of elements in place that show the extent to which sector strategies and budgets are aligned with climate change strategies. The full specification of the information benchmark must be met, to be counted in the score.

Legislation

The budget alignment occurs through the overlap of the planning and the budget processes. The legislation supporting the budget alignment is the Public Finance Management Act Section 13, sub-sections 6 and 7. Sub-section (6): the annual budget shall be consistent with the National

Development Plan, the Charter for Fiscal Responsibility, and the Budget Framework Paper. Sub-section (7): the annual budget shall be accompanied by a certificate of compliance of the annual budget of the previous financial year issued by the National Planning Authority (NPA).

The National Climate Change Act (2021) Section 30 seeks an amendment of the Public Finance Management Act, 2015 in section 9 by- (a) inserting in subsection (l), immediately after the word "development" the words "climate change,"; and (b) inserting immediately after subsection (6) the following- "(6a) The Minister shall, in consultation with the Chairperson of the National Planning Authority, issue a certificate certifying that the Budget Framework Paper is climate change responsive and contains adequate allocation for funding climate change measures and actions. (6b) The Minister and the Chairperson of the National Planning Authority shall evaluate all votes of the Budget Framework Paper before issuing the certificate referred to in sub-section (6a)."

Present situation

The Certificate of Compliance issued by the National Planning Authority (NPA) for FY 2020/21 indicated a climate change budget compliance of 64.7 percent. This score represents an improvement from the previous FY2020/21 where the Annual Budget was found to be unsatisfactory at 35 percent. The improvement in the score is attributed to the improved transition to NDPIII programme-based approach by the budgeting instruments. The 2021/22 national budget was the first of its kind conceptualized around the 20 NDPIII programmes, which explains the improved performance in terms of compliance in comparison with the FY 2020/21 budget. The Certificate of Compliance Report indicated that: (i) the allocations to these interventions were meagre and inadequate to generate the desired results and transformative change; (ii) there is a high deviation between the NDPIII targets and those committed to by the budget documents, and this scale and pace are inadequate to deliver the NDPIII in its specified timeframe; (iii) standard climate change indicators aligning Programme Budgets and the NDP III within the National Budget Framework Paper (BFP) is leading to improvement in climate budget alignment with national strategies. Nonetheless, 14 out of 20 programmes of the NDP III have not comprehensively diagnosed their climate change priorities. The use of PFM systems, specifically the Programme Budgeting System (PBS), will enhance the likelihood of conformity for the lagging programmes.

Table 3-1 : Fulfilment of criteria for dimension CRPFM-1

Budget alignment criteria	Satisfaction (Y/N)	Justification
Basic elements		
1. Sectoral medium-term strategic plans are prepared. They reflect priorities from national climate change policy and strategy - and in their absence, NDC targets.	N	Partially met. The NDP III provides for Programmes to include their priorities among the Programme Implementation Action Plans (PIAPs). By FY 2021/22, at least seven Programmes included climate change priorities in their PIAPs.
2. Climate related projects and initiatives are costed in sector medium-term strategic plans.	Y	The Medium Term PIAPs carry climate change intervention costs, showing the estimated project budget.

Budget alignment criteria	Satisfaction (Y/N)	Justification
3. Climate related projects are accounted for in public investment plans.	Y	The Public Investment Plan compiles projects approved by the Development Committee (DC) and included in the budget estimates.
4. Climate related expenditure policy proposals in the approved medium-term budget estimates align with sector costed medium-term strategic plans.	N	Partly met. Given the general requirement that budgets are approved on the basis of alignment with the NDP III, there is a high level of alignment; the last assessment indicated an alignment/ compliance of nearly 65%. There were a few exceptions, such as the Parish Development Model (PDM) Programme which was introduced through executive action where systematic integration of climate change alignment was retrospective.
5. Climate related tax policy proposals in the approved medium-term budget estimates align with the national climate change strategy.	N	There are currently no climate change-related tax policy proposals.
6. Climate related annual expenditure and tax estimates align with the approved medium-term budget estimates for the first year.	N	There are currently no climate change-related tax estimates.
Additional elements		
7. Climate change policy and strategies cover subnational governments, public corporations, and other operators in charge of implementation.	Y	Yes, the National Climate Change Policy (2015) strategies cover Ministries, Departments, Agencies, Corporations, and Local Governments.
8. Climate change strategies or climate related medium-term budget estimates identify funding gaps and sources.	N	There is no risk screening and establishment of the climate change financing requirement.
9. Medium-term fiscal strategy refers to climate targets.	N	Programmes, MDAs, and Local Governments do not disaggregate climate targets/efforts for implementation.
10. Medium-term fiscal strategy refers to climate-related fiscal risks.	Y	The medium-term fiscal strategy is based on NDPIII PIAPs and climate-related fiscal risks.
11. If there is a gap between climate-related expenditure, tax estimates and approved medium-term budget estimates for first year, annual budget document provides the underlying explanation.	N	There are no comprehensive estimates of climate-related annual expenditure.
12. There is an operational body, unit or team in charge of fostering coordination on climate change activities in line with climate change policies.	Y	The MoWE/CCD, the Climate Finance Unit in the MoFPED, and the climate team at the National Planning Authority (NPA) are the units responsible for climate policy and finance, respectively.

Summary

There are four out of six basic budget alignment criteria met by the budget alignment with climate change strategies in Uganda. The criteria are sectoral medium-term strategic plans are prepared. They reflect priorities from national climate change policy and strategy - and in their absence, NDC targets; climate related projects and initiatives are costed in sector medium-term strategic plans; and climate related projects are accounted for in public investment plans.

Dimension Rating: D

CRPFM–2 Tracking climate-related expenditure

Guiding question

Does the government have the capacity to track climate-related expenditure?

○ Dimensional scoring

Indicator/Dimension	Score	Brief justification of the score
CRPFM-2	D	
2.1 Tracking climate-related expenditure	D	The system in place to track climate-related expenditure fulfils two basic elements ((1) using a methodology that defines what constitutes “climate change expenditure.”, (5) a review of the methodology developed to track climate-related expenditure by an entity other than the preparing entity.

Coverage

Budgetary central government.

Time Period

Last completed fiscal year 2020/21

2.1 Tracking climate-related expenditure

Legislation

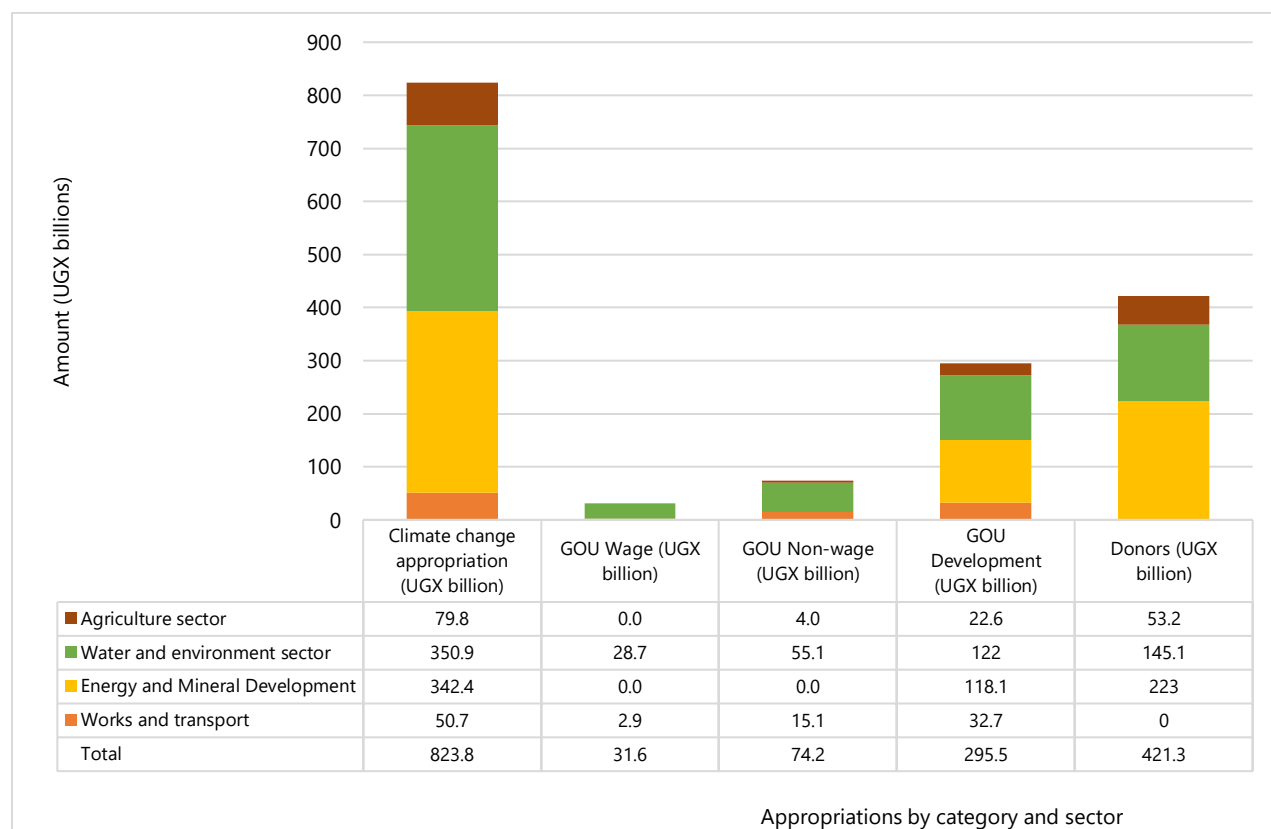
Climate change tracking as a requirement was implemented as part of the climate reforms in the Public Finance Management Act (2015) Section 13, sub-sections 6. Sub-section (6) states that the annual budget shall be consistent with the National Development Plan, the Charter for Fiscal Responsibility, and the Budget Framework Paper. The NDP III now requires all programmes to undertake interventions to promote inclusive climate resilient and low emissions development at all levels, under Objective 5 of the Natural Resources, Environment, Climate Change, Land and Water Management Programme. The specific intervention of the NDP III is to build capacity for climate change adaptation and mitigation, including hazard/disaster risk reduction, while the action is to promote continuous integration of climate change and disaster risk reduction in planning, budgeting, and reporting.

Present situation

The Nationally Determined Contributions (NDC) Update Report 2022 defines *climate change expenditure as monetary costs incurred to implement adaptation or mitigation policies and measures or a combination of both*. This definition was confirmed in discussions with the Climate Finance Unit (CFU), and the Climate Change Department. By 2020/21, only four sectors were considered for the climate brief. The sectors are works and transport, energy and mineral development, water and environment, and agriculture. The aggregate climate change related

appropriations for four sectors in FY 2020/21 were UGX 823.8 billion. The climate change appropriation for the four sectors was 1.8% of the national budget of UGX 45.49 trillion (MoFPED 2020). The highest percentage climate change related appropriations were for the water and environment sector at 22%.

Overall climate change appropriations by sector for the for FY 2020/21



Source: GOU and World Bank (2021)

The energy and mineral development sector had a relatively high appropriation for climate change at 13% of the sector's budget. The increased budget allocation is mainly due to the rural electrification sub-programme, which involves climate change mitigation and adaptation investments. The climate change appropriation for the works and transport sector was only 0.9% which is relatively low given the large infrastructure investments and the fact that the sector 13% of the national budget with an allocation of UGX 5.86 trillion. The agriculture sector has a fair 7% climate change related appropriation.

By the third quarter of the FY 2022/23 Financial year, the methodology for tracking climate change expenditure had not yet been integrated into all Government Ministries, Departments and Agencies (MDAs). In FY 2019/20, with technical assistance (TA) support from the World Bank, the Government of Uganda (GoU) adapted a methodology for tracking climate change appropriations and expenditures. The methodology involves introduction of budget codes to support appropriation for climate change mitigation and adaptation in the Programme Budgeting System (PBS). The applicable expenditures are then tracked through the Integrated Financial

Management Information System (IFMIS) during execution of the budget as budget outturn. Climate change budget tracking reforms were only piloted for four Programmes and 4 Local Governments. Plans are underway to scale up the tracking for all Programmes of the NDP III by the beginning of FY 2023/24. This indicator is expected to score much higher in the next PEFA assessments, should the on-going efforts cover all central government and local governments institutions.

Table 3-2 : Fulfilment of criteria for dimension CRPFM-2

PEFA criteria	Satisfaction (Y/N)	Justification
Basic elements		
1. The government uses a methodology that defines what constitutes “climate change expenditure”.	Y	A methodology was developed based on the National Climate Change Policy (2015) and Uganda’s Programme Budgeting System (PBS) structure. A climate expenditure is defined.
2. The government applies the same methodology across all ministries, departments, and agencies to identify climate-related expenditure.	N	The methodology is similar for all NDP III Programmes, for central government and local governments. However, the methodology has not been fully applied across all Programme, Ministries, Departments, and Agencies.
3. Expenditure related to activities that are counter to climate policy is disclosed in budget documents and in end-of-year budget execution reports (as in Element 4). This covers spending explicitly or implicitly linked to climate change.	N	The methodology application has been integrated into the PBS. Five Programmes were fast-tracked for compliance in FY 2022/23 and the remaining Programmes will come on board in FY 2023/24.
4. Climate related expenditure is disclosed by the Ministry of Finance or the budgetary units in budget documents and in end-of-year budget execution reports (as in Element 3).	N	The methodology application is still at the pilot stage and not fully integrated into the PBS or budget and outturn reports.
5. The methodology applied by the government to identify climate-related expenditure is reviewed by an entity other than the preparing entity.	Y	Under the current approach, the Accounting Officers enter the data, the analysis done at the MoFPED, and the results reviewed by the National Planning Authority (NPA).
Additional elements		
6. Climate related expenditure is identified using specific budget expenditure line items, program codes, elements in the government’s chart of accounts or markers such as Rio Markers.	N	Codes were developed under the pilot phase. The system is not yet fully integrated into the PBS or the Chart of Accounts.

PEFA criteria	Satisfaction (Y/N)	Justification
7. Climate related expenditure is disclosed in in-year budget reports, including in-year budget adjustments.	N	The methodology application is still at the pilot stage. It has not progressed to this step.
8. Budgeted climate related transfers to subnational governments and outturn are identified.	N	The methodology application is still in the pilot stage. It has not progressed to this step.
Budgeted climate-related transfers to extra-budgetary units and public corporations in charge of implementing climate change actions, and outturn, are identified	N	The methodology application is still at the pilot stage. It has not progressed to this step.

In summary

Tracking climate-related expenditure indicators was successful on two out of five basic PEFA criteria. The criteria met are: (1) the government uses a methodology that defines what constitutes “climate change expenditure”; and (5) the methodology applied by the government to identify climate-related expenditure is reviewed by an entity other than the preparing entity. None of the additional elements were met.

Dimension Rating: D

On-going reforms

The MoFPED has embarked on activities to complete the budget tracking in FY 2022/23. The Programme Implementation Action Plans and the Programme Outputs were updated to integrate climate change considerations for planning and budgeting. The first phase of modifying the Programme Budgeting System (PBS) was completed during FY 2022/23.

CRPFM–3 Climate responsive budget circular

Guiding questions

Does the budget circular take the climate change policies into consideration?

○ Dimensional scoring

Indicator/Dimension	Score	Brief justification of the score
CRPFM-3	C	
3.1 Budget circular	C	<p>In Budget Call Circular for FY 2020/21 and again FY 2022/23, the guidance provided on how to budget for climate change action based on the national climate change policies and strategies across all Ministries, Departments and Agencies (MDAs) was explicit.</p> <p>There is a strong link between the Budget Call Circulars and the NDP III, which explicitly states the need for climate risk screening, budgeting, and tracking in line with the climate change policies across Government Programmes.</p>

Coverage –

Budgetary central government.

Time Period

Last completed fiscal year.

3.1 Budget circular

Legislation

The regulatory framework for the Budget Circular is provided for in Part III, Section 10-13 of the Public Finance Management Regulation, 2016. The Secretary to the Treasury shall issue the first Budget Call Circular to the sectors by the 15th of September of every financial year. The budget strategy shall include national priorities, policy, and administrative guidelines for the proceeding financial year. Based on instructions in the first Budget Call Circular, each sector prepares the First Budget Framework Paper for the following financial year. The Secretary to the Treasury issues the Second Budget Call Circular to the Accounting Officers by the 15th of February of every financial year. Based on the Second Budget Call Circular, the Accounting Officers prepare annual budget estimates for the respective votes, and the Secretary to the Treasury consolidates and prepares the annual budget estimates based on the annual budget estimates of the votes.

Present situation

The FY 2019/20 provided a detailed description of the need for climate change budget tracking based on screening for climate risk. The budget strategy included climate change budget tracking

for the first time and provided a description of a process that Ministries, Departments and Agencies (MDAs) and Local Governments were required to undertake to mainstream climate change in their budgets. In FY 2020/21, the Budget Calls Circulars, indicated the need to address climate change among the environmental aspects in the NDP III. The instructions were not explicit. The focus of the budget strategy was to provide guidance on the alignment between the budget framework and the NDP Programme Implementation Action Plans (PIAPs). The climate change aspects were not explicitly discussed.

In FY 2021/22, both the first and second Budget Call Circulars, restored the explicit instructions to all accounting officers to ensure that their budgets were aligned with the climate change interventions proposed in the NDP III. The Circulars also indicated that the alignment was to be achieved through climate change budget tagging. The Ministry of Water and Environment was required to provide additional guidance to all Ministries, Departments Agencies and Local Governments (MDALGs).

In summary

The Budget Call Circulars provide instructions for climate change budget tracking using reference to the NDP III and providing for the Ministry of Water and Environment, which hosts the coordination Department, the Climate Change Department, provide guidance to the MDALGs. The less explicit instructions on climate change budget tracking in FY 2020/21 were likely linked to the transition into NDP III with the focus on ensuring that MDALGs were able to align the NDP III with the budgets. However, the description was restored in FY 2021/22.

Dimension Rating: C

CRPFM–4 Legislative scrutiny

Guiding question

How are climate change aspects included in the legislature’s scrutiny of budget and audit reports?

○ Dimensional scoring

Indicator/Dimension	Score	Brief justification of the score
CRPFM–4	C	
4.1 Legislative scrutiny of budget	C	<p>The legislative scrutiny meets two of the six criteria set in the PEFA methodology. The three criteria met are: (i) involvement of support mechanisms such as specialized legislature committees, technical and scientific support, expert advice from climate advocacy groups, independent climate councils, or others and a report on the work and conclusions of the committees or groups is published; and a review of climate-related annual details of expenditure and revenue; (ii) public consultation that includes a specific focus on climate.</p> <p>The Parliamentary Forum on Climate Change, a climate advocacy group formed in 2008, supports members of Parliament to support the strengthening of legislation and policies for climate action. The Civil Society Budget Advocacy Group (CSBAG) also provides advocacy and ensures that climate change policies, including the certificate of climate change compliance (of the Budget Framework Paper), are undertaken, and discussed at public forums.</p>
4.2 Legislative scrutiny of audit and evaluation reports	C	(3) A review of audit reports or/and evaluation reports on the performance of climate change programs or activities in line with planned outputs and outcomes

Coverage

CRPFM-4.1. Budgetary central government

CRPFM-4.2. Central government

Time Period

CRPFM-4.1. Last budget and budget documentation submitted to the legislature.

CRPFM-4.2. Last audit reports or evaluation reports submitted to the legislature. For Element 2: audit report on end-of-year financial report.

4.1 Legislative scrutiny of budget

Legislation

Under the Public Finance Management Act 2015, Parliament approves the national budget before the end of the financial year. Under Section 13 of the PFM Act on the annual budget. (Sub-section1) The President shall cause to be prepared and laid before Parliament the proposed annual budget of the Government for a financial year. (Sub-section3) On behalf of the President, the Minister shall present the proposed annual budget for a financial year to Parliament by the 1st of April of the preceding financial year. (Sub-section 4) The Speaker shall commit the proposed annual budget to the Budget Committee of Parliament and to each sectoral committee of Parliament the part of the annual budget that falls within the jurisdiction of that sectoral committee.

Present situation

The legislative scrutiny of the budget occurs through the Budget Committee and the Sectoral Committee on Environment and Natural Resources. When the Parliament receives the budget documents, including the BFPs, from MoFPED, they are then transferred to the Budget Committee for review. The Budget Committee relies on the sectoral committees to provide an initial review of the budget before the budget reviews are consolidated and further review undertaken. After review, the budget is discussed on the floor of Parliament and the proposals are submitted to Cabinet for revision. The Committee on Climate Change provides oversight on the government's responsiveness to climate change matters, its mitigation and adaptation. The other functions of the Committee include the scrutiny of all Bills presented before Parliament concerning climate change mitigation and adaptation, coordinating parliamentary activities related to climate change and making recommendations to Parliament on matters relating to climate change, among others. The Standing Committee on Climate Change participated in the national budget consultations alongside the Budget Committee and the sectoral committees of parliament. The National budget consultations also drew on the Civil Society Budget Advocacy Group (CSBAG) participation and all Government Ministries, Departments and Agencies (MDAs), local governments, development partners, and private sector organizations.

Table 3-3 : Criteria fulfilment for dimension CRPFM-4.1

Elements included into the legislature's scrutiny of the proposed budget:	Satisfaction (Y/N)	Justification
(1) Involvement of support mechanisms such as specialised legislature committees, technical and scientific support, expert advice from climate advocacy groups, independent climate councils, or others. A report on the work and conclusions of the committees or groups is published.	Y	The proposed budget is scrutinised by the Sectoral Committee on Environment and Natural Resources and the Standing Committee on the Budget, the Parliamentary Forum on Climate Change, a climate advocacy group with experts who support the Parliament. The budget is also reviewed by the National Climate Change Advisory

Elements included into the legislature's scrutiny of the proposed budget:	Satisfaction (Y/N)	Justification
		Committee (NCCAC), composed of independent experts (science and other technical experts). However, the NCCAC advises the Minister and not Parliament. The Standing Committee on Climate Change has sought support of independent experts to review all climate change-related legislative matters, including the budget.
(2) A performance or impact assessment review of (i) climate change revenue and (ii) climate change programs, including expected results in the future, either through specific impact assessment or information on planned performance.	N	No impact analysis exists. A similar assessment is planned for FY 2022/23
(3) A review of the positive, neutral or negative contribution to climate change of (i) revenue and (ii) programs or actions that are not directly related to climate change.	N	The review generally includes climate change mitigation and adaptation projects and is not detailed enough to screen the budget.
(4) A review of climate-related annual details of expenditure and revenue.	N	A document review of budget evaluation did not find evidence of assessment of climate-related annual expenditure and revenue.
(5) A review of climate-related fiscal risks	N	The Macroeconomic Policy Department undertook fiscal risks and the outputs included in the background assessment of the budget for the first time in FY 2021/22. However, there is no evidence that the fiscal risk analysis is included in the budget scrutiny for climate change.
(6) A public consultation that includes a specific focus on climate. A report on the feedback received during public consultation is published.	Y	The national public budget consultations include Civil Society (through the Civil Society Budget Advocacy Group), Parliament, including representation from the Standing Committee on Climate

Elements included into the legislature's scrutiny of the proposed budget:	Satisfaction (Y/N)	Justification
		Change, and the Budget Committee and the sectoral committees of Parliament. The report on public consultations among the documents in the National Budget Framework Paper (BFP) is reviewed by the Parliament's Budget Committee and the Sectoral Committee.

In summary

The legislature's scrutiny of the proposed budget meets two criteria. The Climate Change considerations in the budget are directly reviewed by Sectoral Committee on Environment and Natural Resources, where all members of the Standing Committee on Climate Change are members. During budget preparation, national budget consultations are held as a public event with specific representation from civil society (including the CSBAG), Parliament with specific representation from the Budget Committee and the Standing Committee on Climate Change, among other committees of Parliament, MDAs, development partners and the private sector. The public consultations report is included among the budget documents submitted to the Parliament for scrutiny alongside the Budget Framework Papers (BFPs).

Dimension Rating: C

On-going reforms

The Standing Committee on Climate Change was introduced in FY 2020/21. The committee's focus is on supporting the strengthening of legislative and regulatory processes on climate change. In FY 2022/23, the Committee published a report on climate finance needs and the need to enhance climate financing, indicating an increased focus on climate change budgetary concerns. Current legislative reforms (National Climate Change Act, 2021) strengthened the need for a legislative scrutiny, including a Certificate of Compliance on Climate Change before Parliament approves national BFPs. The PFM processes for climate change will be further strengthened when all programmes of the NDP III can be scrutinised, and the role of the Standing Committee on Climate Change during the budget cycle is expanded to include a review of the budget documents.

4.2 Legislative scrutiny of audit and evaluation reports

Legislation

Under Section 13 of the PFM Act on the Annual budget. (Sub-section 11) The Minister (of Finance) shall present with the annual budget— (b) a Treasury Memorandum specifying the measures taken by the Ministry to implement the recommendations of Parliament in respect to the report of the Auditor General of the preceding financial year, on the management of the Treasury. The annual audit and evaluation reports submitted to parliament are based on Section 13 (b) of the National Audit Act 2008, which requires the Auditor General to conduct the following audits: (i)

financial audits; (ii) value for money; (iii) engineering; (iv) information systems; (v) special/forensic audits; (vi) gender and environment and any other audits in respect of any project or activity involving public funds; (vii) classified expenditure; (viii) government investments; (ix) procurement audits, and (x) Treasury Memoranda. Under Article 163 (4) of the Constitution, the Accountant General is required to submit to Parliament annually a report of the accounts audited for the year immediately preceding.

Present situation

In the present situation, the Auditor General (AG) conducts annual thematic audits, which are consolidated and submitted to the Parliament, where they are reviewed by the Public Accounts Committees (PAC) for Central Government, Local Governments, Commissions, Statutory Authorities, and State Enterprises (COSASE). The process includes hearings at the Parliament of the affected institutions; at the end of the audit, the parliamentary committees produce a report providing recommendations for the Government, the affected institutions, entities, and the Accountant General. Similarly, the Ministry of Finance conducts budget performance evaluations, which are used for economic monitoring purposes and in preparing the budgets for the subsequent years. The budget performance evaluation is included in the discussions at the annual budget conferences and support the guidelines for the budget in the years that follow.

A review of the evaluation and audit reports, for several climate change related projects/ programmes, produced by the Office of the Auditor General (OAG) with evidence showing that the reports were submitted to the Parliament of Uganda. The projects/ programmes considered as evidence for the PEFA climate include Investment plan preparation grant for the strategic plan for climate resilience. 2020/21; Irrigation for Climate Resilience Project; and Enhancing Resilience of Communities to Climate Change (EURECCCA) 2020/21; and The Adapting to Climate Change In Lake Victoria Basin. 2020/21. The Consolidated Annual Audit Report was produced in December 2021. The recommendations from the OAG's report that were not considered for further examination by the Parliamentary Accounts Committees (PACs) were adopted by Parliament in several motions throughout 2021 and 2022.

Table 3-4 : Criteria fulfilment for dimension CRPFM-4.2

Elements included into the legislative scrutiny of audit and evaluation reports	Satisfaction (Y/N)	Justification
(1) Involvement of support mechanisms such as specialized legislature committees, technical and scientific support, expert advice from climate advocacy groups, independent climate councils, or others.	Y	The Public Accounts Committees (PAC) for Central Government, Local Governments, and Commissions, Statutory Authorities and State Enterprises (COSASE) considered the review of projects provided by the Office of Auditor General. The recommendations in reports were adopted. The Parliamentary Forum on Climate Change a climate advocacy group and the Civil Society Budget Advocacy Group (CSBAG) provide specific support on audit and evaluation of climate change projects.
(2) A review of climate related executed expenditure and revenue at a level comparable with the approved budget. Specific analysis of the execution of climate related expenditure and revenue is published.	N	There is no review of climate related expenditure and revenue at a level comparable with the approved budget yet. This is because the climate change outturn is not considered independent of the overall outturn.
(3) A review of audit reports or/and evaluation reports on the performance of climate change programs or activities in line with planned outputs and outcomes.	Y	The annual audit and evaluation reports from Auditor General include performance of climate change programs or activities in line with planned outputs and outcomes.
(4) A review of audit reports or/and evaluation reports of climate change impacts of the executed budget.	N	There is no evidence of evaluation or evaluation reports of climate change impacts of the executed budget.
(5) Recommendations for actions issued by the legislature to be implemented by the executive.	N	A review of Parliamentary Reports found recommendations of actions from the legislature to Parliament on climate finance and actions. However, these were not linked to an audit or evaluation processes.
(6) Follow up on their implementation.	N	No evidence of follow-up of implementation found.

In summary,

The legislature’s scrutiny of audit and evaluation reports meets two criteria. Annual Audit Reports submitted to Parliament by the OAG in 2020, 2021, and 2022 included climate change projects and programmes. The audit reports also highlight issues in projects for the Ministry of Tourism

Wildlife and Antiquities (MoTWA) and the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), resulting in climate change-related concerns and recommendations for action. All the recommendations of the OAG on climate change issues were adopted, based on the reports of the Public Accounts Committees (PACs), in the motions of Parliament based on the reports available on the Parliamentary website. Additional technical and advocacy support is provided through the Parliamentary Forum on Climate Change, a climate advocacy group, and the Civil Society Budget Advocacy Group (CSBAG) provides specific support on the audit and evaluation of climate change projects. The technical support from Government is provided through the National Climate Change Advisory Committee (NCCAC), which is a technical advisory structure provided under the National Climate Change Act (2021).

Dimension Rating: C

CRPFM–5 Climate responsive public investment management

Guiding question

Has the Government put in place climate-responsive public investment management arrangements covering laws and regulations, project selection and prioritisation criteria; project appraisal; and reporting from entities in charge of implementing public investment projects?

○ ***Dimensional scoring***

Indicator/Dimension	Score	Brief justification of the score
CRPFM–5	D+	
5.1 Climate related provisions in regulatory framework for public investment management.	C	The legislative framework for public investment management provides climate-related objectives and requirements. The PIM manual considers climate change impacts in project selection. The level of compliance of investment projects with public investment objectives, including climate requirements, is low.
5.2 Climate related project selection.	D	Published climate assessment and prioritization criteria are available for selecting new projects. Climate assessment and prioritization criteria are not used for many investment projects.
5.3 Climate related provisions for project appraisal.	D	A legal framework exists for project appraisal and covers the impacts of climate mitigation and adaptations. The guidelines also require adaptation measures to address climate risks in the project design.. The existing CD guidelines is under review to incorporate climate change risks and impacts of climate change adaptation and mitigations.

Indicator/Dimension	Score	Brief justification of the score
5.4 Reporting from entities in charge of implementation.	D*	There is no information on whether extra-budgetary units and public corporations produce performance reports on climate-related projects they are implementing.

Coverage –

Dimensions 1 to 3: Central Government

Dimension 4: Extra budgetary units and controlled public corporations.

Time Period –

Last completed fiscal year

5.1 Climate related provisions in regulatory framework for public investment management

Legislation

The National Climate Change Policy (2015) indicates the need to support integrating climate change issues into planning, decision-making, and investments in all sectors and trans-sectoral themes through appropriate institutional arrangements and legal frameworks⁸.

The National Environment Act 2019 (Section 47) stipulates strategic environmental assessment to be carried out for large investments. The Act specifies the establishment of a Policy Committee on Environment responsible for guiding, formulating, and implementing environmental and climate change policies, plans, and programs, among other functions (Section 6).

The National Climate Change Act, 2021⁹, mandated 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.

Statutory Instruments 2020 no. 47, the National Environment (audit) Regulations, 2020 indicate that projects are subject to an environmental compliance audit.

The National Environment and Social Assessment Regulation, 2020 requires project proposals to contain a description of climate-related impacts associated with the project, including potential climate benefits and carbon footprints of the proposed project, as well as the potential vulnerability of the proposed project or activity to climate change, and the proposed adaptation and mitigation measures¹⁰.

Present situation

The Government of Uganda developed a Public Investment Management (PIM) Manual in 2017. The PIM manual stipulates that project assessment includes, among other things, the resilience

⁸ The National Climate Change Policy page 7.

⁹ The Act amended the PMF Act 2015 to contain a provision on about the mandate of the National Planning Authority to review the annual budget for climate responsiveness.

¹⁰ [National Environment \(Environmental and Social Assessment\) Regulations S.I. No. 143 of 2020.pdf \(nema.go.ug\)](http://nema.go.ug)

of the proposed investment to current and future climate change and reduced vulnerability and risk¹¹. The manual guides the costing of the impact of environmental externalities on proposed investment projects. There is no explicit guidance on climate change (adaptation and mitigation)

A development Committee (DC) with representation from key Government institutions is responsible for reviewing projects in the Public Investment Plan (PIP). A DC is responsible for also for approving project concept notes to determine whether project ideas are registered so that the sponsoring agency can proceed to the next phase of profiling. Approved Environmental and Social Impact Assessment (ESAI) is among the criteria the DC investigated to determine projects' inclusion in the PIP.

In summary, the legal framework describes the objective and requirements for investment programs and projects in relation to climate change mitigation and adaptation, where the scope covers the central government.

Dimension Rating: C

5.2 Climate related project selection

Data required

- List of approved/ongoing investment projects with relevant data to identify them as 'major'
- Documentation of the Government's central review of major investment projects before inclusion of projects in the budget
- Documentation on publication and adherence to standard criteria for project selection
- Details of standard criteria for project selection

Legislation

The National Climate Change Act (2021) acknowledges NEMA as the Lead Agency for environmental and social compliance. Section 69 of the National Environment Act (2019) address how the environmental regulator covers climate change as lead agency on environmental compliance. Regulation 4 of the National Environment (Environmental and Social Assessment) Regulations 2020 states that a developer shall not implement a project without a certificate of approval from the National Environment Management Authority's environmental and social impact assessment. The regulation guides how the assessment is prepared and reviewed. The pre-feasibility and feasibility studies undertaken by MDAs shall cover nine modules. One of them is an environmental module that is expected cover environmental, social and climate change aspects.

Present situation

According to the MoFPED Development Committee (DC) report (2021), 421 ongoing projects and 220 project submissions were received and reviewed between August 2020 and March 2021. The PIM manual and the DC guidelines for project selection include environmental criteria, including the project's climate impacts or exposure to climate risks. The DC may not appraise most of the projects included in the Public Investment Plan. The report indicated that out of the 63 projects admitted in the PIP for the FY 2021/22, only four of them (6%) completed the DC appraisal

¹¹ Project Implementation manual, Page 95 and 134.

processes due to covid-19, weak capacity of Votes to undertake feasibility studies and votes created towards finalization of the approved budget estimates.

The DC looked into whether an ESAI is available for proposed projects. However, the ESAI is not a prioritization criterion between competing projects that passed ESAI assessments. In addition, the ESAI assessment may not contain details on mitigation and adaptation costs associated with climate change risks concerning the proposed projects.

In a different report by the World Bank, the percentage of projects that are underpinned by a cost-benefit analysis out of the total entering the PIP improved from 10% by 2015, to 37% for the FY 2021¹².

In summary

Climate assessment and prioritization criteria are used for investment projects.

Dimension Rating: D

5.3 Climate related provisions for project appraisal

Legislation

The National Environment (Environmental and Social Assessment) Regulations (2020) require project proposals to contain a description of climate-related impacts associated with the project, including potential climate benefits and carbon footprints of the proposed project, as well as the potential vulnerability of the proposed project or activity to climate change, and the proposed adaptation and mitigation measures¹³. As per Section (69) (Subsection 1) of the National Environment Act (2019), the lead agency may, in consultation with the Authority, put in place guidelines and prescribe measures (subsection 1b) to advise institutions, firms, sectors, or individuals on strategies to address the impacts of climate change, including those related to the use of natural resources.

Guidelines for Strategic Environmental Assessment (SEA) issued in 2020 guide the consideration of climate adaptation and mitigation measures in the policies, plans, or programs and the use of these measures as justification for making decisions on environmental and social impact assessment. While the ESIA applies to specific projects, SEA applies to policies, plans, and programmes.

The PIM manual provides guidance for project appraisal. Though not detailed, the manual indicates the economic value of the project's contribution to increasing resilience to current and future climate change and reducing vulnerability risks¹⁴. The guidance provided examples by sector on how to address negative environmental externalities¹⁵. The mandatory pre-feasibilities and feasibility studies must contain nine modules, including the environment criteria.

¹² <https://www.worldbank.org/en/country/uganda/publication/uganda-economic-update-reforming-public-investment-management-will-support-uganda-s-fiscal-management-and-long-term-grow>

¹³ [National Environment \(Environmental and Social Assessment\) Regulations S.I. No. 143 of 2020.pdf \(nema.go.ug\)](#)

¹⁴ PIM manual Page 95

¹⁵ PIM manual Page 134

The guidelines of the Development Committee (DC) for the approval and review of Public Investment Projects (2016) also indicate the requirements in the PIM manual.

Present situation

The PIM manual and the DC's guidelines for approving and reviewing the Public Investment Project are in use. Feasibilities studies are required to contain an analysis of (i) demand (ii) technical feasibility (iii) environmental, (iv) human resources and administrative support, (v) institutional and legal module, financial or private evaluation module, (vii) economic or social evaluation module, (viii) distributional module, and (ix) risk analysis module.

Key environmental questions that the studies should address include the likely environmental impacts, the cost of reducing the negative impact, the risk without the project, technical measures to reduce the impacts, alternative ways, and the cost of alternatives. The PIM manual and the DC guidelines do not explicitly stipulate the consideration of climate change impacts and climate change adaptation and mitigation measures on new investment projects. There is an ongoing review of the DC guidelines to include climate change in the project appraisal.

The DC produces annually a report about reviewed project proposals. Its report covers new and ongoing projects submitted for inclusion in the public investment plan. The report also contains the number of proposals that received approval, needs revision, deferment, and rejection. The report provides summarized information about the project stages, including concept note, profile, pre-feasibility, and feasibility. The reports do not include details of appraisal results of specific proposals.

In summary

The legal framework requires project appraisal to cover the assessment of the impacts of climate mitigation and adaptations. The existing guidelines are under review to include the impact of climate change and the impact of mitigation and adaptation measures on new project proposals, as stipulated in the National Environment and Social Assessment Regulations (2020).

Dimension Rating: D

5.4 Reporting from entities in charge of implementation

Legislation

The Public Finance Management Act, 2015, requires public corporations to prepare and submit a statement of financial performance of the public corporation within two months after the end of each financial year.

The PIM manual is also intended to be used by Votes on the national budget, which includes State Owned Enterprises and all other institutions involved in formulating, planning, implementing, monitoring, and evaluating public investments. The PIM manual does not specify reporting requirements for climate-related funding.

Present situation

Extrabudgetary operations in Uganda are related primarily to various statutory bodies, including universities. Extrabudgetary units submit financial reports timely (PI-6.3). Uganda has about 23 public corporations, all audited by the Auditor General.

The assessment team did not receive information on whether extrabudgetary units and public corporations implementing public investment projects incorporate specific climate objectives, targets, and indicators in their performance contracts and whether they produce performance reports.

In summary

Insufficient information is available on whether extra-budgetary units and public corporations in charge of implementing public investment projects are producing performance reports.

Dimension Rating: D*

CRPFM–6 Climate responsive asset management

Guiding question

Does the management of assets ensure that public assets contribute to mitigation and that their sensitivity to climate change is addressed?

○ Dimensional scoring

Indicator/Dimension	Score	Brief justification of the score
CRPFM–6	C	
6.1 Climate responsive nonfinancial asset management	C	The Asset Management Framework and Guidelines specifies inclusion of climate change and environmental risks in nonfinancial asset management. Some MDAs assess the exposure and sensitivity of certain assets, such as road infrastructures, to climate variability, transitional risks, and extreme weather events.

Coverage

Budgetary central Government

Time Period

Last completed fiscal year

6.1 Climate responsive non-financial asset management

Legislation

Section 34 of the Public Finance Management Act, 2015, as amended, specifies the roles and responsibilities of the various officers in public asset management. Regulation 24 of the Public Finance Management Regulations, 2016, states that an Accounting Officer of a vote should maintain an asset register.

The Public Procurement and Disposal of Public Assets (PPDA) Act 2003 specifies the procedures for procuring and disposing of assets.

The Treasury Instructions 2017 guide the management of non-current assets and specifies the attendant accounting framework. The Accounting Officer should register fixed assets, including service concession assets, land, buildings, dams, roads and highways, hydropower stations, plants, vehicles, equipment, and other infrastructure assets, excluding forests and mineral resources. The Instructions also stipulate the principles of recognition, measurement, presentation, use, maintenance, impairment, and disposal of non-current assets.

The Asset Management Framework and Guidelines (AMFG) 2020 provides comprehensive guidance on operational activities involved in the planning, acquisition, safeguarding, utilization, replacement, disposal, and reporting of public assets. The AMFG scope of assets is

comprehensive and includes moveable and immovable assets, plus specialized military assets, heritage assets, infrastructures, biological assets, PPPs and minerals, natural gases, and other resources. The AMFG applies to all GoU Votes.

The AMFG guides how the risk to assets that are posed by environmental factors like climate change and soil degradation should be addressed in the asset life cycle management (from procurement to disposal). The manual requires the Accounting Officers at MDAs to consider the climate change risks in planning for the acquisition, maintenance, replacement, and disposal of assets. The manual specifies the relevant laws and regulations for assets such as motor vehicles, land (the National Land Use Policy, Land Acquisition Act), buildings (The Building Control Act), roads (the Road Act), and petroleum (Petroleum Act). The environmental and social safeguard policy of the Uganda National Road Authority (UNRA) states that the UNRA shall incorporate measures to address climate-related risks in designing and implementing road and other projects.

Present situation

The Asset Management Department under the MoFPED provides an overall framework for asset management, including providing guidelines, circulars, and support to MDAs. Individual MDAs maintain a fixed asset register. The Asset Management Department at the MoFPED consolidates registers of MDAs at the national level using an Excel spreadsheet.

UNRA developed an Emergency Response Plan to address weather incidents resulting from extreme weather events to restore the safety of roads and users¹⁶. For example, UNRA conducted a hydrological study to address the fluctuating water levels affecting ferries' ability to dock. UNRA conducts regular assessments of roads, bridges, and culverts to inform timely maintenance, minimizing extreme weather's impact. Other routines are proactive measures like cleaning and maintaining drainage systems for roads, bridges, and waterways to discharge running stormwater efficiently. To respond to damages to bridges due to unexpected climate change effects, UNRA purchased a 40m long emergency bridge.

UNRA launched the Green Right of Way (GROW) Program to plant trees along the roads as part of an adaptation strategy to climate change¹⁷. The GROW report issued in June 2022 implied that UNRA identified some transitional risks related to the implementation of the GROW program.

In summary

Exposure and sensitivity of relevant fixed assets to climate variability, extreme weather and transition risks are identified for the relevant assets, including roads, bridges, and related infrastructures.

Dimension Rating: C

¹⁶ Emergency Response Guidelines (UNRA)

¹⁷ As of June 2022, a total of 1,519km was planted with trees with an average 72% survival rate.

CRPFM–7 Arrangements for complying with monitoring and reporting on climate-related debt and guarantee instruments

Guiding question

Has the Government put in place arrangements to handle climate-related liabilities, and comply with the specific monitoring and reporting requirements?

○ Dimensional scoring

Indicator/Dimension	Score	Brief justification of the score
CRPFM-7	D+	
7.1 Climate related fiscal risks	C	The Government produces a report consolidating fiscal risks, i.e., the Fiscal Risk Statement. However, the fiscal risk statements for FY 2021/22 and 2022/23 did not explicitly include climate change-related risks, although it was benchmarked in FY 2020/21.
7.2 Climate related debt and guarantees	D	The legal framework generally requires a mandatory report of public debts and specifies the process where SNGs and SOEs receive public debts and guarantees. The legal framework doesn't specify climate-related loan arrangements at all levels and no mandatory climate-related reporting is produced

Coverage - Central Government.

Time Period

Last completed fiscal year

7.1 Climate related fiscal risks

Legislation

The Public Finance Management Regulations 2016 require the Budget Framework Paper to contain a statement of the main sources of risks to the Government's fiscal objectives and a qualified estimation of the fiscal impact of these risks, including risks from natural disasters. The Act indicated, where possible, the fiscal risk statements estimate the quantitative impact of the identified risks on the macroeconomic framework and the annual budget. The fiscal risk statement should specify the strategy used to manage the fiscal risks.

Present situation

The National Budget Framework Paper issued annually contains a risk statement section. The risk framework is categorized into macroeconomic risks, risks related to public debt, natural disasters, and Insecurity. The paper emphasized that the impact of natural disasters like drought, flooding, and landslides could be more significant than the provision of contingencies funds stipulated in the PFM Act 2015.

The reports contain a qualitative assessment of climate-related fiscal risks. The fiscal risk statements for the last completed fiscal year, FY 2021/22 did not quantify the impacts of fiscal risks nor explicitly indicate the impact of the climate-related risks to revenue and expenditure¹⁸.

In summary

The Government produced a report containing information on the qualitative assessment of climate-related fiscal risks. The last completed paper doesn't consider the impact of climate-related fiscal risks on revenue and expenditure.

Dimension Rating: C

7.2 Climate related debt and guarantees

Legislation

Section 42 of the PFM Act 2015 stipulates that the MoFPED report, by the 1st of April, prepare and submit to Parliament a detailed report of the preceding financial year on the management of the public debt guarantee and the other financial liabilities of the Government. The Act describes the purpose of loans and guarantees defined broadly but doesn't explicitly specify loans to cover climate liabilities. There is no legal framework that requires a mandatory reporting of climate-related loans and guarantees specifically but indicates the mandatory reporting of debts in general. The legal framework sets loan and guarantee arrangements for SNGs and public corporations. The legal framework doesn't refer to a methodology to identify projects eligible for climate finance.

Present situation

A debt statistical bulletin and a public debt portfolio analysis are prepared annually by the MoFPED. Public debt grants, guarantees, and other financial liabilities are produced by MoFPED annually. Other reports are quarterly debt sustainability analysis report, quarterly debt statistical bulletin, and public debt portfolio analysis.

According to the report issued by MoFPED, a total of USD 434.24 million was mobilized from loans to fund new adaptation and mitigation climate change projects in Uganda. The report includes all stock of debt at the date of reporting. Some of the loans are easily identifiable as climate change-related loans, but the nature of the loan was not identified as mitigation and adaptation. The report provides detailed information about climate-related loans approved and received during the reporting period. Table 3.5 shows the total amount of loans received for financing climate mitigation and adaptation project.

Table 3-5: New climate Finance Projects F/Y 2021/2022.

Project Title	Funder	Nature	US\$ mill.	Instrument	Signature Date
Irrigation for Climate Resilience Project (ICRP)	World Bank	Adaptation	169.2	Loan	30th October 2021
Solar Powered Irrigation and Water Supply System Project	United Kingdom	Adaptation	115.84	Loan	10th October 2021

¹⁸ The impact of climate change related risks was quantified for FY 2018/19. The practices has not be sustained in the subsequent years.

Investing in Forests and Protected Areas for Climate - Smart Development Project.	World Bank	Mitigation	148.2	Loan	18th November 2021
Investing in Forests and Protected Areas for Climate – Smart Development Project	World Bank		81.35		28 th April 2021
Total			514.59		

Guarantees and loans to the public corporation were not available in 2021. Non-guaranteed loans to SOEs and EBUs were UXG 1.8 trillion. The report doesn't provide disaggregated information by nature, such as whether the loans are related to climate mitigation and adaptations. The local governments received no domestic or foreign loans.

In summary

The legal framework generally requires a mandatory report of public debts and specifies the process where SNGs and SOEs receive public debts and guarantees. All debts, regardless of the purpose, whether received by the national Government, SOEs, EBUs, and SNGs, are included in the debt reports. The legal framework doesn't specify climate-related loan arrangements at all levels, and no mandatory climate-related reporting is produced.

Dimension Rating: D

CRPFM–8 Climate responsive procurement

Guiding question

Does the government take climate change impacts into account when planning and executing procurement decisions?

○ ***Dimensional scoring***

Indicator/Dimension	Score	Brief justification of the score
CRPFM–8	D	
8.1 Climate responsive procurement framework	D	The public procurement framework has not yet established clear criteria to determine what products or services are climate-responsive.
8.2 Climate responsive public procurement operations	D	The procurement operation is not generally climate-responsive other than some environmental aspects embedded in the procurement of works.
8.3 Climate responsive public procurement monitoring	D	Climate-responsive specifications of tender and contracts are not embedded into the standard procurement procedures, except for the

Indicator/Dimension	Score	Brief justification of the score
		environmental aspects reflected in the procurement of works. There is no procurement database or records to capture specific information on climate-responsive procurements.
8.4 Climate responsive public procurement reporting	D	PPDA produced annual reports which show some statistics on procurement operations at the national level. The report was issued in 2018. Statistical information on climate-responsive and climate-induced emergency procurement operations is not reported.

Coverage

Central government.

Time Period

CRPFM-8.1, 8.2. and 8.3. Last completed fiscal year.

CRPFM-8.4. Last completed fiscal year (covering the last three fiscal years for assessing the CC responsive procurement).

8.1 Climate responsive procurement framework

Policy Framework

Uganda’s National Public Sector Procurement Policy (2019) provides the strategic direction for the public sector procurement system in the country. The policy stipulates the promotion of integrity and accountability in public sector procurement, including reporting of procurement performances. The policy framework is part of the National Public Sector Procurement System that also consists of other frameworks on institutional arrangements, the legal and institutional framework, human resource management, market practices, procurement operations, and integrity and accountability.

Legislation

The Public Procurement and Disposal of Public Assets Authority (PPDA) is the principal regulatory body for public procurement and disposal of public assets in Uganda, as per the Public Procurement and Disposal of Public Assets Act, 2003 and amended in 2021.

The Public Procurement and Disposal of Public Assets Regulations, 2014, set detailed administration of the procurement processes, including vendors, procuring entities, standard bidding documents, and other aspects.

The National Public Sector Procurement Policy (2019), among others, aims to ensure that all public procurements are based on environmental sustainability principles. The Policy promotes sustainable procurement. The Policy outlines the need for deliberate efforts to offer less environmentally damaging products and services, promote innovative green processes, develop

environmental standards, criteria, specification standards, eco-labelling schemes, programs, and recognize and offer support and incentives to environmentally friendly products and services.

Present situation

The PPDA is currently working on developing a sustainable procurement framework. The framework is expected to mainstream climate change in the procurement system. The existing framework doesn't establish clear criteria for determining what products or services are climate responsive.

In summary

The public procurement framework didn't yet establish clear criteria to determine what products or services are climate-responsive.

Dimension Rating: D

8.2 Climate responsive public procurement operations

Present situation

PPDA has several standard guidelines on public procurement. The guidelines outline procedures for using framework contracts, pre-qualifications, pre-bid and pre-proposal meetings, code of ethics, procurement thresholds, bid submissions, securities and procurement in emergencies, electronic procurement, specific guidelines for local government procurements, and third-party procurement agents.

PPDA also has several legal notices such as auctions, bid evaluation result notices, shortlist, contract awards, procurement bids, disposal contract awards etc.

However, the standard guidelines, notices, templates, tender requirements, and award criteria are not climate responsive. The standard bid document includes the environmental, social, healthy, and safety obligations, and Environmental and Social Security, and Environment and Social Management Plan. The standard bidding documents for the procurement of supplies and consultancy services do not contain climate-responsive standards.

In summary

The procurement operation is not climate responsive.

Dimension Rating: D

8.3 Climate responsive public procurement monitoring

Legislation

The Public Procurement and Disposal of Public Asset Act 2003 mandated the PPDA to monitor procurement operations. It conducts procurement audits. In addition, the Auditor General (As per the National Audit Act, 2008) and the Internal Audit units (as per PFM Act 2015) of MDAs, and the Budget Monitoring and Accountability Unit of the MoFPED (PFM Act, 2015) are mandated to conduct procurement audits.

PPDA issued a guideline for Procurement Under Emergency Situations in June 2021 to guide emergency procurement. The emergencies include floods, fires, earthquakes, volcanic eruptions, political emergencies, unforeseen security risks, critical infrastructure or equipment failure, roads, bridges, and water and sewerage installations.

Present situation

PPDA conducts procurement and disposal audits. The audits aim to assess and establish a degree of compliance of the procuring entities with procurement and disposal policies and *procedures* and their procurement performance.

The assessment team looked at four sample audit reports conducted in 2021 by PPDA. These included the following: (i) Uganda National Road Authority received an aggregate risk rating of 59.31% (unsatisfactory performance); (ii) the Petroleum, Authority of Uganda received an aggregate risk rating of 11.6% (highly satisfactory performance); (iii) Makerere University received an aggregate risk rating of 49.8% (satisfactory); and (iv) the Ministry of Water and Environment received an aggregate *risk* rating of 25% (Satisfactory performance). The assessment team did not receive the recent PPDA report to see the overall performance. As per the 2018 PPDA report (the latest report available on the website of PPDA), 76% of the procurement operations were found to be satisfactory and highly satisfactory.

The Auditor General¹⁹ indicated certain limitations with procurement operation, including delayed procurement processes and insufficient user requirement definitions in IT-related procurement.

Some of the audit findings are related to the bidding process, evaluation, contract management, implementation of the procurement plan, failure to implement procurement audit findings and recommendations, not reporting to PPDA, poor cost estimation, and use of direct procurement without adequate justification. The frequency and magnitude of the findings determine the aggregate risks indicated above.

The Uganda Government launched the Electronic Government Procurement System (e-GP) in July 2021. The e-GP was piloted in a few entities and is expected to be deployed in all *Government* entities within three years. The system is expected to enhance competition, transparency, and accountability and improve access to information from a central source.

The climate-responsive specifications are not mainstreamed in the procurement standard bidding documents except with some environmental aspects specified for the procurement of works. When environmental and social impact issues are included in the bid evaluation criteria, like in the case of procurement of works, the compliance of the specification and implementation is verified through procurement audit. The use of emergency procurements induced by climate, as stipulated in the emergency procurement guidelines, is subject to audit by PPDA.

PPDA or procuring entities do not have a procurement database that captures specific information on climate-responsive procurement.

In summary

Climate-responsive specifications of tender and contracts are not embedded into the standard procurement procedures, except for the environmental aspects reflected in the procurement of

¹⁹ Annual Audit Report of the Auditor General, 2021

works. No procurement database or records can capture specific information on climate-responsive procurements.

Dimension Rating: D

8.4 Climate responsive public procurement reporting

Legislation

According to the Procurement and Disposal of Public Assets Act 2003, PPDA is responsible for monitoring and reporting on the public procurement system's performance in Uganda and advising on desirable changes. In addition, PPDA should report the Annual Performance Evaluation Report.

Present situation

PPDA produces annual reports. The assessment team didn't receive the recent PPDA yearly report. The last available PPDA (2018) report provides information about procurement performance, including statistical information about entities' procurement performance rating, decisions on administrative review, bids per procurement method, procurement training provided, procurement audit and investigation information, and procurement plans and contract performances.

Statistical reports on climate-responsive procurement and climate-induced emergency procurement operations are not reported.

In summary

PPDA produced annual reports which show some statistics on procurement operations at the national level. The report was issued in 2018. Statistical information on climate-responsive and climate-induced emergency procurement operations are not reported.

Dimension Rating: D

On-going reforms

Following the endorsement of the National Public Sector Procurement Policy, a reform on public procurement and public assets disposal is undergoing under the theme of sustainable public procurement.

CRPFM–9 Climate responsive revenue administration

Guiding question

Are climate change mitigation and adaptation objectives supported by revenue administration systems?

○ **Dimensional scoring**

Indicator/Dimension	Score	A brief justification of the score
CRPFM-9	NA	
9.1 Climate-related tax management, audit and investigation	NA	There is no structured and systematic approach for assessing and prioritizing compliance risk for climate-related taxes. Excise taxes are applied to some plastic products and old vehicles. Surcharges are collected from imported used cars, certain types of refrigerators (which depletes the ozone layer), and certain bags. There is no climate-related tax revenue collected from polluters. GHG emitters are not identified and registered.
9.2 Climate related tax arrears	NA	There are no climate-related tax arrears – current climate-related taxes are charged at the transaction level at the time of import.

Coverage

Budgetary central Government

Time Period

Last completed fiscal year

9.1 Climate related tax management, audit and investigation

Methodology

The PEFA Climate methodology defines climate-related tax as tax where a tax base is a physical unit with a proven specific negative impact on the climate. They include a carbon tax, energy tax, emission tax, and carbon border adjustments. This indicator does not cover other environmental taxes on waste, water, non-climate related chemical pollutants.

Legislation

The Uganda Revenue Authority, established by the Uganda Revenue Act, is responsible for assessing, collecting, and accounting for Central Government tax revenue (including Non-Tax Revenues) and advising the Government on matters of Policy relating to all revenue sources.

The major tax laws include the Income Tax Act, Cap 340, the Value Added Tax Act Cap 349, Excise Duty Tax, 2014, and Stamp Duty Act, 2014. There are various regulations made under the Income Tax Act.

The National Environmental Act 1995, Cap 153 stipulates a principle where the polluter bears the true and total costs of environmental pollution. Section 62 explains the way fees are determined for a pollution license. Uganda Excise tax law introduced an environmental levy on plastic bags. But the environmental levy doesn't fall within the scope of climate tax as defined above.

Present situation

GHG inventory covers the period 2005 to 2015 conducted in Uganda. Key categories of GHG sources were identified, and their emission was computed. Though The principles of "polluters pay" stipulated in the National Environmental Act is yet to be translated into regulation. Uganda does not have a climate-related tax explicitly aiming to track and tax GHG emissions. However, it collects energy taxes, including fuel taxes and a public lighting charge on electricity consumption. Uganda also collects an environmental levy on imported used cars and certain plastic bags. It gives duty-free and VAT exemptions to specific solar-powered equipment.

The 2019 TADAT assessment report²⁰ highlighted that the URA is implemented a modern compliance risk management application to manage tax operations. The complaint management process is structured and comprehensive for identifying, assessing, and mitigating institutional risks and existing an independent and workable dispute resolution process. The report indicated weaknesses in the integrity of the taxpayer registration database and the time taken to resolve disputes.

In summary

No direct emission-based tax is implemented, though an environmental levy on used cars indirectly has a GHG emission-reducing effect. URA doesn't have a climate-specific procedure for assessing climate compliance risks, a GHG emitters' database, compliance improvement plans, or tax audits.

Dimension Rating: NA

9.2 Climate related tax arrears

Legislation

Article 16 of the Tax Procedure Act, 2004 stipulates the applicable timeframe for lodging a tax return for various types of taxes. The Act doesn't have a provision about climate taxes. An overdue tax return is said to be an arrear.

Present situation

URA produces a tax arrears report annually. The 2021 OAG annual audit report shows that the tax arrears are building up. The stock of total tax arrears at the end of the last completed fiscal year is about four times the total tax arrears collected for the year²¹. As there is no climate-related tax, assessing climate tax arrears was impossible.

In summary

There are currently no climate-related tax arrears because no climate-related taxes are in Uganda yet.

Dimension Rating: NA

²⁰ TADAT Assessment Report, Uganda 2019, IMF

²¹ The Annual Monitoring Report on Domestic Revenue Monitoring Strategy (2020/21): Arrears collected in 2021 is UXG 972 bn. Arrears by the end of 30th June 2021 is UGX 4,190 billion.

CRPFM–10 Compliance of climate-related expenditure

Guiding question

Has the Government put in place a system to assess the compliance of expenditure with climate related criteria?

○ Dimensional scoring

Indicator/Dimension	Score	Brief justification of the score
CRPFM–10	C	
10.1 Effectiveness of the systems of controls	C	Climate conditionalities have not been implemented yet and cannot be controlled. However, the legal and regulatory frameworks provide a system of control for all transactions and procedures. Under the basic PEFA assessment, the internal control over non-salary expenditure scored B, with a C score for commitment control.
10.2 Audit of the compliance of transactions	C	OAG conducted at least one climate-related performance audit related to climate change. Climate-related transactions are also covered under the regular audit.

Coverage

Budgetary central Government.

Time Period

Last completed fiscal year

10.1 Effectiveness of the systems of controls

Legislation

The various PFM Acts and Regulations, including the PFM Act 2015 and the PFM Regulations (2016), provide the framework and guidance for the system of controls over the various aspects of public finance management. The Office of the Auditor General and the Internal Audit units at MDAs level monitor the effectiveness of internal controls and compliance with rules and regulations.

Present situation

The main PEFA report indicates that most payments comply with regular payment procedures, and most exceptions are properly authorized and justified. The control system ensures compliance with climate conditionalities if they are specified. The existing financial rules, regulations and manuals do not mainstream climate conditionalities.

All MDAs use the Integrated Financial Management System (IFMS). The system has budget and commitment control features. The OAG indicated that issues with expenditure arrears could result from approving supplementary budgets with no matching funds. The Government has

commenced the implementation of the recently instituted Domestic Arrears Strategy. There are minimal material irregularities in payments and commitment control systems.

Dimension Rating: C

10.2 Audit of the compliance of transactions

Legislation

According to the PFM Act (2015), the Accounting Officer shall, in respect of all resources and transactions of Vote, put in place effective systems of risk management, internal control, and internal audit. The Internal Auditor General, responsible to the Secretary to the Treasury, is responsible for developing the internal audit strategy and standards and facilitating the development of the internal audit cadres. Every vote shall have an internal auditor responsible for assessing the integrity of internal controls and financial management practices,

In addition, the PFM Act 2015, mandated the MoFPED to establish an audit committee for each sector of Government. The audit committee considers reports submitted by the internal auditor and recommends the internal auditor's findings.

Present situation

OAG audited 88.1% of the annual approved budget for the EFY 2020/21²². The audit covers all aspects of PFM, including budget execution, revenue, procurement, payroll, service delivery matters, public investment plans, and specific programs. Key findings include compliance issues with procurement rules, accumulation of commitment fees, and increasing arrears.

OAG conducts value-for-money (performance) audits, including one climate-related program annually. Some audit findings show that the OAG assessed whether monies were used for the proper climate objectives. According to the 2020/21 performance audit report, the OAG, conducted 31 forensic investigations and special audits in 2021. The report didn't specify which of the 31 investigation audits attributed to climate-related projects or activities. The Auditor General is working with INTOSAI to develop its capacity for environmental auditing.

The assessment team did not receive any consolidated reports on the internal audit issued by the Internal Auditor General.

In summary

The OAG conducts audit and fraud investigations in general; the coverage is minimal.

Dimension Rating: C

Ongoing reforms

OAG is working towards building its capacity in environmental audit in collaboration with INTOSAI. It is also a member of the Working Group on Environmental Auditing.

22 Annual Audit Report of the Office of the Auditor General, 2021.

CRPFM–11 Climate responsive fiscal decentralization framework

Guiding question

How does the PFM system enable the subnational governments to contribute to the climate change mitigation and adaptation strategy?

○ Dimensional scoring

Indicator/Dimension	Score	Brief justification of the score
CRPFM–11	D+	
11.1. Climate responsive fiscal decentralization arrangements	C	The NDP III is the main guidance for sub-national governments' PFM systems to contribute to climate change mitigation and adaptation. By including the strategic objective to “Promote inclusive climate resilient and low emissions development at all levels”.
11.2. Climate responsive fiscal transfers	C	The Annual Performance Reports Natural Resources, Environment, Climate Change, Land and Water Management (NRECCLWM) Programme indicate both allocation and performance of fiscal transfers for Natural Resources Management (which covers climate change) at the Local Government. Some of the programs have climate conditionalities requirements at the local government level.
11.3. Climate responsive PFM arrangements applied by subnational governments	D	Climate-responsive PFM arrangements have been piloted in four Local Governments. Whereas the reforms are being adopted, they have not yet been implemented by FY 2021/22 and FY 2022/23.

Coverage

Central government and the subnational governments which have direct financial relationships with CG.

Time period

11.1 At time of assessment covering the last three completed fiscal years.

11.2 Last completed fiscal year.

11.3 At time of assessment.

11.1 Climate responsive fiscal decentralization arrangements

Legislation

The National Climate Change Act (2021) Section 30 raises an amendment of the Public Finance Management Act, 2015 in section 9 by- (a) inserting in subsection (l), immediately after the word "development" the words “climate change.” The amendment applies to the requirement for each Accounting Officer, including those in Local Governments, in consultation with the relevant stakeholders, to prepare a Budget Framework Paper for the vote, taking into consideration balanced development, “climate” gender and equity responsiveness and to submit the Budget

Framework Paper (BFP) to the Minister (of Finance). In addition to their designations as one of the lead agencies, the Local Governments, through their Environment and Natural Resources Committees, are also required to integrate climate change issues into their plans, projects, and budgets for approval by the Local Councils (Section 18 of the National Climate Change Act). The Coordination Unit on Climate Change, the Climate Change Department (CCD), and the Climate Finance Unit (CFU), created to support the fiscal responsibilities of the Ministry of Finance (MoFPED), are mandated to support the local governments to achieve climate responsive fiscal decentralisation. The Local Governments are required to develop Climate Change Action Plans that the District Council approves. The plans are to be mainstreamed in all projects, plans and budgets. The Climate Change Action Plans guide all public investments for climate change adaptation and mitigation at the local government level.

Present situation

Whereas the Local Governments are required to develop Budget Framework Papers that include climate change considerations, the other requirements of the climate change law have not been met for realising fiscal responsibility. In accordance with the National Climate Change Act (2021) section 5 and section 6, the Department responsible for climate change is required to develop both a Framework Strategy on Climate Change for Uganda within one year after the commencement of this Act and in accordance with the Framework Strategy on Climate Change, develop a National Climate Change Action Plan.

The current practice is for the Local Governments to rely on the guidance of the NDP III's Programme Implementation Action Plans (PIAPs). Currently, the PIAPs are not aligned with climate change. A climate brief analysis for two pilot Local Governments (Mbale and Gulu Districts) conducted in FY 2019/20 showed that the climate appropriations identified in the budget of the District of Mbale and Gulu 2019/20 budget account for less than 1 percent in Mbale and around 3.5 percent in Gulu. The climate appropriations are thinly spread across a few programs (natural resources, water and production, and marketing), and, in contrast to MDAs, more than half the fund of the climate budget represents recurrent appropriations (GoU and World Bank 2020²³).

Also, the Uganda Intergovernmental Fiscal Transfers Program (IFTRP) aims to minimize climate change's impacts in the priority components of rural water and sanitation, basic health, and education. For example, climate change screening is one of the criteria.

In summary

The National Climate Change Act (2021) strengthened the level of climate-responsive fiscal decentralization. However, the enabling policy instruments, the Framework Strategy on Climate Change and the National Climate Change Action Plan have not been developed to clarify local government responsibility. The current guidance is based on the NDP III PIAPs, which themselves are inadequate. There is an indication of climate-responsive fiscal decentralization in terms of legislation, but the policies and implementation are limited. In addition, no evaluation of the implementation of mandates and competencies of Local Governments concerning Climate responsive fiscal decentralization arrangements has taken place.

²³ GoU/ World Bank (2020) Uganda Climate Brief FY 2019/2020, NDC Support project, World Bank Group, Kampala.

Dimension Rating: C

On-going reforms

The development of the Framework Strategy on Climate Change is ongoing, and the updates to the NDP III PIAPs for climate mainstreaming are also ongoing. The modifications in the Program Budgeting System (PBS) will also support climate-responsive fiscal decentralization.

11.2 Climate responsive fiscal transfers

Legislation

The regulatory system is based on the National Climate Change Act (2021), the National Environment Act (2019), the Local Government Act Cap 243, and the Public Finance Management Act, 2015. Section 74 of the Local Government Act established the Local Government Finance Commission (LGFC). The duties of the LGFC include, among others: (a) advise the President on all matters concerning the distribution of revenue between the Government and local governments and the allocation to each local government of money out of the Consolidated Fund; in consultation with the National Planning Authority, consider and recommend to the President the amount to be allocated as equalisation and conditional grants and their allocation to each local government; (d) advise the local governments on appropriate tax levels to be levied by local governments. The Guidelines for Grant Budget and Implementation Guidelines for Local Governments guide the type and eligibility of appropriations for conditional grants.

Present situation

The Annual Sector Performance Reports of the Water and Environment Sector for 2019 and 2020 and the Annual Natural Resources, Environment, Climate Change, Land and Water Management (NRECCLWM) Programme Management Report for 2021 and 2022 show a specific allocation to natural resources management at the Local Government. The budget is explicitly allocated to the Natural Resources Department, which supports environmental management and climate change action. District Local Governments receive Natural Resources Grant to support the restoration of the district forests and enhance regulation and compliance with mitigation measures for infrastructure investments financed by the World Bank. The grant is also used for monitoring and providing technical support to communities.

Uganda Intergovernmental Fiscal Transfers Program (IFTRP) objective is to enhance the adequacy and equity of fiscal transfers to Local Governments and to improve fiscal management of resources for service delivery by LGs. Allocations to Rural Water and Sanitation specifically indicate the planning and budgeting for the impact of climate change in terms of rainfall variability, which puts the traditional rainfed agricultural model at risk, with implications for the poorest segment of the population and the country's food security.

In summary

Climate-responsive fiscal transfers are addressed under the budgetary allocations for the NRECCLWM Programme, and the IFTRP. The IFTRP is a results-based program supported by the World Bank, which rewards domestic resource mobilization for priority programs as part of the fiscal transfers. The conditional transfers ensure strict compliance to the transfer standards and

a higher likelihood of climate change compliance for local governments, as failure to comply is likely to reduce the resources mobilised for the target development programmes.

Dimension Rating: C

On-going reforms

The updates to the NDP III PIAPs for climate mainstreaming are also ongoing, and the Framework Strategy on Climate Change guidance is still under development.

11.3 Climate responsive PFM arrangements applied by Subnational governments

Legislation

The regulatory system is based on the National Climate Change Act (2021), the National Environment Act (2019), the Local Government Act Cap 243, and the Public Finance Management Act, 2015. Section 74 of the Local Government Act established the Local Government Finance Commission (LGFC).

Present situation

There is structured coordination between Central Government, LGs and PCs when planning public investments, LGs are provided with indicative resources in a timely manner. Local governments are represented in the respective program working groups of the NDP III. Annual budget planning meetings take place between the MOFPED, MOLG and NPA, and LGs regionally to discuss NDP and yearly budget priorities. Local governments are given indicative planning figures in the first budget call circular in September (9 months before the beginning of the fiscal year), with a revised figure in February/March (Tandberg et al. 2022²⁴). The Local Government Performance Assessment is an Intergovernmental Fiscal Transfer Reforms that was introduced in 2018 to provide incentives to promote good practices in administration, resource management, accountability, and service delivery, through rewarding and sanctioning good and bad performance practices, respectively. The assessment focuses on three dimensions of accountability and budget requirements, crosscutting and sector functional processes and systems for LGs and service delivery results. In addition, the Programme Budgeting System (PBS) was also decentralized to include Local Governments. Whereas the climate budget tagging is currently limited to four pilot local governments, the budgetary commitment from the Government with PBS system revisions in FY 2022/23 and FY 2023/24 suggest were considered in the scoring included in this PEFA Climate Assessment.

Table 3-6: Extent of Satisfaction of the Fiscal Decentralization arrangements

The fiscal decentralization arrangements satisfy the following criteria	Satisfaction (Y/N)	Justification
1. National arrangements for tracking climate related expenditure are applied to SNG	No	Only for pilot Local Governments in Mbale, Gulu, Lira City, and Kasese. The partial efforts have been piloted in four

²⁴ Tandberg, E., Aldunate, E., Aziz, M., Flynn, S. and Du Preez, W. 2022 Uganda Public Investment Management Assessment, International Monetary Fund (IMF) Country Report No. 22/350, Washington DC.

The fiscal decentralization arrangements satisfy the following criteria	Satisfaction (Y/N)	Justification
		Local Governments. However, the on-going reforms are expected to cover all Local Governments. .
2. The climate change related investment framework covers SNGs	Yes	The framework is based on the NDP III, which is compatible with SNGs and national ministries and agencies. The framework is based on the NDP III, which is compatible with SNGs and national ministries and agencies. The NRECCLWM Programme Annual Report also shows the adoption of the NDC for private sector investment (clean energy investments) and interventions of Civil Society Organisations for low carbon interventions, including voluntary greenhouse gas (GHG) emissions reduction enterprises.
3. Procedures and rules for the transfer and disposal of CC sensitive non-financial assets apply to SNGs.	No	There are no specific procedures and rules for the country's transfer and disposal of climate sensitive non-financial assets.
4. The legal or regulatory framework for climate related debt and guarantees specifies arrangements for SNGs.	No	The country has no specific legal or regulatory framework for climate-related debt and guarantees.
5. The climate related procurement framework covers SNGs.	No	The procurement frameworks focus on environmental, social, health and safety (ESHS), not climate change. The procurement frameworks are limited by the inadequate integration of climate change in the public investment management (PIM) cycle, which precede the procurement frameworks.

In summary

On two of the five criteria of the dimension are fulfilled. The criteria fulfilled are: 1. National arrangements for tracking climate-related expenditure are applied to SNGs; 2. The climate change related investment framework covers SNGs.

Dimension Rating: D

On-going reforms

The conditional grants for water and environment to Local Governments were enhanced with additional funding from the Uganda Intergovernmental Fiscal Transfer Program. Results are

continually reviewed and provide an opportunity for making explicitly climate-responsive conditional grants.

CRPFM–12 Climate related performance information

Guiding question

Do the executive's budget proposal or supporting documentation include climate change-related information on planned and actual performance of climate-related programs and services?

○ ***Dimensional scoring***

Indicator/Dimension	Score	Brief justification of the score
CRPFM–12	B	
12.1 Climate related information in performance plans	B	Objectives and key performance indicators and outputs are assigned to programs and activities. The national budget framework contains information on its policy objectives, performance indicators and outputs, which is submitted to the legislature and published.
12.2 Climate related information in performance reports	B	Climate-related information is available in performance reports published by the Budget Monitoring and Accountability Unit of the MoFPED

Coverage

Budgetary central Government

Time Period

CRPFM-12.1. Last budget submitted to the legislature

CRPFM-12.2. Last completed fiscal year

12.1 Climate related/ information in performance plans.

Legislation

The Public Financial Management Act 2015 (Amended) requires the MoFPED to prepare a Budget Framework Paper each year, which shall be consistent with the National Development Plan. Following the Cabinet's approval, the Budget Framework Paper is submitted to the Parliament by the 31st of December of the financial year preceding the financial year to which the Budget Framework Paper relates.

Present situation

The National Budget Framework Papers provided performance indicators to track each sector's performance outputs and outcomes. The Budget Framework Paper is submitted each year to Parliament and published on the website of the MoFPED. Sector ministries such as the Ministries of Agriculture, Energy and Mineral Development, Water and Environment, Works and Transport, and Health prepared five-year strategic plans and posted them on their respective websites²⁵.

25 Strategic plans 2015/16 – 2019/20

The National Budget Framework Papers indicate climate-change related performance targets under the Water and Environment Sector. The Framework identified targets at the program level. For example, under the Weather, Climate, and Climate Change Program, the program performance indicators and targets are indicated in the 2020-21 fiscal year budget framework. See the table below.

Table 3.7: National Budget Framework Paper FY 2021/22

Program Performance Indicators ²⁶	Targets	
	2020/21	2021/22
% of sectors integrating climate change in their development and implementation plans	10%	10.50%
% Percentage level of environmental Compliance by Projects and Facilities	85%	87%
% Percentage area of degraded catchment areas protected by location	35%	40%
% Percentage of Central Forest Reserves boundary length resurveyed and marked with concrete pillars	46.6%	50%
% Percentage of natural forest cover on Central Forest Reserves	62%	70%
% Percentage of industrial plantations on Central Forest Reserves	100%	100%

The total budget for the Water and Environment Sector was 1.35 billion Ugandan Shillings, representing about 4.5% of the total national budget for the fiscal year 2020/21.

The National Budget frameworks for 2018-19, 2019-20, 2020-21, and 2021-2022 are available on the website of MoFPED²⁷.

The Natural Resources Environment, Climate Change, Land and Water Management Program is one of the 18 Programs of NDP3. The program is responsible for sound management and sustainable utilization of natural resources, environment, land, and water resources and mitigation of climate change's impact on socio-economic development. The National Budget Framework provided performance targets for the various program outcomes, such as: (i) improved quality of water resources for all use; (ii) increasing wetlands; (iii) enhancing waste management in urban areas; (iv) monitoring National GHG emissions are effectively monitored; and (v) Reducing human and economic loss from natural hazards and disasters and improving catchment-based water resource management.

In summary

The 2022/23 National Budget Framework Paper provides performance indicators outputs, disaggregated by programs. The performance indicators are in line with the NDP III and the NDC²⁸. The MoFPED submits the National Budget Framework to the Parliament and publishes it on its website each year.

²⁶ The sector outcomes contributed to by the Program Outcome was described as: Improved weather, climate and climate change management, protection and restoration of environment and natural resources.

²⁷ <https://www.finance.go.ug/budget-documents>

²⁸ Objective 5 of the NDP III stipulates the promotion of inclusive climate resilient and low emission development at all levels.

Dimension Rating: B

12.2 Climate related information in performance reports

Legislation

The Public Finance Management Act (2015) requires the preparation of performance reports by all GoU votes.

Present situation

The Budget Monitoring and Accountability Unit (BMAU) of the MoFPED conducts semi-annually and annual budget monitoring on selected government programs and or projects and observes how values of different financial and physical indicators change over time against stated goals and targets. The monitoring activities are conducted sample-based for selected votes, programs, subprograms, and districts or institutions. Though the sampling method did not specify a mandatory inclusion of climate-related programs and activities, monitoring reports assess some climate-related performance indicators. In 2020, BMAU conducted annual monitoring and published budget monitoring reports for selected sectors such as the Agricultural sector, Energy Sector, Health Sector, ICT sector, Industrialisation sub-sector, Water and Environment Sector, and Road Sub-sector. The report provided recommendations.

The budget monitoring includes tracking achievements based on key performance indicators in the budget document. Some of the performance indicators are related to climate change. Examples are: (i) the number of casement-based water resource management activities accomplished and the number of restored degraded watersheds by the Water and Environment Sector; (ii) the agriculture sector budget monitoring report of 2020 also contains a performance report containing information on the number of climate-smart agriculture options research performed; (iii) the number of water management measures implemented in priority catchments, the percentage increase in forest cover, number of degraded wetlands restored – Semi-Annual Budget Monitoring Report of the Natural Resources, Environment, Climate change, Land and Water Resources Management Program (2022)

The National Environment Management Authority (NEMA) produces annual performance reports. The reports contain information on the performance targets and performance achieved during the period²⁹.

The Annual Budget Monitoring reports are available at <https://www.finance.go.ug/bmau-reports>.

In summary

Most sectors report performance indicators, targets, achieved outputs and intermediary outcomes. The reports are distributed to members of Parliament, GoU executives, development partners, and civil societies.

Dimension Rating: B

29 Performance Report, National Environment Management Authority (2021)

CRPFM–13 Climate-related performance evaluation

Guiding question

Does the Government carry out evaluations of its expenditure and revenue climate-related measures?

○ Dimensional scoring

Indicator/Dimension	Score	Brief justification of the score
CRPFM-13	C	
13.1 Climate related evaluation of expenditure	B	The Office of the Auditor General conducted Independent evaluations of climate-related programs. Three value-for-money audits for the last three years
13.2 Climate related evaluation of taxes	D	No evaluation of the contribution of climate-related taxes to climate change has been carried out at least once in the last three years.

Coverage

Budgetary central Government

Time Period

Last three completed fiscal years.

13.1 Climate related evaluation of expenditure

Legislation

The Ugandan legislation³⁰ requires OAG to conduct value-for-money audits of government projects and to publish these reports. As per Article 13 of the National Adult Act, 2008, environment audits in respect of any project or activity involving public funds are the function of the Auditor General.

Article 126 of the National Environment Act, 2019 requires the National Environment Management Authority (NEMA) or a lead agency, where there is a public interest or cause to believe that a project has or may have adverse impacts on human health or the environment, to carry out an environmental enforcement audit, and the Authority may require the developers to undertake an environmental compliance audit.

Section 2 of the National Climate Change Act (2021) requires the designated entities to implement or further elaborate policies and measures in accordance with the specific entity's national

³⁰ The mandate of the Auditor General draws from Article 163 of the Constitution of the Republic of Uganda, 1995 (as amended) and Section 13 and 19 of the National Audit Act, 2008

circumstances, such as tax and duty exemptions and subsidies in all GHG emitting sectors that run counter to the objective of the Convention and application of market instruments.

Present Situation

The OAG indicated in its strategic plan to conduct one environmental audit annually. The OAG is a member of the INTOSAI Working Group on Environmental Auditing (WGEA) and continues participating in WGEA activities and developing the capacity to undertake an environmental audit. OAG has conducted value-for-money audits and produced performance reports on climate activities, such as

- The afforestation and restoration of selected central forest reserves (2021)³¹
- the regulation and promotion of safe and reliable maritime services in the water transport sub-sector (2019)³²
- the management of wetlands in Uganda by the wetlands management department (2018)³³

Climate-related programs and activities have been evaluated at least once in the last three years. The OAG conducted value-for-money (performance) audits related to climate. The reports were published on the OAG's website.

Dimension Rating: B

13.2 Climate related evaluation of taxes

Legislation

The National Environmental Act (2019) stipulates a principle where the polluter bears the true and total costs of environmental pollution. Section 62 explains the way fees are determined for a pollution license. Uganda Excise tax law introduced an environmental levy on plastic bags.

There is no legal or regulatory framework relating to the Climate-related evaluation of taxes.

Present situation

Uganda does not have an explicit carbon tax. However, it collects energy taxes, including fuel taxes, except for fuel used for fishing and a public lighting charge on electricity consumption.

Environmental levy is applied to used cars, certain refrigerators, certain industrial chemicals, and surcharges on certain bags. No evaluation of the contribution of climate-related taxes to climate change has been carried out in the last three years.

In summary

³¹ <https://www.oag.go.ug/reports/1176>

³² <https://www.oag.go.ug/reports/1148>

³³ <https://www.oag.go.ug/reports/1149>

No evaluation of the contribution of climate-related taxes to climate change has been carried out in the last three years.

Dimension Rating: D

CRPFM 14. EXPENDITURE OUTTURN FOR CLIMATE ACTIONS

Guiding question

To what extent does the actual aggregate and detailed climate related expenditures deviate from the originally approved budget?

Indicator/Dimension	Score	Brief justification of the score
CRPFM-14	D	
14.1 Aggregate climate-related expenditure outturn	D*	Sufficient data were not available to assess the aggregate climate-related expenditure outturn.
14.2 Climate-related expenditure composition outturn	AD*	Sufficient data were not available to assess the climate-related expenditure composition outturn.

Coverage

Budgetary central Government

Time Period

Last three completed fiscal years.

14.1 Aggregate *climate related expenditure outturn*

Legislation

Section 13 of the Public Finance Management Act (2015) sub-section 14 requires the Minister to prescribe the format of the policy statement to be submitted by a vote, and in sub-section 15 requires the vote to specify its achievements for the previous financial year.

Present Situation

The presentation of the budget outturn occurs in the National Budget Framework Papers. The report outturn for the previous fiscal year is often incomplete, and only one of two years earlier is available. Therefore, the last complete budget outturn reported was for FY 2018/19. The outturn only reflects the output totals and does not include a description of the output or activities undertaken. Therefore, it is impossible to determine whether the expenditure was related to climate change.

The Assessment team computed the expenditure variances at the aggregate level for climate-related entities based on the limited information available. This analysis includes the Ministry of

Water and Environment (MoWE), NEMA, the National Forestry Authority (NFA), the Uganda National Meteorological Authority (UNMA), and the Local Government Grants. The analysis may not include other climate-related projects implemented by other entities.

Table 3-8: Aggregate climate expenditure outturn for the fiscal years 2018/19, 2019/20 and 2020/21 (million UXG)

Years	Budget	Actual	Perc.
2020/21	240,714.7	154,994.4	64.4%
2019/20	137,928.0	83,375.9	60.4%
2018/19	444,064.9	399,253.5	89.9%

In summary

The information on identifying climate-related expenditures at the aggregate level was unavailable to the assessment team.

Dimension Rating: D*

14.2 Climate related expenditure composition outturn

Legislation

Section 13 of the Public Finance Management Act sub-section 14 requires the Minister to prescribe the format of the policy statement to be submitted by a vote, and in subsection 15, prescribes policy statement to state the achievements of the vote for the previous financial year.

Present Situation

The data available to the assessment team do not provide sufficient detail to allow for a comparative analysis of budget outturn. The outturn information was not included in the Budget Framework Papers, the Ministerial Policy Statements, and currently, in the programme performance reports.

The Assessment team computed the expenditure variances at an aggregate level for climate-related entities with the limited information available. This analysis includes the MoWE, NEMA, the NFA, UNMA, and the Local Government Grants. The analysis may not include other climate-related projects implemented by other entities.

Table 3-9: Climate Related Expenditure Outturn Variance for selected sectors

Year	Composition variance
2020/21	2.7%
2019/20	4.7%
2018/19	4.8%

In summary

The variance in climate-related expenditure composition by administrative classification was less than 5% in at least two of the last three years (2018/19 and 2020/21). However, the data provided did not represent all climate-change-related expenditures for the last three completed years.

Dimension Rating: D*

Annexes

ANNEX 1. SCORING SUMMARY TABLE

Indicator/Dimension	Score	Brief justification of the score
CRPFM-1 Budget alignment with climate change strategies	D	
1.1 Budget alignment with climate change strategies	D	<p>The system in place fulfils 5 elements. Basic (2) (2) Climate-related projects and initiatives are costed in sector medium-term strategic plans; (3) Climate-related projects and initiatives are costed in sector medium-term strategic plans;</p> <p>For the additional elements, (7) climate change policy and strategies cover subnational governments, public corporations, and other operators in charge of implementation, (10) Medium-term fiscal strategy refers to climate-related fiscal risks; and (12) there is an operational body, unit, or team in charge of fostering coordination on climate change activities in line with climate change policies, at the National Planning Authority (NPA), the Climate Finance Unit (CFU) in the MoFPED), and the Climate Change Department (CCD) in the Ministry of Water and Environment..</p>
CRPFM-2 Tracking climate related expenditure	D	
2.1 Tracking climate related expenditure	D	<p>The system in place to track climate related expenditure fulfils 2 basic elements ((1) using a methodology that defines what constitutes “climate change expenditure”., , (5) review of the methodology developed to track climate-related expenditure by an entity other than the preparing entity.</p>
CRPFM-3 Climate responsive budget circular	C	
3.1 Budget circular	C	<p>The Budget Call Circulars in FY 2020/21 and in FY 2022/23, provide explicit guidance provided on how to budget for climate change action based on the national climate change policies and strategies across all Ministries, Departments and Agencies (MDAs) was explicit.</p> <p>There is a strong link between the Budget Call Circulars and the NDP III, which is explicit on the need for climate risk screening, budgeting,</p>

Indicator/Dimension	Score	Brief justification of the score
		and tracking in line with the climate change policies across for Government Programmes. .
CRPFM-4 Legislative scrutiny	C	
4.1 Legislative scrutiny of budget	C	<p>The legislative scrutiny meets two of the six criteria set in the PEFA methodology. The three criteria met are: (i) involvement of support mechanisms such as specialized legislature committees, technical and scientific support, expert advice from climate advocacy groups, independent climate councils, or others and a report on the work and conclusions of the committees or groups is published; and a review of climate related annual details of expenditure and revenue; (ii) public consultation that includes a specific focus on climate.</p> <p>The Parliamentary Forum on Climate Change a climate advocacy group formed in 2008 provides support to members of Parliament to support strengthening of legislation and policies for climate action. The Civil Society Budget Advocacy Group (CSBAG) also provides advocacy and ensures that climate change policies including the certificate of climate change compliance (of the Budget Framework Paper) is undertaken and discussed at public forums.</p>
4.2 Legislative scrutiny of audit and evaluation reports	C	(3) A review of audit reports or/and evaluation reports on the performance of climate change programs or activities in line with planned outputs and outcomes
CRPFM-5 Climate responsive public investment management	D+	
5.1 Climate related provisions in regulatory framework for public investment management	C	The legislative framework for public investment management provides climate-related objectives and requirements. The PIM manual considers climate change impacts in project selection. The level of compliance of investment projects with public investment objectives, including climate requirements, is low.
5.2 Climate related project selection	D	Published climate assessment and prioritization criteria are available for selecting new projects. Climate assessment and prioritization criteria are not used for many of the investment projects.
5.3 Climate related provisions for project appraisal	D	Legal framework exists for project appraisal and cover impacts of climate mitigation and adaptations. The guidelines also require adaptation measures to address climate risks in the project design.. The existing CD guidelines is under review to incorporate climate change risks and impacts of climate change adaptation and mitigations.

Indicator/Dimension	Score	Brief justification of the score
5.4 Reporting from entities in charge of implementation	D*	There is no information whether extrabudgetary units and public corporation produce performance report on climate related projects they are implementing.
CRPFM-6 Climate responsive asset management	C	
6.1 Climate responsive non-Financial assets management	C	The Asset Management Framework and Guidelines specifies the inclusion of climate change and environmental risks in nonfinancial asset management. Some MDAs assess the exposure and sensitivity of certain assets such as road infrastructures to climate variability, transitional risks and extreme weather events.
CRPFM-7 Climate related liabilities	D+	
7.1 Climate related fiscal risks	C	The Government produces a report consolidating fiscal risks, i.e. the Fiscal Risk Statement. However, the fiscal risk statements for FY 2021/22, and 2022/23 did not explicitly include climate change related risks although it was benchmarked in FY 2020/21.
7.2 Climate related debt and guarantees	D	The legal framework generally requires a mandatory report of public debts and specifies the process where SNGs and SOEs receive public debts and guarantees. The legal framework doesn't specify about climate related loan arrangements at all levels and no mandatory climate related reporting is produced
CRPFM-8 Climate responsive procurement	D	
8.1 Climate responsive procurement framework	D	The public procurement framework has not yet established clear criteria to determine what products or services are climate-responsive.
8.2 Climate responsive public procurement operations	D	The procurement operation is not generally climate-responsive other than some environmental aspects embedded in the procurement of works.
8.3 Climate responsive public procurement monitoring	D	Climate-responsive specifications of tender and contracts are not embedded into the standard procurement procedures, except for the environmental aspects reflected in the procurement of works. There is no procurement database or records to capture specific information on climate-responsive procurements.
8.4 Climate responsive public procurement reporting	D	PPDA produced annual reports which show some statistics on procurement operations at the national level. The report was issued

Indicator/Dimension	Score	Brief justification of the score
		in 2018. Statistical information on climate responsive and climate-induced emergency procurement operations are not reported.
CRPFM-9 Climate responsive revenue administration	NA	
9.1 Climate related tax management, audit and investigation	NA	No structured and systematic approach for assessing and prioritizing compliance risk is available for climate-related taxes. Excise taxes are applied to some plastic products and old vehicles. Surcharges are collected from imported used cars, certain types of refrigerators (which depletes the ozone layer), and certain bags. There is no climate-related tax revenue collected from polluters. GHG emitters are not identified and registered
9.2 Climate related tax arrears	NA	There are no climate-related tax arrears – current climate-related taxes are charged at the transaction level at the time of import
CRPFM-10 Compliance of climate related expenditure	C	
10.1 Effectiveness of the systems of controls	C	Climate conditionalities have not been implemented yet and cannot be controlled. However, the legal and regulatory frameworks provide a system of control for all transactions and procedures. Under the basic PEFA assessment, the internal control over non-salary expenditure scored B, with a C score for commitment control.
10.2 Compliance of transactions	C	OAG conducted at least one climate-related performance audit related to climate change. Climate-related transactions are also covered under the regular audit.
CRPFM-11 Climate responsive fiscal decentralization framework	C	
11.1 Climate responsive fiscal decentralization arrangements	C	The NDP III PIAPs at the Local Government level also creates a framework for climate change integration. But the PIAPs are not well aligned with the CC strategies.
11.2 Climate responsive fiscal transfers	C	Only wetland transfers. However, individual sector transfers from Agriculture Sector and Water Programmes cover climate change. But are often not included in LG budgets (background write-up on the conditional grants)
11.3 Climate responsive PFM arrangements	D	The system is in place. However, the practice is not in place beyond the pilot Districts

Indicator/Dimension	Score	Brief justification of the score
applied by subnational governments		
CRPFM-12 Climate related performance information	B	
12.1 Climate related information in performance plans	B	Objectives and key performance indicators and outputs are assigned to programs and activities. The national budget framework contains information on its policy objectives, performance indicators and outputs and this is submitted to the legislature and published.
12.2 Climate related information in performance reports	B	Climate related information is available in performance reports published by the Budget Monitoring and Accountability Unit of the MoFPED
CRPFM-13 Climate related performance evaluation	C	
13.2 Climate related evaluation of taxes	B	Independent evaluations of climate-related programs were conducted by the Office of the Auditor General. Three value-for-money audits were conducted in the last three years.
13.1 Climate related evaluation of expenditure	D	No evaluation of the contribution of climate related taxes to climate change has been carried out at least once in the last three years.
CRPFM-14 Expenditure outturn for climate activities	D	
14.1 Aggregate climate related expenditure outturn	D*	Sufficient data were not available to assess the aggregate climate related expenditure outturn.
14.2 Climate related expenditure composition outturn	D*	Sufficient data were not available to assess the climate related expenditure composition outturn

ANNEXE 2: SOURCES OF INFORMATION

Annex 2.1. Questionnaire: Preparing the PEFA Climate assessment Climate Change Policy Context

Questionnaire: Preparing the PEFA Climate assessment in the Republic of Uganda - Climate Change Policy Context

This questionnaire is part of the data collection conducted before the PEFA Climate assessment field work starts. It aims at providing the policy context for the PEFA Climate assessment of the Republic of Uganda.

This questionnaire may be filled in by the designated agency overseeing and coordinating the implementation of the climate change activities (if applicable) or the Ministry of Finance with the support of the main line ministries in charge of implementing climate change policies.

1. Has the country ratified the United Nations Framework Convention on Climate Change?

Yes, when: 8th/09/1993 No

2. Has the country ratified the Paris Agreement?

Yes, when: 21st/09/2016 No

3. Has the country submitted Nationally Determined Contributions (NDCs)?

a. First NDCs Yes, when: when: 28/10/2015 No

b. Revised NDCs³⁴ Yes, when: when: Not yet submitted

No

4. If “Yes” to Question 3:

a. What aspects of climate change do the submitted NDCs address?

Climate change mitigation Climate change adaptation Both

b. How does the country plan to meet its greenhouse gas (GHG) emission reduction targets as described in the NDCs?

Financial support (Specify) Domestic and International Climate Finance sources

Regulation (Specify) Public Finance and Management Act 2015,

Taxation (Specify) Environmental Levy on Used Motor Vehicles

³⁴ If revised NDCs have not been submitted yet, first NDCs will be used for the PEFA Climate assessment

- Subsidies (Specify)
- Transfers (Specify)
- Capacity building (Specify) _ Budget and off budget support
- Technology transfers (Specify) _ Budget and off budget support
- Others (Specify)

c. Specify the proportion in % of total of

- conditional contributions__70%
- unconditional contributions____30%

d. How does the country plan to meet its adaptation objectives as described in the NDCs?

(Specify) _Refer to Priority adaptation actions identified in the Adaptation Component of the Updated NDC

5. Has the country formulated and communicated a mid-century, long-term, low greenhouse gas emission development strategy?

- Yes, when: Not yet submitted No

6. If “Yes” to Question 5:

a. What aspects of climate change do mid-century strategies address?

- Climate change mitigation Climate change adaptation Both

b. How does the country plan to meet its GHG emission reduction targets as described in the mid-century strategies?

(Specify) By implementing priority mitigation actions in priority key sectors of the economy namely: Agriculture, forestry and land use sector, Energy sector, Transport sector, Waste sector, Industrial Processes and Products Use Sector.

c. How does the country plan to meet its adaptation objectives as described in the mid-century strategy?

(Specify) By implementing priority adaptation actions in priority key sectors of the economy namely: Ecosystems, Agriculture, Water and Sanitation, Forestry, Fisheries, Energy, Transport, Manufacturing, Industrial Processes and Mining, Cities and Build Environment, Tourism, Education, Health, and Disaster Reduction.

7. Is climate change identified as a key issue in the national development plan or strategy for economic growth (or equivalent)? Yes

8. What is the climate change national framework?

a. What laws and regulations exist to support implementation of climate change

related mitigation and adaptation actions?

National Climate Policy 2015, National Climate Change Act 2021, Guidelines for Integration of Climate Change into Work Plans and Budgets

- b. Has the government developed a detailed action/implementation plan for achieving the country's climate change goals (e.g. National Action Plan)?**

Yes No

- c. Is there a national climate change strategic plan or a low carbon strategy?**

Yes, specify [Nationally Determined Contribution \(NDC\) 2015 and Updated NDC 2022](#)
 No

- d. Is there a strategic document that establishes the country's adaptation objectives (e.g. National Adaptation Plan in developing countries)?**

Yes, specify [Updated NDC 2022](#) _____ No

- e. How does regulation define what constitutes “climate change expenditure”? Does it provide further refinement of the definition³⁵? (Specify)**

Climate change expenditure is defined as monetary costs incurred to implement adaptation or mitigation policies and measures or a combination of both.

This definition was collaborated in discussions with the Climate Change Department (CCD) and the Climate Finance Unit (CFU), and a review of the NDC (2022) Update for Uganda.

- f. Does regulation instruct how the budget should integrate climate change considerations? (Specify) [Yes. Through Annual Budget Call Circulars and Guidelines for Integration of Climate Change into Sector Plans and Budgets](#)**

- 9. What are the institutional arrangements for executing climate change related policies and actions? (Specify)**

- [The National Climate Change Policy 2015 provides the following institutional arrangements](#)
- [Policy Committee on Environment – Policy direction](#)
- [National Climate Change Advisory Committee – Advisory](#)
- [Ministry of Water and Environment – National Coordination and focal point institution](#)
- [District Natural Resources Department – Local Government Coordination](#)

³⁵ Climate change mitigation expenditure, climate change adaptation expenditure, climate change cross cutting expenditure

a. Which sectors and institutions are involved in the implementation of the national climate change strategies and policies?

Sector	Institutions (line ministries and agencies)	Sectoral strategic plan that covers climate change		Climate related Budget for the last FY	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	Submitted to MoF	Adopted by the legislature
Agro-industrialisation	All MDAs and Local Governments	<input checked="" type="checkbox"/>			
Mineral Development	All MDAs and Local Governments		<input checked="" type="checkbox"/>		
Sustainable Development of Petroleum Resources	All MDAs and Local Governments		<input checked="" type="checkbox"/>		
Tourism Development	All MDAs and Local Governments		<input checked="" type="checkbox"/>		
Natural Resources, Environment, Climate Change, Land and Water Management	All MDAs and Local Governments	<input checked="" type="checkbox"/> Yes			
Private Sector Development	All MDAs and Local Governments		<input checked="" type="checkbox"/>		
Manufacturing	All MDAs and Local Governments		<input checked="" type="checkbox"/>		
Integrated Transport Infrastructure and Services	All MDAs and Local Governments	<input checked="" type="checkbox"/> Yes			
Energy Development	All MDAs and Local Governments	<input checked="" type="checkbox"/> Yes			
Digital Transformation	All MDAs and Local Governments		<input checked="" type="checkbox"/>		
Sustainable Urbanisation and Housing	All MDAs and Local Governments	<input checked="" type="checkbox"/> Yes			
Human Capital Development	All MDAs and Local Governments		<input checked="" type="checkbox"/>		
Innovation, Technology Development and Transfer	All MDAs and Local Governments		<input checked="" type="checkbox"/>		
Community Mobilisation and Mindset	All MDAs and Local Governments		<input checked="" type="checkbox"/>		
Governance and Security	All MDAs and Local Governments		<input checked="" type="checkbox"/>		
Public Sector Transformation	All MDAs and Local Governments		<input checked="" type="checkbox"/>		

Regional Development	All MDAs and Local Governments		<input checked="" type="checkbox"/>		
Development Plan Implementation	All MDAs and Local Governments		<input checked="" type="checkbox"/>		
Judiciary	All MDAs and Local Governments		<input checked="" type="checkbox"/>		
Legislature	All MDAs and Local Governments		<input checked="" type="checkbox"/>		

b. Is there a designated agency overseeing and coordinating the implementation of the climate change activities?

Yes, specify Ministry of Water and Environment – Climate Change Department No

c. Does the ministry of Finance have a specific mandate in the implementation of climate change activities?

Yes, specify Planning, Monitoring, supervision, evaluation, regulation, climate finance resource mobilization _____ No

10. What are the top five most important measures currently being implemented by the government to reduce the country’s generation of GHG emissions? (Specify)

Emissions reductions measures in Agriculture, Forestry and Land Use, Promotion of Renewable energy and energy efficiency, Waste management.

11. What are the top five most important measures currently being implemented by the government to adapt to climate change impacts? (Specify)

Top five priority adaptation sectors in the Updated NDC: Ecosystems, Agriculture, Water and Sanitation, Forestry, Fisheries.

12. Does the country have an operational monitoring and evaluation framework to track the implementation of its NDCs and climate actions?

Yes No

13. In the last five years, were there any independent assessments³⁶ of the country’s achievements in terms of climate change objectives and targets?

Yes, specify _____ No

14. Has the country conducted an assessment of the macroeconomic impacts of climate change?

³⁶ Independent would refer to an assessment undertaken by a body that is separate from and not subordinate to the government. This could involve an NGO.

Yes Economic assessment of the impacts of climate change in Uganda, 2015

No

15. If “Yes” to Question 14

Which sectors were considered? (Specify) Agriculture, Energy, Water, Infrastructure

a. **What methodology was used?** (Specify) Case study/local level, the sector level, and the macro/national level.

16. Has the country assessed the macro-fiscal implications of implementing its climate change plans or NDCs?

Yes The National Climate Change Policy has a Costed Implementation Plan and the Updated Nationally Determined Contribution has a Costed Plan and Resource Mobilization Strategy No

17. Has the country conducted activities to mainstream its climate change plans or NDCs into its PFM systems?

Yes Annual Sector Performance Reports. Budget Monitoring and Accountability Reports No

18. Which public entities (operators) are involved in the implementation of the country’s climate change strategies and policies?

Type of operator	Number of entities	Type of funding		Total Climate related Budget for the last FY
		From BCG37	Other sources	
Extrabudgetary units				
Ministries, Departments and Agencies (MDAs)	96	Budget Allocation (Government, Donors, Appropriation in Aid or Non-Tax Revenue)	Off-budget support/projects	Not compiled
Public corporations	23	Loans & Grants	Revenue	Not compiled
Subnational governments (135 Districts and 42 Urban Authorities-	177	Budget Allocation (Government, Donors, Appropriation in Aid or	Off-budget support/projects	Not compiled

cities and municipalities)		Non-Tax Revenue)		
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CRPFM ANNEX 2.2 Persons met during the PEFA climate assessment

Consolidated under the main PEFA Report

Name of Attendees	Title/Institution
Adam Babale	Ag. Commission Secretary and Director LG revenues and Research
Agnes Kisembo	Programme Specialist
Agnes Nabwire Asobola	Uganda Revenue Authority – Official
Aiden David Rujumba	Commissioner Accounts- MoFPED
Ainea Muheki	Ministry of Agriculture Animal Industry and Fisheries- Official
Albert A Musisi	Commissioner/MACRO, MoFPED
Allan CSBAG	Graduate Trainee Economist CSBAG
Amarni Shariff	Senior Accountant
Andrea Muhesi	Accountant - MoFPED
Angela Nakafeero	Commissioner Gender- MGLSD
Angela Nansubuga	Gender Officer - MGLSD
Angella Rwabutomize Matsiko	MoFPED-Macro - Office
Anthony Mugeere	Research Fellow
Apire John Paul	Assistant head of Gender
ASIIMWE AMBROSE	Head of Internal Audit
Atwebembeire Dez	Head of HR
Bakirese Billbest	PPDA- Official
Belinda Annette Komuntale	PFM Advisor REAP Coordinator –KFW
Bisase	Director Corporate Strategy, Parliament
Brian Kanzira	Senior Economist
Calyst Ndyomugabi- PAP	Principal Economist
Carol Namagembe	Program Manager CSBAG
Caroline Namukwaya	Economist/MACRO
Catherine Mayanja Nassaka	Manager - NPA
Chris Irama	Commissioner Payroll MoPS
Christine Kataike	Head of Research
Daniel Eriku Ibagu	VNG-International
Daphine Kanshabe	Ministry of Health – official
Davis Vuningoma	MACRO- Office
Diana Baziwe	Programme specialist – Ireland
Dumisani Masilela	IMF-East Africa
E Bichetero	Uganda Revenue Authority- Official
Eden Asiimwe	Uganda Revenue Authority-Official
Einar Fogh	GIZ- Representative

Elsie Kahunde	Graduate Trainee Economist CSBAG
Emmanuel Kimbowa	Ag. Head of Procurement
Erukwaine Godfrey	Head of Procurement
Fahad Mawanda	Ministry of Health- Official
Felix Kazahura	USAID- Governance specialist
Flavia Nasobora	MACRO- Office
Florence Nakalanzi	Economist/MACRO
Godfrey Ssemugooma	Director of Financial Management Services
Harriet Naluzze	Assistant Commissioner/ TIPD - MoFPED
Henry Karoro	Principial Economist
Irene Nafungo	Ag. Commissioner Compliance- EOC
James Muhindo	Public Financial Management Development Partners
James Ogwang	Local Government Finance Commission - Official
Jean Bageya	Local Government Finance Commission - Official
Joanita Lunkuse Jaggwe	Office of the Prime Minister
Joel Muhinda	MACRO- Office MoFPED
John Kauta	Head of Planning
Johnson Gumisiriza	Principal Financial Analyst
Jonah Atuha	MACRO – Office MoFPED
Josephine Apajo	Official – EOC
Josephine Watera	Assistant Director Monitoring and Evaluation
Joyce Ngaiza	British High commission
Judith Kemigisa	MoFPED - Directorate of Economic Affairs- Macro
Julie Njuba	Uganda Revenue Authority- Official
June Nyakahuma	MoFPED – Macro Office
Justine Ayebare	Principal Economist
Justine namubiru	Senior Research Officer
Kasamba Alex Ofoyuru	Head Procurement
kasule Robert Sebunya	Office of the Prime Minister
Kayenga Irene	Office of the Prime Minister
Kiggundu sulaiman	Head of Budget Department
Libert Baluku	Senior Accountant/ Treasury Services, MoFPED
Macklean	Senior Economist MoFPED
Margaret Kakande	Head of BMAU - MoFPED
Marion Atukunda	Uganda Revenue Authority - Official
Maurice Manano Opar	Senior Accountant
Michael Okwakol	Assistant Commissioner/ Treasury Inspectorate and Policy Department
Milly Kaddu	MoFPED – Macro Office
Miriam Tibaaga	Accountant
Mugisha James	Official – EOC
Mukasa Abdul	Principal Accountant/ Treasury Inspectorate and Policy Department
Mukunda Julius	Executive Director CSBAG
Musiime Annet	Assistant Commissioner Internal Audit
NABUKALU CISSY	Ag Head of HR
Nakonde Matrinda	Intern - MoFPED
Nangoku Alice	Assistant Commissioner Internal Audit, MoFPED

Nathan Otutu	Assistant Commissioner M & E
Nick Roberts	PFM Reform Advisor
Norman Rugumya	Office of the Prime Minister- Official
Nsamba Mubarak	Ag. Commissioner Treasury Services, AGO
Patrick LUMALA	Manager
Patrick Olowo	NPA Manager
Patrick Magezi	Director Finance - USAID
Peter Ndawula	PFM Development Partners-Official
Phiona Ninsiima	Accountant – MoFPED
Pius Akankwasa	OPM-Official
Polly Mugisha	Head of Programme management support UNDP-Uganda
Priscilla Asiimire	Local Government Finance Commission- Official
Priscilla Kisakye	Economist – Macro Office, MoFPED
Rasul T Adigah	Internal Audit
Regis Nalweyiso	Assistant Commissioner Accounts – MAAIF
Richard Kalule	PPDA- Official
Richard Kariisa	Commissioner Corporate Services
Robert Otala	Financial Specialist, MoFPED
Robert Ssaka	Project Manager Human Capital Development System - MoPS
Ronald Mugober	CSBAG
Rubangakene Patrick	Economist, CSBAG
Salome Anyoti	Head of Gender in Parliament
Samson Budeyo	Senior Accountant/Treasury Inspectorate and Policy Department
Semwogerere Robert	Accounting Officer – EOC
Sheena Namitaala	Manager – URA
Sophie Nampewo	Senior Economist – CSBAG
Sseremba Mark	Assistant Commissioner HR – MAAIF
Stanley Kabyemera	Uganda Revenue Authority- Official
Susan Ainyo	Economist – MoFPED
Sylvia Nanyonjo	Parliament Official
Timothy Lubanga	OPM - Commissioner Monitoring and Evaluation
Turinawe Doreen Tina	Head of Human Resource
Turya Emmanuel	OPM
Vicent Operemo	NPA Manager
Vicky Marcelina	Local Government Finance Commission - Official
Victor Mukasa	Economist – MoPFED
Walidi Magumba	Economist – MoPFED
Yasin Mayanja	Economist – MoPFED

Annex 2.3: Legislation, Policies and Reports

1. Acts and Regulations

Act / Regulation No / Year	Title / Description
1995	Constitution of The Republic Of Uganda, 1995
2005	The Constitution (Amendment) (No. 2) Act, 2005.
2015	Public Finance Management Act, As Amended
2016	Public Finance Management Regulation
2017	The Treasury Instructions
1995	The National Environmental Act
2019	The National Environment Act,
2015	The National Climate Change Policy
2021	The National Climate Change Act
2020	The National Environment (Environmental And Social Assessment) Regulations,
2020	Statutory Instruments 2020 No. 47, The National Environment (Audit) Regulations,
	Uganda Excise Tax Law
2021	The Afforestation and Restoration of Selected Central Forest Reserves
2019	The Regulation and Promotion of Safe and Reliable Maritime Services In The Water Transport Sub-Sector
2018	The Management of Wetlands in Uganda By The Wetlands Management Department
2008	The National Adult Act, 2008
	Uganda Revenue Act
Cap 340	Income Tax Act,
Cap 349	The Value Added Tax Act
2014	Excise Duty Act
2014	Stamp Duty Act
2003	Procurement And Disposal of Public Assets Act
2014 no. 13.	Statutory Instruments - The Public Procurement and Disposal of Public Assets (Disposal of Public Assets) Regulations, 2014.
2014 no. 16	The Public Procurement and Disposal of Public Assets (Administrative Review) Regulations, 2014
2014 no. 9.	Statutory Instruments - The Public Procurement and Disposal of Public Assets (Evaluation) Regulations, 2014
2014 no. 7.	Statutory Instruments - The Public Procurement and Disposal of Public Assets (Procuring and Disposing Entities) Regulations, 2014. Arrangement Of Regulations
2020	The Asset Management Framework & Guidelines (AMFG)
2019	The National Public Sector Procurement Policy
2018 no 37	The National Planning Authority (Development Plans) Regulations
2020	Guidelines For the Management of Contingent Liabilities
2021	A Reprint of Various Tax Laws and Compendium for Domestic Tax Laws of Uganda

Act / Regulation No / Year	Title / Description
2014	Tax Procedures Code Act,
2019	Uganda Solar Energy Association Handbook – Solar Taxation – By Uganda Solar Energy Association Handbook On
2021 no 30	Statutory Instrument: The Rules of Procedure of The Parliament of Uganda
	The Local Government Act Cap 243
1993-chapter 98	Public Enterprises Reform and Divestiture Act.
2019	The National Public Sector Procurement Policy
2019	Statutory Instruments 2019 No. 18. The Public Private Partnerships Regulations, Arrangement of Regulations
2015	Act 13 Public Private Partnerships Act 2015 The Public Private Partnerships Act, 2015. Arrangement of Section
1998	The Environmental Impact Assessment Regulation, S.I. No. 13/1998. Statutory Instrument 1998 No. 13

2. Strategy Documents

- National Development Plan III – 2020
- Program Implementation Action Plans (PIAPs) – 2020

3. Manuals And Guidelines

- The Guidelines of The Development Committee (DC) For the Approval And Review Of Public Investment Projects (2016)
- An Overview of The Audit Process Under the Office Of The Auditor General Of Uganda – 2021
- What You Ought to Know, Office of The Auditor General 2021
- Emergency Procurement Guidelines
- Policy On Asset Management – Makerere University
- Guidelines For Strategic Environmental Assessment (Sea) In Uganda
- Standard National Climate Change Indicators and Indicator Reference Sheets

4. Budget Documents

- National Budget Framework Paper FY 2022/23 – FY 2026/27
- National Budget Framework Paper FY 2020/21 – FY 2024/25
- National Budget Framework Paper FY 2018/19 – FY 2022/23
- Ministerial Policy Statement For VOTE 008: Ministry Of Finance, Planning And Economic Development - March 2020
- A Minority Report On The National Budget Framework Paper For FY 2022/23-2025/26 – 2022
- Approved Estimates Of Revenue And Expenditure (Recurrent And Development), Fy 2022/23 Volume I: Central Government Votes

- Report Of The Budget Committee On The National Development Plan (NDP) III (2020/21 – 2024/25)
- Report Of The Budget Committee On The National Budget Framework Paper For The FY 2022/23 -FY 2026/27
- Opposition Response To The National Budget Framework Paper Fy2022123 - 2026127
- Budget Speech Financial Year 2022/2023
- Statement Attesting To The Reliability And Completeness Of The Budget For The Financial Year 2022/ 2023
- The Fiscal Risk Statement For The FY 2020/21
- The Fiscal Risk Statement For The FY 2021/22
- The Fiscal Risk Statement For The FY 2022/23
- The Certificate Of Compliance For The Annual Budget FY2019/20 ASSESSMENT Report Issued By The National Planning Authority
- Background To The Budget 2022/23 Fiscal Year – MOFPED
- Charter For Fiscal Responsibility Uganda Fy2021/22 – Fy2025/26

5. Monitoring And Evaluation

- Agriculture Sector Annual Budget Monitoring Report FY 2019-20
- Annual Budget Monitoring Report (10 Sector/Subsectors) FY 2018-18
- National Environment Management Authority Annual Budget Monitoring Report 2021
- Natural Resources, Environment, Climate Change, Land and Water Resources Management Programme – Semi-Annual Budget Monitoring Report – 2021/22
- Roads Sub-Sector - Annual Budget Monitoring Report 2019/20
- Energy And Minerals Development Sector: Annual Budget Monitoring Report – 2019/20
- Macroeconomic & Fiscal Performance Report Financial Year 2020/21
- Water And Environment Sector Performance Report 2020
- Mid-Term Review Of The Second National Development Plan 2015/16-2019/

6. Sector Plans

- Water And Transport Sector Development Plan 2015/16 – 2019/20
- ICT Sector Strategic and Investment Plan and Investment Plan (2015/16-2019/20)
- Health Sector Development Plan 2015/16-2019/20
- Ministry Of Energy and Mineral Development Energy and Mineral Development Sector Development Plan 2015/16 – 2019/20Others
- Education And Sports Sector Strategic Plan 2017/18 - 2019/20
- Agriculture Sector Strategic Plan 2015/16-2019/20
- Ministry Of Agriculture, Animal Industry And Fisheries National Adaptation Plan for The Agricultural Sector

7. Audit Reports

- Annual Report- A Highlight of The Auditor General's Report – 2019
- Annual Report- A Highlight of The Auditor General's Report - 2020
- Annual Report- A Highlight of The Auditor General's Report – 2021
- Annual Performance Report – The Auditor General -2019

- Annual Performance Report – The Auditor General -2020
- Annual Performance Report – The Auditor General -2021
- Budget Performance Report -2021, By the Office of The Auditor General
- Strategic Plan of The Office of The Auditor General – 2021
- A Value-For-Money Audit Report on The Implementation of Kalangala Infrastructure Services Project (KIS) – 2019
- A Value-For-Money Audit Report on The Regulation and Promotion of Safe and Reliable Maritime Services in The Water Transport Sub-Sector – 2019
- Follow-Up Report on The Value for Money Audit on Implementation of National Content in The Oil and Gas Sector – 2019
- A Value-For-Money Audit Report on The Management of Wetlands in Uganda by The Wetlands Management Department (WMD) Under the Ministry Of Water And Environment (MWE) – 2018
- A Value-For-Money Audit Report on The Afforestation and Restoration of Selected Central Forest Reserves (CFRS) By the National Forestry Authority (NFA) – 2021
- MINISTRY OF ENERGY AND MINERAL DEVELOPMENT SECTOR PERFORMANCE REPORT - 2020

8. Debt Related Reports

- Public Debt And Other Financial Liabilities Management Framework FY2018/19-FY2022/23
- Contingent Liabilities Annual Report FY 2020/2021 – March 2022
- Report On Public Debt, Grants, Guarantees and Other Financial Liabilities For The Financial Year 2021/2022
- Debt Sustainability Analysis Report Fy2020/21
- Quarterly Debt Statistical Bulletin and Public Debt Portfolio Analysis December 2021
- Annual Debt Statistical Bulletin and Public Debt Portfolio Analysis June 2021
- Report On Public Debt, Guarantees, Other Financial Liabilities and Grants for The Financial Year 2020/21

9. Environment Related

- Statement by HE Yoweri Kaguta Museveni president of the republic of Uganda, at the 26th un climate change conference (cop-26) – during the world leaders' summit
- Submission of Uganda's interim nationally determined contribution (NDC) 12 October 2021
- The electricity connections policy (2018 – 2027)
- Summary report compliance with Cancun safeguards during redd+ process (2008-2020)
- Standard national climate change indicators and indicator reference sheets
- Climate finance mobilization in Uganda – ACODE policy research paper - 2020
- For the integration of climate change in sector plans and budgets – by the ministry of water and environment
- Uganda climate action report for 2016
- The Uganda green growth development strategy 2017/18 – 2030/31
- The Green Right of Way Program, FY 2021/22 Summative Report

10. Revenue / Tax Related

- TADAT Assessment Report – 2019
- URA Corporate Plan 2020/21 - 2024/25
- Taxing Energy Use For Sustainable Development – Macroeconomic And Policy Context – Uganda (By OECD)
- A Guid On Tax Inventive/ Exemptions Available To The Investors In Uganda
- Taxation Handbook FY 2021/22 – A Full Guide To Taxation
- Tax Amendments FY 2022-23
- Domestic Revenue Monitoring Strategy #Doingmore MOFPED Annual Monitoring Report Financial Year 2020/21
- Annual Revenue Performance Report FY 2019/2020

11. Public Investment Management

- Improving Transparency And Accountability In Public Private Partnerships – 2019
- Fiscal Sustainability Through Deeper Reforms To Public Investment Management Uganda Economic Update, 19th Edition – By The World Bank Group – 2021
- Public Investment Plan - [Pip] Fy2020/21-Fy2022/23
- Public Investment Plan [Pip] Fy2016/17– 2018/19
- The Development Committee Guidelines For The Approval And Review Of The Public Investment Plan (Pip) Projects - 2016
- Selection Criteria For Projects To Enter The Public Investments - 2021plan After Appraisal By The Development Committee - 2021
- Public Investment Manual For Project Preparation And Appraisal June 2017
- BMAU Bulletin: Pap and BMAU Assess Projects in The Public Investment Plan
- Strengthening Public Investment Management in Uganda – A Diagnostic Report – 2016
- Uganda Multi-Year Commitment Statement Fy2021-2022
- Uganda Multi-Year Commitment Statement Fy2022-2023
- Uganda Multi Year Commitment Statement (MYCS) Fy20-21
- Development Committee (Dc) Report on The Review Of New And Ongoing Projects For Inclusion In The Public Investment Plan (Pip) For FY 2021/22
- Development Committee (Dc) Report on The Review Of New And Ongoing Projects For Inclusion In The Public Investment Plan (Pip) For FY 2020/21
- Development Committee (Dc) Report for The Review Of Ongoing Projects In The Pip For Fy 2018/19 And New Projects For Inclusion In The Pip For FY 2019/20

12. Procurement

- PPDA – Annual Performance Report: July 2017- June 2018
- Strategy For Implementation of Electronic Government Procurement (e-GP) In Uganda – 2019
- Public Procurement and Disposal of Public Asset Guideline – 2018
- Procurement and disposal audit report for the FY 2019/20 – Makerere university
- Procurement and disposal audit report for financial year 2019/20

- Procurement and disposal audit report for financial year 2019/2020 parliamentary commission
- Procurement and disposal audit report for financial year 2019/20 - ministry of water and environment
- Procurement and disposal audit report for petroleum authority of Uganda for financial year 2019/2020
- Procurement and disposal audit report for financial year 2019/20 Uganda national roads authority
- Standard Bidding Documents – For Works
- Standard Bidding Documents For Supplies Under Open And Restricted Method – 2014
- The Fourth Procurement Integrity Survey - 2020

13. Others

- Domestic Revenue Monitoring Strategy #Doingmore MOFPED Annual Monitoring Report Financial Year 2020/21
- Mainstreaming Climate Change In The National Budget Memorandum Of Issues From The Review Of The Budget Framework Paper Fy 2021/2022 – By Acorde / Care
- UGANDA PUBLIC EXPENDITURE AND FINANCIAL ACCOUNTABILITY (PEFA) ASSESSMENT 2016
- REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS OF THE GOVERNMENT OF THE REPUBLIC OF UGANDA For The Year Ended 30 June 2018
- Uganda Electricity Generation Company Limited – Annual Report – For The Period Ended 30 June 2021
- Environmental And Social Impact Assessment – For The Proposed Asphalt Plant To Be Located In Ocikuru B Village, Boroboro Parish, Adekokwok Sub County, Lira District – 2020

Annex 3: Expenditure Outturn – CRPFM-14

Table 1	UGX '000					
Data for year = 2020/21	budget	actual	adjusted budget	deviation	absolute deviation	percent
Natural Resources, Environment, Climate Change, Land and Water Resources Management						
019 Ministry of Water and Environment	212,701,668	134,847,642	136,957,007.5	-2,109,365.1	2,109,365.1	1.5%
150 National Environment Management Authority	8,118,000	5,874,434	5,227,119.3	647,314.5	647,314.5	12.4%
Vote:157 National Forestry Authority	16,296,033	11,883,321	10,492,893.3	1,390,428.1	1,390,428.1	13.3%
Vote:302 Uganda National Meteorological Authority	3,599,010	2,388,998	2,317,375.5	71,622.5	71,622.5	3.1%
allocated expenditure	240714711	154994395.6	154,994,395.6	0.0	4,218,730.2	
interests						
contingency						
total expenditure	<u>240714711</u>	<u>154994395.6</u>				
aggregate outturn (PI-1)						64.4%
composition (PI-2) variance						2.7%
contingency share of budget						0.0%

Table 2		UGX '000				
Data for year = 2019/20						
Water and Environment Sector	budget	actual	adjusted budget	deviation	absolute deviation	percent
019 Ministry of Water and Environment	120,919,000	71,123,930	73,094,224.8	1,970,294.6	1,970,294.6	0.026955544
150 National Environment Management Authority	2,315,000	1,746,248	1,399,392.4	346,855.2	346,855.2	0.24786128
Vote:157 National Forestry Authority	9,545,000	6,769,608	5,769,849.0	999,758.7	999,758.7	0.173272931
Vote:302 Uganda National Meteorological Authority	3,815,000	2,402,195	2,306,126.1	96,069.3	96,069.3	0.041658299
Vote 500: Local Government Grants	1,334,000	1,334,000	806,388.5	527,611.5	527,611.5	0.654289381
allocated expenditure		137928000	83375980.98	83,375,981.0	0.0	3,940,589.2
interests						
contingency						
total expenditure		<u>137928000</u>	<u>83375980.98</u>			
aggregate outturn (PI-1)						60.4%
composition (PI-2) variance						4.7%
contingency share of budget						0.0%

Table 3		UGX '000						
Data for year = 2018/19								
Water and Environment Sector	budget	actual	adjusted budget	deviation	absolute deviation	percent		
019 Ministry of Water and Environment	347,596,000	321,634,972	312,519,415.5	9,115,556.1	9,115,556.1	0.029167967		
150 National Environment Management Authority	4,059,450	3,934,330	3,649,803.1	284,526.9	284,526.9	0.077956786		
Vote:157 National Forestry Authority	5,709,500	5,266,903	5,133,343.3	133,559.8	133,559.8	0.02601809		
Vote:302 Uganda National Meteorological Authority	27,320,000	21,339,246	24,563,086.0	3,223,839.6	3,223,839.6	0.131247334		
Vote 500: Local Government Grants	59,380,000	47,078,046	53,387,849.4	6,309,803.3	6,309,803.3	0.118188002		
allocated expenditure interests contingency		444064950	399,253,497.2	399,253,497.2	0.0	19,067,285.6		
total expenditure		444064950	399253497.2					
aggregate outturn (PI-1)						89.9%		
composition (PI-2) variance						4.8%		
contingency share of budget						0.0%		

Table 4 - Results Matrix

year	for PI-1.1 total exp. Outturn	for PI-2.1 composition variance	for PI-2.3 contingency share
2020/21	64.4%	2.7%	
2019/20	60.4%	4.7%	0.0%
2018/19	89.9%	4.8%	

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this subject please quote Ref. No. ADM/101/162/01

January 27th, 2023



The Hon. Minister of Finance, Planning and Economic Development
Ministry of Finance, Planning and Economic Development,
KAMPALA

ISSUANCE OF CERTIFICATE OF CLIMATE CHANGE RESPONSIVE BUDGET FRAMEWORK PAPER FOR FY 2023/24

Section 9, 6(a) of the Public Finance Management Act (2015) (Amended) and Section 30 of the National Climate Change Act, 2021, requires the Minister responsible for climate change matters in consultation with the Chairperson of the National Planning Authority to issue a certificate certifying that the Budget Framework Paper is responsive and contains adequate allocation of funding climate change measures and actions.

The National Budget Framework Paper (NBFP), 2023/24 has been assessed for climate change responsiveness by the Ministry of Water and Environment in collaboration with the National Planning authority. Overall, the FY 2023/24 National Budget Framework Paper is 60 percent compliant. This overall assessment is an average performance at two broad levels – NBFP objectives and programme performance. A detailed assessment will be conducted before conclusion of the FY 2023/24 budgeting cycle.

Therefore, on behalf of the Ministry of Water and Environment and the National Planning Authority, I hereby issue a Certificate of Climate Change Responsive Budgeting for the FY 2023/24 National Budget Framework Paper.

Hon. Beatrice Atim Anywar Odwong

**MINISTER OF STATE FOR ENVIRONMENT ALSO HOLDING THE PORTFOLIO OF
MINISTER OF WATER AND ENVIRONMENT**

Copy: Hon. Minister of Water and Environment
Hon. Minister of State for Water
Chairperson, National Planning Authority
Permanent Secretary, Ministry of Water and Environment

Permanent Secretary / Secretary to the Treasury, MOPED

