

INVESTMENTS ARE SPLIT BETWEEN MITIGATION, ADAPTATION

By John Ricks Kayizzi

Uganda will require at least \$28.1b (about sh99 trillion) over the next seven years to effectively mitigate and adapt to climate change, the Ministry of Finance, Planning and Economic Development has revealed. The ministry warned that failure to act decisively could slash the country's economic output by as much as 70% by 2050.

This was revealed by Dennis Mugagga, the head of the climate finance unit at the finance ministry, during the First African Symposium on Natural Capital Accounting and Climate-Sensitive Macroeconomic Modelling at Makerere University last week. The two-day event brought together over 200 delegates from universities across Africa.

He said Uganda's climate financing needs are anchored in the country's Nationally Determined Contribution (NDC), a framework outlining actions required to reduce greenhouse gas emissions and strengthen resilience.

"In simple terms, our NDC shows which actions we must undertake to reduce our emissions by 24.7% by 2050.

UGANDA NEEDS SH99 TRILLION BY 2030 TO FIGHT CLIMATE CHANGE

These actions have been fully costed, and we need to raise \$28.1b over seven years, which translates to about \$4.1b annually," Mugagga said.

He explained that climate-related investments are split between mitigation, which focuses on reducing emissions and adaptation, which helps communities cope with climate shocks such as droughts, floods and heatwaves.

"Mitigation actions reduce emissions, while adaptation ensures that ordinary people can withstand climate impacts like dry spells, floods and climate-related diseases," he said.

FUNDING GAP WIDENING

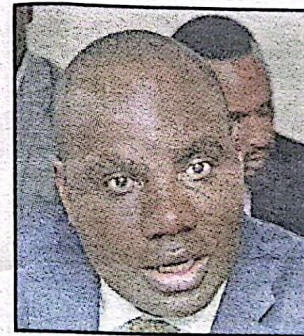
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BETWEEN THE LINES

☞ Mugagga revealed that the Government currently invests about \$2.1b annually across sectors such as energy, water, agriculture and infrastructure.

agriculture and infrastructure. However, this leaves a substantial annual financing gap of nearly \$2b.

Externally, Uganda mobilised \$507m in 2024 from development partners, including the World Bank, the UK, Denmark, Germany, Norway, Sweden and the African Development Bank, as well as climate funds such as the Green Climate Fund and Adaptation Fund. In 2025, the



Henry Musasizi



Dennis Mugagga

figure rose to \$870m. "This trend is encouraging. When we bring in private sector investments, we believe we can reach 70 to 80% of our annual target by the end of this year. But this requires collective effort from all stakeholders," Mugagga said.

He called for a concerted effort to mobilise resources,

raise awareness, and promote innovation.

Mugagga warned that climate inaction carries devastating economic consequences. He cited modelling conducted with the World Bank under the Country Climate and Development Report, which shows that without urgent action, Uganda risks losing up

to 70% of its gross domestic product by 2050.

Henry Musasizi, the finance state minister in charge of general duties, said the symposium, which is the first of its kind in Africa, showed the continent's resolve to work together to build capacity and address shared development challenges.

Musasizi said African economies, including Uganda's, were grappling with multiple and interconnected pressures, including climate change, debt vulnerabilities, fiscal constraints and the demand for inclusive growth.

"For countries like Uganda, whose development prospects are closely linked to natural resources and climate-sensitive sectors, these challenges are not abstract. They directly affect livelihoods, public finances and long-term economic resilience," the finance state minister said.

"Uganda is integrating climate change into its national development plans and strengthening climate-responsive public investment management," Musasizi said, adding that partnerships with academia and development partners remain critical.