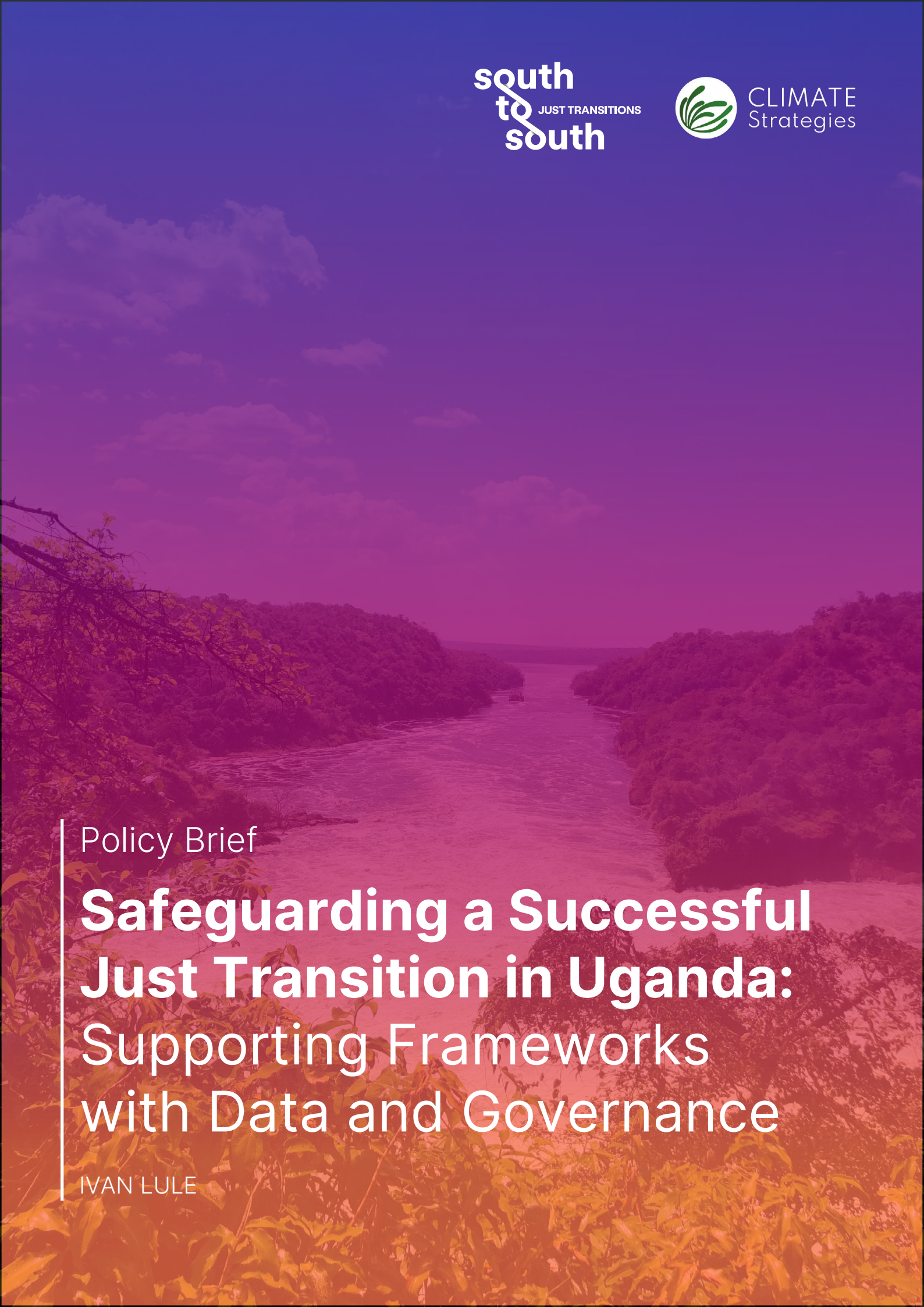

south to south JUST TRANSITIONS

CLIMATE Strategies

Policy Brief

Safeguarding a Successful Just Transition in Uganda: Supporting Frameworks with Data and Governance

IVAN LULE

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Written By: Ivan Lule
Edited by: Ana Paola Gonzalez Alonso (Climate Strategies)
Cover Photo: Unsplash
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Executive Summary

Uganda's Just Transition Framework (JTF), developed by the National Planning Authority (NPA) with support from the Climate Investment Funds (CIF) and the African Development Bank (AfDB), provides a coherent roadmap to ensure that the structural changes required for sustainable development are inclusive and equitable. Anchored in the Fourth National Development Plan (NDP IV) and Vision 2040, the JTF emphasizes distributive justice (fair sharing of costs and benefits), procedural justice (inclusive decision making), and restorative justice (remediation of environmental and social legacies). Uganda has registered some key milestones including the integration of just transition principles into Programme Implementation Action Plans (PIAPs), Strategic Environmental Assessments (SEAs), Environmental and Social Impact Assessments (ESIA), and project appraisal processes, as well as the establishment of multi stakeholder technical working groups. These multi stakeholder technical working groups were established to coordinate expertise and mainstream Just Transition principles, bringing together the Office of the Prime Minister, NPA, Ministries of Finance, Energy, Water, Environment, alongside the private sector, civil society, academia, and development partners. However, Uganda faces barriers such as high informality in the labour market, limited disaggregated data, absence of a national resettlement policy, and constrained fiscal space. To realize this Just Transition, Uganda is working towards securing grant based support for data systems, labour economy modelling, and social impact assessments. This framework is aimed at supporting Uganda to develop a national resettlement policy framework aligned with international standards. This will ultimately help to establish programmatic finance windows for livelihood restoration, re skilling, and SME re tooling in sectors most affected by transition.

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Uganda Just Transition Framework (Policy Brief Storyboard)

Context & Drivers

- Rapid population growth, urbanisation, climate risks
- Global trade-pressures (AFCFTA. ELi deforestation-free standards)

National Goals

- Protect livelihoods and households
- Create decent jobs in green sectors
- Safeguard rights & reduce inequality
- Ensure inclusive participation

Best Practices & Lessons

- Whole-of-government entry points: NDP IV integration
- JT checklist & review matrices: MoFPE INPA rules
- Limited technical capacity in MDAss/LGs
- Fiscal contraints and debt
- External trade/finance pressures

Gaps & Opportunities for International Support

- Data & modelling for informal economy
- National resettlement policy framework
- Programmatic finance for livelihoods, SMEs, re-skilling
- Capacity building
- JT indicators in NDP IV/ monitoring

Conclusion

- JTF = pioneering African framework for equitable transitions
- Urgent next steps: resettlement policy, data systems,
- Grant-based finance

Introduction

Uganda's understanding of a Just Transition (JT) is rooted in its dual imperative: to accelerate economic transformation under Vision 2040 and NDP IV, while safeguarding the welfare of communities whose livelihoods are tied to today's carbon-intensive and resource-dependent practices. For Uganda, a JT is not only about fairly distributing the costs and benefits of structural change, but also about deliberately addressing the vulnerabilities of informal workers, smallholder farmers, and low-income households who risk being left behind. This framing reflects the country's socio-economic profile, where over 70% of employment is in agriculture, more than 80% of workers are informal, and poverty remains concentrated in rural areas highly exposed to climate shocks.

The importance of achieving a JT is underscored by Uganda's development trajectory. Rapid population growth (projected to exceed 60 million by 2030), urbanization pressures, and climate risks such as floods, droughts, and wetland degradation are reshaping the economy. At the same time, global trade and investment dynamics from AfCFTA standards to EU deforestation-free regulations are forcing Uganda's export sectors to adapt. Without a Just Transition lens, these shifts could exacerbate unemployment, raise the cost of basic services, and deepen inequality. With it, however, Uganda can leverage transitions to create millions of decent jobs in renewable energy, agro-processing, sustainable forestry, and green urban infrastructure, while reducing fiscal pressures from fuel imports and health burdens linked to pollution.

Currently, JT principles are being operationalized in energy (renewable expansion and clean cooking), transport (mass transit and e-mobility), agriculture (climate-smart practices), forestry (restoration and conservation), and urban planning (green cities). Planning is also underway in biodiversity management, ICT, and industrial development, sectors where structural change is imminent. By embedding JT into PIAPs, SEAs, ESIA, and project appraisal processes, Uganda is signalling that its growth model must be not only green, but also fair, inclusive, and resilient.

National Just Transition Goals

- Support livelihoods: Cushion workers and small businesses affected by transitions through targeted safety nets, re skilling programs, and livelihood diversification schemes. This includes designing compensation packages for displaced workers, providing micro credit for small enterprises, and ensuring that informal workers who make up over 80% of Uganda's labour force are not excluded from support. By embedding livelihood protection into PIAPs, Uganda can prevent social unrest and maintain productivity during structural change.
- Create decent jobs: Design transitions to maximize employment opportunities in renewable energy, sustainable agriculture, forestry restoration, and green manufacturing. This requires aligning vocational training curricula with future labour market needs, incentivizing private sector investment in green industries, and ensuring that new jobs meet ILO standards for decent work. Evidence shows that green transitions can generate net employment gains if labour market policies are proactive and inclusive.
- Protect households: Shield vulnerable households from shocks in energy, food, and mobility costs by integrating social protection instruments such as targeted subsidies, cash transfers, and food security programs. This is particularly critical for low income households that spend a high proportion of income on energy and food. Without such measures, transitions risk deepening multidimensional poverty and exacerbating malnutrition.
- Safeguard rights: Ensure that transitions do not compromise fundamental rights to land, health, and a safe environment. This requires harmonizing Uganda's legal frameworks with international human rights standards, strengthening grievance redress mechanisms, and ensuring that resettlement processes are transparent and equitable. Protecting rights also enhances Uganda's credibility in international climate negotiations and safeguards social cohesion.
- Remediate environmental legacies: Address historical environmental damage, such as the abandoned Kilembe mines in Kasese, which continue to pose risks of heavy metal contamination and flooding. Remediation should include ecological restoration, community health monitoring, and the creation of green jobs in rehabilitation projects. This not only reduces environmental risks but also demonstrates Uganda's commitment to restorative justice.
- Ensure participation: Institutionalize meaningful stakeholder engagement by involving affected communities, civil society, and private sector actors in decision making. This goes beyond consultation to include co design of policies, participatory monitoring, and local benefit sharing mechanisms. Evidence shows that participatory planning increases legitimacy, reduces conflict, and improves the sustainability of transition measures.
- Reduce social inequality: Use transitions as an opportunity to reduce multidimensional poverty and regional disparities. This requires targeted investment in lagging regions, gender responsive programming, and youth focused employment strategies. By aligning with SDG 10 (Reduced Inequalities), Uganda can leverage international support for inclusive development and ensure that green growth does not reinforce existing inequities.

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Efforts to Date

- Framework development: An 18 month stakeholder process led by NPA, supported by CIF and AfDB, produced Uganda's JTF. This process combined technical analysis with broad consultations, ensuring that the framework reflects both scientific evidence and lived realities.
- Integration into planning cycles: JT principles are embedded into SEAs, PIAPs, ESIA, and project appraisal processes, ensuring that welfare risks are identified early and mitigated. This systemic integration creates multiple checkpoints across the planning cycle, reducing the risk of fragmented or inconsistent implementation.
- Institutional coordination: NPA has established a multi stakeholder technical working group across ministries (of finance, energy, environment, agriculture, works and social affairs, etc.), civil society, and academia. This reflects best practice in governance, where cross sectoral collaboration is essential for managing complex transitions.
- Climate finance alignment: The Climate Finance Unit (CFU) is adapting eligibility criteria to require JT screening in project proposals. This positions Uganda to access concessional finance from CIF, GCF, and other international mechanisms.
- Awareness raising: National dialogues, workshops, and media campaigns have built consensus on the importance of fairness in transitions. This has increased political buy in and public awareness, laying the groundwork for smoother implementation.

Challenges and Barriers

- High informality: Over 80% of Uganda's workforce is informal, complicating impact assessments and the design of safety nets. Informal workers often lack social protection, making them highly vulnerable to transition shocks.
- Data gaps: Limited disaggregated labour and welfare data constrain evidence based policymaking. Without accurate data, it is difficult to identify who gains and who loses from transitions, weakening the targeting of support measures.
- Policy gaps: The absence of a national resettlement policy framework creates inconsistencies in compensation and livelihood restoration. This exposes Uganda to social conflict and reputational risks in international finance.
- Capacity constraints: Limited technical expertise in Ministries Departments and Agencies (MDAs) and Local Governments (LGs) for distributional analysis, social impact modelling, and inclusive engagement undermines effective implementation.
- Financing: Few dedicated budget lines exist for JT measures, and fiscal space is constrained by debt sustainability concerns. This increases reliance on external concessional finance.
- External pressures: Trade requirements under AfCFTA and EU deforestation free standards require Uganda to adapt production systems, with risks for smallholders. International funders increasingly require JT criteria, but Uganda's pipeline is underdeveloped.

Best Practices and Lessons Learned

- Whole of government entry points: Uganda has demonstrated that embedding Just Transition principles into Programme Implementation Action Plans (PIAPs), Strategic Environmental Assessments (SEAs), and Environmental and Social Impact Assessments (ESIAs) is not just a theoretical exercise but a practical necessity. For example, the integration of JT into the NDP IV planning cycle has created multiple checkpoints where welfare risks are flagged early, such as in energy access programs and wetland restoration projects. This has helped avoid fragmented implementation and ensured that ministries like energy, agriculture and works are working from a common framework rather than in silos. When wetland restoration projects were first proposed under NDP IV, there were concerns that communities dependent on wetland farming and brick-making would face sudden livelihood losses. By applying JT principles, planners introduced early welfare risk assessments and community consultations. This led to a phased restoration approach, coupled with alternative livelihood programs such as fish farming and eco-tourism. As a result, negative impacts were reduced: households were supported to transition into new income streams, while ecological benefits were preserved. The ministries of Water and Environment, Agriculture, and Works collaborated under a common framework, avoiding fragmented interventions. This demonstrates how JT checkpoints can balance environmental goals with social protection, ensuring that no community is left behind.
- Checklists and review matrices: Uganda's NPA and MoFPED have piloted the use of JT sensitive review tools in project appraisal and

Development Committee submissions. These checklists have translated abstract principles into concrete criteria for instance, requiring proponents of large infrastructure projects to demonstrate how vulnerable groups will be supported during displacement or livelihood shifts. This has improved proposal quality, reduced delays in approval, and aligned Uganda's processes with donor expectations, thereby strengthening access to concessional finance.

- Stakeholder engagement: The JTF was developed through an 18 month process that brought together ministries, local governments, civil society, academia, and private sector actors. What makes Uganda's experience unique is the deliberate inclusion of informal sector representatives such as transport associations, farmers' federations, and youth groups whose livelihoods are most at risk from transitions. This broadened participation has ensured that the framework reflects local realities, from charcoal producers in rural districts to boda boda riders in Kampala, making it more legitimate and implementable.
- International alignment: By positioning the JTF within the priorities of the Climate Investment Funds (CIF) and the African Development Bank (AfDB), Uganda has not only secured technical and financial support but also elevated its credibility in international climate negotiations. This alignment has allowed Uganda to present itself as a continental leader in Just Transition planning, demonstrating that a low income, climate vulnerable country can proactively design frameworks that meet both domestic needs and global standards.
- Case learning from Kasese: The collapse of the Kilembe copper mines in Kasese remains a stark reminder of what unmanaged transitions look like job losses, regional economic decline, and environmental degradation that persists decades later. Uganda has drawn on this painful history to shape the JTF, emphasizing the importance of early warning systems, livelihood diversification, and ecological remediation. The Kasese case has become a national reference point, reinforcing the need for proactive planning so that future transitions whether in energy, agriculture, or transport do not leave entire regions behind.

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Gaps and Opportunities for International Support

- Data and modelling: Support the Uganda Bureau of Statistics and NPA to develop labour economy models that capture informality and distributional impacts. This would enable Uganda to design more precise and effective interventions.
- Resettlement policy: Provide technical assistance to draft a national resettlement policy framework aligned with international standards. This would reduce social conflict, enhance investor confidence, and improve Uganda's eligibility for climate finance. Technical assistance should be directed to a National Resettlement Policy Technical Working Group (co chaired by the National Planning Authority and the Ministry of Lands) and extend capacity building to MLHUD, MWE/NEMA, MGLSD, MoFPED/Climate Finance Unit, district resettlement committees, civil society/community representatives, and development partners (CIF, AfDB, GCF).
- Programmatic finance: Establish grant facilities for livelihood restoration, re skilling, and SME re tooling in affected sectors. Such support would ensure that vulnerable groups are not left behind and would demonstrate donor commitment to equity in climate action. Signing and capitalization of grant facilities should be undertaken in collaboration with the Climate Finance Unit (MoFPED) and NPA (co leads), MLHUD, MGLSD, MWE, district/local governments, development partners (CIF, AfDB, GCF, World Bank and key bilateral donors), development finance institutions and commercial banks, microfinance and impact investors, vocational training institutes and universities, SME associations/ chambers of commerce, and civil society/community representatives to ensure finance readiness, inclusive targeting, and effective delivery of livelihood restoration, reskilling, and SME retooling.
- Capacity building: Train MDAs, LGs, and civil society on distributional analysis, inclusive engagement, and rights based approaches. This would strengthen Uganda's institutional capacity to implement JT effectively.
- Performance frameworks: Support the integration of JT indicators into NDP IV monitoring and Uganda Green Growth Development Strategy (UGGDS) performance tracking. This would ensure traceability of social outcomes, allow policymakers to measure whether vulnerable groups are being supported, and provide evidence for international partners that resources are delivering equitable results. To support integration, the NPA should convene a JT Indicator Working Group (including MoFPED/CFU, UBOS, MGLSD, MWE/ NEMA, local governments, development partners, civil society, academia, and private sector representatives) to define a core, disaggregated JT indicator set, pilot district level data collection, and align indicators with budget and donor reporting requirements.
- Climate finance readiness: Support the Climate Finance Unit (CFU) in pipeline development and proposal preparation. This would position Uganda to access CIF, GCF, and other international mechanisms, while minimizing debt risks and ensuring that proposals meet evolving donor requirements for just transition criteria.

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Conclusion

Uganda's Just Transition Framework (JTF) is a pioneering national effort to embed fairness and inclusivity into the country's green growth pathway. It provides a structured approach to anticipate and mitigate welfare risks, while maximizing the social and economic benefits of structural change. By integrating just transition principles into PIAPs, SEAs, ESIA, and project appraisal processes, Uganda has laid a strong institutional foundation for equitable transitions.
However, significant challenges remain. High informality, weak labour data, absence of a national resettlement policy, and limited fiscal space threaten to undermine the effectiveness of the JTF. Without targeted support, vulnerable groups risk being left behind, and Uganda may struggle to meet both its development and climate commitments.

Uganda urgently needs to work on developing and adopting a national resettlement policy framework aligned with international standards. There is need for strengthening labor and welfare data systems to enable robust distributional analysis. This will be further enhanced by securing grant based international finance to fund livelihood restoration, re skilling, and SME re tooling in affected sectors.

Uganda's progress demonstrates that Just Transition Frameworks can be embedded into national planning cycles, but success requires strong data, governance, and financing. International partners must prioritise grants and technical assistance, not loans, to avoid exacerbating debt burdens while ensuring equity. Lessons from Uganda's JTF, particularly the integration of Just Transition into planning and safeguards, can inform other countries in Africa, and beyond as they design their own frameworks. By closing data and policy gaps, strengthening institutional capacity, and mobilising international support, Uganda can ensure that its transition is not only green but also just — protecting vulnerable groups, creating decent jobs, and positioning the country as a continental leader in equitable climate action.

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