



YOUTH FOR  
**TAX JUSTICE**  
NETWORK

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# Policy Brief





# Youth Inclusive Climate Financing; A Pre-requisite for Sustainable Climate Justice in Uganda.

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## Introduction

It is unequivocal that climate change is occurring and its impacts are negatively impacting the achievement of long-term sustainable economic growth in Uganda. Whereas the Uganda government has come up with a number of policy initiatives to combat climate change such as the National Climate Change Act 2021, Climate Change Policy (2015) and the Nationally Determined Contribution, there still lies a problem of inadequate climate financing to achieve these policy targets.

The Youth for Tax Justice Network (YTJN)<sup>1</sup> recognizes that in Uganda, discussions around climate change and climate financing have mainly been left to the experts and professionals, majority of whom are outside the youth bracket, yet the youth continue to be more disproportionately affected by the effects of climate change than any other category of the demographic population.

To address these challenges, YTJN in partnership with the Austria Development Cooperation is implementing a two-month project (September - October 2024) entitled “Youth Action for Climate Justice through sustainable financing”. The project aims to enhance youth capacity to participate in climate finance mobilization and accountability discussions and to

provide sustainable solutions to insufficient climate finance mobilization in Uganda. The project involved capacity building for youth from 10 Universities in central Uganda<sup>2</sup>, development of research papers by the trained youth and engagement in a debate competition to deliberation on key issues from research.

The discussions revolved around issues of: Whether Carbon Border Adjustment Mechanisms (CBAMs) are a tool for Climate Justice or Economic Discrimination; Whether Uganda’s climate finance priorities are aligned with youth-led sustainable development and; Whether Africa is benefitting from the United Nations Framework Convention on Climate Change (UNFCCC) among others.

This policy brief presents the key policy proposals by the youth from key Universities in Uganda. The proposals have been extracted from youth research and deliberations as recommendations that require urgent policy attention to address the climate crisis in Uganda.

*1 YTJN is a non-profit Pan-African youth organization that strives to promote youth participation and engagement in the financing for development agenda.*

*2 The Universities include: Uganda Christian University; Makerere University Business School; Makerere University; Kyambogo University; Kampala International University; Cavendish University; Victoria University; Islamic University in Uganda; Nkumba University and King Ceasor University.*



## The Problem

In order to implement climate actions listed in the Climate Change Policy (2015), the Uganda government is expected to commit 30% of its national budget, whereby 70% is expected from international sources (mainly through loans and grants). The financing needed to respond to climate change by 2030 is approximately \$258 million per annum. Climate financing in Uganda is currently estimated at USD 942 million distributed in implementation of 38 Adaptation and Mitigation projects. 3 According to the 2024/25 budget, climate change and environment management was allocated a paltry Ugx 516.78 billion which translates to about 0.717% of the total budget which remains insignificant in combating the negative effects of climate change. The young people who constitute the majority population in Uganda (approximately 73%) stand a disproportionately higher risk of the negative effects of climate change such as homelessness, food insecurity, drought and loss of lives.

## Issues identified and policy recommendations

**Issue 1: Decline in climate financing:** According to the Report on Public Debt, Grants, Guarantees and other financial liabilities for FY 2023/2024, there has been reduction in climate financing commitments to Uganda from USD 447.40million as at 31st December 2021 to USD 272.6 million at 31st December 2023. The reduction is attributed to financial constraints on the side of Development Partners that emanate from global challenges such as the Ukraine war and the effects of COVID -19 pandemic. Uganda requires USD 28.1 billion to implement both unconditional and conditional adaptation and mitigation actions and targets of the updated Nationally Determined Contribution (NDC) and its cross-cutting issues of technology development and transfer, gender, and capacity building across all sectors up to 2030. The financial support is expected to be mobilized from domestic and international sources. This is very important to reduce the greenhouse emissions by 24.7%. According to the 2024/25 budget, climate change and environment management was allocated a paltry Ugx 516.78 billion which translates to about 0.717% of the total budget which remains insignificant in combating the negative effects of climate change. This reflects a decline from Ugx 600 billion in FY 2023/2024.

## Youth Proposals

- Leverage available foreign climate finance funding opportunities such as the Green Climate Fund (GCF), the Global Environment Facility (GEF), and the Adaptation Fund (AF), Biodiversity fund and loss and damage fund to mobilize 70% of the required climate finance.
- The government of Uganda should deliberately support green investments. For example, investing in rubbish and waste management recycling which can be used to produce gas, briquettes and other items which contributes to development in the long run. On 10th August 2024, a catastrophic waste slide occurred at the Kiteezi landfill which resulted in the loss of lives, injuries, and significant property damage. According to KCCA, approximately 44 homes were affected. The landfill had been declared full to capacity in the year 2013 but operations there continued in crisis mode due to inadequate funding and budget shortfalls to decommission the landfill and relocate operations to a new site.
- Address corruption and inequality in climate finance allocation. According to the Inspector General of Government's report titled The cost of corruption in Uganda, Uganda loses a considerable amount of her resources each year due to weak environmental regulations, enforcement, and overexploitation of the environment. The report elucidates that the estimated loss of environmental resources to corruption is UGX 2.28 trillion per year, while the cost of environmental pollution and degradation amounts to UGX 536.8 billion per year.
- Allocate about 30% of Uganda's National budget to climate mitigation and adaptation strategies. There should be a balance between the resources allocated to adaptation and mitigation.
- Adopt a comprehensive climate finance strategy. To streamline the mobilization, allocation and utilization of climate finance.

- Strengthen Domestic Resource Mobilization efforts specifically for climate financing. This can be done through imposition of carbon taxes on the polluters. Environment levy taxes imposed on imported used motor vehicles should be tagged as climate finance.
- Implement a budget tagging system to track climate finance allocations and expenditures across all government departments. This will make it easier for the youth to hold these government entities accountable for the utilization of these finances.
- Capitalize Uganda Development Bank with climate financing money specifically to support climate smart initiatives.
- The government should support and join advocacy efforts for countries in the global north (as the biggest polluters) to pay reparations to Uganda for climate change impacts.

**Issue 2: Limited mainstreaming of climate change in government programs:** Government has not mainstreamed capacity building about climate change adaptation and mitigation efforts in its initiatives. For example Youth Livelihood Program, Generating Growth Opportunities and Productivity for women Enterprises (GROW), Parish Development Model, Uganda Women's Entrepreneurship Program (UWEP), Emyooga etc.

## Youth Proposals

1. Use existing government initiatives such as PDM, Emyooga to mainstream capacity building about climate change adaptation, resilience and mitigation efforts. Green jobs.
2. Government should educate and skill young people about climate smart agriculture initiatives.
3. Strengthen the technical capacity of officials of climate change department about climate finance fundraising.





## Youth Proposals

1. Incorporate flexibility for developing nations through phased approaches of implementation of CBAM or exemptions.
2. The mechanism's design and implementation must consider the historical responsibility of developed countries and the limited capacity of developing nations to transition to green industries. CBAM's one-sided approach neglects the principles of equity and fairness, undermining climate justice. Instead of promoting cooperation, CBAM risks triggering trade conflicts and retaliatory measures, hindering international collaboration in addressing climate change.
3. To ensure CBAM contributes positively to climate justice, careful consideration must be given to financial and technological support for vulnerable economies, alignment with principles of equity and fairness, inclusive decision-making processes as well as alternative solutions, such as sustainable green trading, as advocated by the World Trade Organization.

**Issue 3: Mitigation of the dangers of CBAM:** The potential of Carbon Border Adjustment Mechanism (CBAM) to significantly harm the continent's economies, particularly among least developed countries. According to the London School of Economics and Political Science and South African Institute of International Affairs (SAIIA), CBAM could reduce African exports to the EU by up to 5.72% and decrease GDP by 1.1% equating to a loss of \$25 billion annually. This mechanism imposes additional costs on carbon-intensive goods, making African exports less competitive while introducing administrative hurdles that complicate market access.

**Issue 4: Limited Youth Participation in Climate change negotiations:** Young people complained about not being meaningfully involved in conversations which shape decision making processes pertaining to climate change for example the Conference of Parties. They decried the favouritism in the selection process which prioritizes influencers with a big following over knowledgeable climate justice activists.

## Youth Proposals

Prioritize recommendation of knowledgeable young climate justice activists to negotiation platforms such as the Conference of Parties.

## Call to Action

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This policy brief is based on the submissions and debate proceedings from the Youth Action for Climate Justice through Sustainable project implemented with support from the Austrian Development Cooperation.

We urge policymakers to adopt these recommendations in policy making processes and practices to ensure that Uganda's climate finance strategies prioritize youth-led sustainable development, climate justice, and equity.



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