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THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX 1

of the Commission Decision on the financing of the Annual Action Programme 2019 in favour of the Republic of Uganda

Action Document for "Inclusive Green Economy Uptake Programme (GreenUP)"

1. Title/basic act/ CRIS number	Inclusive Green Economy Uptake Programme (GreenUP) CRIS number: UG/FED/041-776 financed under the 11 th European Development Fund (EDF)	
2. Zone benefiting from the action/location	Republic of Uganda The action shall be carried out at the following location: nationwide.	
3. Programming document	National Indicative Programme (NIP) 2014-2020 for Uganda	
4. Sustainable Development Goals (SDGs)	<u>Main SDGs:</u> 1. No Poverty, 8. Decent Work and Economic Growth, 9. Industry, Innovation, and Infrastructure, 11. Sustainable Cities and Communities and 12. Responsible Consumption and Production and 13. Climate Action. <u>Secondary SDGs:</u> 5. Gender Equality.	
5. Sector of intervention/ thematic area	Inclusive Green Economy	DEV. Assistance: YES ¹
6. Amounts concerned	Total estimated cost: EUR 133 000 000 Total amount of EDF contribution: EUR 45 000 000 This action is co-financed in joint co-financing by: - indicatively the French Development Agency (AFD) for an estimated amount of EUR 65 000 000 - the World Bank for an estimated amount of USD 26 000 000	
7. Aid modality and implementation modalities	Project Modality Direct management through: - Grants - Procurement Indirect management with the Government of Uganda, Indirect management with the Global Green Growth Institute Indirect management with the World Bank Indirect management with the Food and Agriculture Organisation (FAO) Indirect management with an EU Member State Agency Contribution to AIP: This contribution to the Regional Blending Platform shall be implemented in indirect management by the entities	

¹ Official Development Assistance is administered with the promotion of the economic development and welfare of developing countries as its main objective.

	indicated in appendix 2 to this action document, in accordance with the Regional Blending Platform's award procedure.			
8 a) DAC codes	205010 - Business Policy and Administration 41010 - Environmental policy and administrative management 43030 - Urban development and management 31162 - Industrial crops/export crops 15110 - Public sector policy and administrative management			
b) Main Delivery Channel	13000 – Third Country Government (Delegated co-operation)			
9. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	X	<input type="checkbox"/>
	Gender equality and Women's and Girl's Empowerment	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input type="checkbox"/>	X
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	X	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with disabilities	X	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input type="checkbox"/>	X	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	X	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	X
10. Global Public Goods and Challenges (GPGC) thematic flagships	N/A.			

SUMMARY

The present intervention builds on the intervention formulated in the Annual Action Plan 2018 under the new Inclusive Green Economy focal sector of the revised National Indicative Programme. In line with the country's overarching strategic document Vision 2040, implemented in six 5-year National Development Plans (NDP), it focuses on the creation of sustainable jobs. The action is in particular aligned to the Uganda Green Growth Development Strategy 2017-2030 (UGGDS) and a number of additional policies, plans and directives and aims to consolidate Uganda's transition towards an inclusive, green and competitive low carbon economy through tackling the key obstacles to a sustainable business environment and investment climate and the development of specific value chains. It will contribute to the five sectors laid down in the UGGDS, amongst them sustainable energy, sustainable agricultural production and value chains, planned green cities, and natural capital management and development².

² Promotion of energy plantations and efficient waste management will support the strategy's *Natural Capital Management and Development* and *Energy for Sustainable Livelihoods and Development* pillars;

Transversal to all interventions is a concern for making Uganda's policy and regulatory framework conducive to more private sector involvements in the building of a green and job-generating economy. Amongst others, this will translate into the promotion of sustainable business, the mainstreaming of the country's green economy agenda into NDP 3 (2020-2025) planning and budgeting, a support of the finalisation of the National Low Carbon Industrialisation Strategy 2020-2040, the development of guidelines for green industrial business parks and free zones and a project component specifically designed to tackle land tenure rights.

The action is fully aligned with the Commission's Communications on a new Africa-Europe Alliance for Sustainable Investment and Jobs: Taking our partnership for investment and jobs to the next level³, A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries⁴, the Jobs and Growth Compact and the EU Economic Diplomacy Initiative. It aims to feed into – and be complementary with – investment opportunities under the External Investment Plan.

1 CONTEXT ANALYSIS

1.1 Context Description

Uganda is a stable country with relatively well-functioning public institutions and a liberalised economy. President Museveni, in power for 33 years, is a crucial regional player. Uganda's "Vision 2040" intends to transform Uganda into a modern and prosperous country by 2040, breaking down the period 2010-2040 into six National Development Plans.

Uganda's population growth rate of 3.2 % in 2015 makes it the third fastest growing country in Africa. It is forecasted to maintain a very high rate of population growth over the next 25 years and to see its population double by 2040, reaching 76 000 000 (while the National Development Plan foresees 61 000 000). This is already putting a strain on natural resources and social services.

Uganda's economy grew by 6.1 % in 2018, the highest rate in a decade, largely driven by favourable weather conditions that boosted agricultural production, government investment in infrastructure, foreign capital investment in oil and gas and increased private sector credit. Nonetheless, this is often referred to as "jobless growth" as unemployment, particularly among the youth (around 70 % unemployed) and women, continues to remain a challenge. Although the economic activity rate for adult men relative to women is almost the same (78.9 % for women and 81.5 % for men), social norms still reinforce discrimination in access and control over productive assets, particularly land and financial capital. Increasing levels of public debt, expected to peak at around 49.5 % of Gross Domestic Product (GDP) by 2020, as well as a perceived deterrent investment climate in spite of Uganda's liberal approach to private sector, will most likely constrain growth and jobs generation.

Natural resource-based sectors such as agriculture, minerals, forestry and fisheries continue to remain the largest job providers. Agriculture will remain the most important sector in Uganda's economy in terms of food security and nutrition, employment, income, raw materials for industry and exports to regional and international markets. The sector contributes about 25 % to the GDP and employs 72 % of the total labour. Tourism, which

the intervention's inclusive urban development and green industrialisation components are designed to promote *Planned Green Cities*;

Sustainable Agriculture Production and Value Chains will be advanced through a support specifically targeting the coffee and cocoa value chains

³ COM(2018)643 final of 12.9.2018.

⁴ COM(2014)263 final of 13.5.2014.

relies primarily on the country's natural and cultural wealth, has a huge job potential. In 2006, commercial quantity of oil in Uganda was discovered. Since then the government has set ever-shifting dates for the start of the sale. The latest development, according to the Energy minister, set 2022 as starting date.

1.2 Policy Framework (Global, EU)

The overarching EU policy framework on Inclusive Green Economy is the Communication "Increasing the impact of EU Development Policy: an Agenda for Change"⁵. It commits the EU's development policy to promoting a green economy⁶ *that can generate growth, create decent jobs and help reduce poverty by valuing and investing in natural capital, including through supporting market opportunities for cleaner technologies, energy and resource efficiency, low-carbon development while stimulating innovation, the use of ICT, and reducing unsustainable use of natural resources*. In addition, the Commission Communication "A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries"⁷ underlines the EU's ambition of promoting eco-entrepreneurships and green job creation, while the 2018 Commission's Communication on a new Africa – Europe Alliance for Sustainable Investment and Jobs: Taking our partnership for investment and jobs to the next level⁸ aims at unlocking private investment and exploring the huge opportunities that can yield benefits for African and European economies alike, with a specific focus on jobs for youth, that also responds to Africa's demographic patterns. Recently, the United Nations 2030 Agenda for Sustainable Development and the New European Consensus on Development "our world, our dignity, our future"⁹ have provided a strategic approach for sustainable development. In Uganda, this EU vision is reflected through the Jobs and Growth Compact and the Economic Diplomacy Agenda, both developed to also strengthen investment opportunities under the External Investment Plan and bring forward the inclusive agenda, meaning involving the youth but critically also empowering women.

The action will contribute to the Gender Equality and Women's Empowerment: Transforming the Lives of Girls and Women through EU External Relations 2016-2020¹⁰, particularly its objectives 14. Access to decent work for women of all ages and 15. Equal access by women to financial services, productive resources including land, trade and entrepreneurship.

Thus, supporting Uganda's Inclusive Green Economy agenda offers many opportunities to advance the EU's agenda in terms of closing the gender gap, inter alia through promoting economic and social rights to the benefit of girls and women.

Eventually, the Europe 2020 strategy aims for an inclusive digital society which benefits from the digital single market and appears as a good partner to promote Uganda digitalisation agenda for the country not to miss the opportunity of the fourth industrial revolution.

1.3 Public Policy Analysis of the partner country

Uganda has embarked on a path towards an inclusive green economy, including through November 2017's launch of an ambitious Uganda Green Growth Development Strategy (UGGDS) covering the 2017-2030 period. Ownership by the Government of Uganda, and in

⁵ COM(2011)637 final of 13.10.2011.

⁶ "An economy that can **secure growth and development**, while at the same time **improving human well-being**, providing **decent jobs**, **reducing inequalities**, **tackling poverty** and **preserving the natural capital** upon which we all depend. "Commission Communication Rio+20: towards the green economy and better governance", COM (2011) 363 final of 20.6.2011.

⁷ COM(2014)263 final of 13.5.2014.

⁸ COM(2018)643 final of 12.9.2018.

⁹ OJ C 210 of 30.6.2017.

¹⁰ SWD(2015)182 final of 21.9.2015.

particular its National Planning Authority, is strong and green economy is increasingly mainstreamed into all sector policies. The UGGDS aims at implementing Uganda's long- and medium-term strategies (Vision 2040 and its National Development Plan II 2015-2020 in particular) as well as achieving its commitments to the Sustainable Development Goals and the Paris Agreement on Climate Change. Specifically, the UGGDS seeks to: (i) accelerate economic growth and raise per capita income through targeted investments in priority sectors with the highest green growth multiplier effects, (ii) achieve inclusive economic growth along with poverty reduction, improved human welfare and employment creation and (iii) ensure that the social and economic transition is achieved through a low carbon development pathway that safeguards the integrity of the environment and natural resources.

Uganda's Vision 2040 statement prioritises gender equality as a cross-cutting enabler for socioeconomic transformation, while highlighting the progress made in the legal and policy arena, in political representation and in lowering gaps in education. It also points out that the conditions sustaining gender inequality in Uganda remain salient: gender disparities in access and control over productive resources like land; limited share of women in wage employment in non-agricultural sectors; sexual and gender-based violence; limited participation in household, community and national decision-making. Gender is mainstreamed in national plans but it is not integrated to financing and monitoring frameworks. An institutional framework for gender mainstreaming exists but with limited technical and operational capacity.

According to Uganda's National Strategy for Private Sector Development 2017/18-2021/22, which aims at boosting investor confidence for enterprise development and industrialisation, "Government efforts have been able to yield economic stability and spread economic opportunities. (...) This approach will drive the Private Sector in reaching the Country's vision, goals and targets with respect to employment, income and wealth creation; ultimately delivering social economic transformation."

Although green economy is a new area of intervention in Uganda, opportunities in sectors and value chains such as forestry, coffee and cocoa, waste management, green urbanisation or industrialisation have already attracted interest from the public administration as well as from the Ugandan, the EU's and international private sector.

Uganda is a signatory to all the major human rights conventions including the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), which it ratified in 1985.

1.4 Stakeholder analysis

Poverty is mostly prevalent in rural areas and the main needs of actors such as farmers are in the field of skilling, notably to improve production and quality of commodities and access to finance in order to allow them to also increase production and consequently their living conditions. In rural areas, women and hunter-gatherer and pastoralist communities are in a very vulnerable situation regarding access to land and occupation. Emphasis is also put on urban poor and on inclusion of women and people living in vulnerable situation (such as persons with disabilities, indigenous peoples, minorities, HIV-affected, etc.): although Uganda has a low urbanisation level of around 19 %, some 65 % of the new jobs are being created in urban centres, with important development effects into rural areas given rural-urban mobility. It is estimated that a new urban growth model could increase access to basic services by over 33 %, reduce aggregate infrastructure investment requirements by 11 % and reduce greenhouse gases by 27 %.

According to the National Strategy for Private Sector Development, Uganda's Private Sector is dominated by micro, small and medium enterprises (MSMEs) comprising approximately 1 100 000 companies, whether formal or informal, and employing approximately 2 500 000

people. More than 93 % are micro enterprises, employing at most four persons each. The majority of these enterprises are family based, with no formal skills, no clear addresses and usually operating in an informal manner. MSMEs as well as larger-scale private investors have been identified as the main agents of change and employment, hence an emphasis on the country's business environment and investment climate, including the promotion of green industrialisation, securing land tenure rights to boost investment, and developing job-intensive value chains. Private Sector Foundation Uganda, the country's apex business association, and the European private sector aim at strengthening the links with the EU and work together on common issues related to the investment climate.

Beyond the private sector, institutional stakeholders were also involved in the project preparation, they include Uganda's Ministry of Finance, Planning and Economic Development, National Authorising Office, and its relevant agencies, notably the National Planning Authority, which spearheads the Uganda Green Growth Development Strategy, along with all line ministries/agencies – in charge of energy, land, agriculture, urban development, trade, capital markets, industry etc. – at national level. Local authorities and civil society will also be engaged.

1.5 Problem analysis/priority areas for support

Unemployment and underemployment are major causes of poverty and increasing wealth divide. As mentioned before, the private sector is the first job provider but business environment and investment climate are currently not conducive. At the same time, natural resources are being depleted at a worrying rate, thus challenging the validity and sustainability of the current economic model. The aim of this action is therefore the creation of green jobs, with the following priority areas:

(i) Business environment: Uganda's economic system is currently characterised by a limited public-private sector dialogue, a highly informal economy as well as regulatory and enforcement constraints limiting economic growth and employment. Critical impediments for further private sector development, as identified by the private sector, are skills and attitude, corruption and access to finance. Business development and the creation of a Sustainable Business for Africa Platform in Uganda are expected to boost strategic and responsible private investments, contribute to address those challenges and eventually generate green jobs.

(ii) Investment climate: for decades, Uganda has lacked effective physical planning and urban development framework to guide growth and development, thus justifying the assessment that urbanisation has failed to deliver sufficient economic dividends and employment. This has had an impact on the economic as well as the social and environmental development of urban and peri-urban centres. The intervention intends to address this challenge by demonstrating green city development in a number of secondary cities:

- Municipal solid waste accumulation makes for one of the major challenges facing urban centres in Uganda. While the country's authorities have embarked on a transition from the "collect and dump" approach to "waste to resource", the path towards circular economy remains paved with hurdles. Those include specific challenges such as discriminating between a number of opportunities to valorise organic waste and difficulties posed by petroleum waste and electronic waste. The intervention will pursue and demonstrate the viability of solutions to these challenges.

- Inclusive urban development is also hampered by a lack of adequate street lighting, which not only poses a security and safety threat to urban mobility, particularly for pedestrians and other non-motorised transport, but also limits much of the economic and social development opportunities, such as market trading and extra-curricular activities, to daytime hours. Indeed, roadside markets are significant contributors to income generation in Kampala, with women prime stakeholders therein. The intervention will improve the economic and social development potential as well as the safety and security of these groups by implementing a

Kampala Capital City Authority's Lighting Masterplan and improve on the city's planning and management.

- One of the most determining factors in improving productivity in order to increase prosperity in rural areas is securing land tenure, particularly for the poor, women and vulnerable groups. However, land tenure and availability of productive land for agricultural production and investment is a very complex issue. Most people in Uganda live and depend on customary and unregistered land, and their tenure security can increase if their rights are recorded. Customary land tenure is by far the most common land tenure system in Uganda, accounting for about 80 % of the total land available. Land held under the customary tenure system is largely untitled. To address these issues, the Government of Uganda, with support from the World Bank and the current proposed action, has been supporting the decentralisation of the land sector to ensure that communities and the vulnerable people have access to land services at lower costs.

(iii) Value-chain development: growth has been driven by a highly informal services sector, coupled with the majority of the population still being employed in rural areas, in sectors such as subsistence agriculture and other areas of low productivity:

- Export-oriented growth and value addition are therefore key priorities for the country's economic development. As part of the efforts to increase employment creation through export-oriented growth, the coffee and cocoa value chains will be supported. These are two particularly high-potential export crops that will contribute to the development of competitive, job-intensive, inclusive, environmentally sustainable and climate-resilient value chains.

- Uganda has a history of being largely exploitative of natural resources, with a high-energy dependence on inefficiently produced charcoal, thus exerting high environmental pressures on soil, water, air, forest and biodiversity, as well as generating increasing levels of greenhouse gas emissions. Biomass still accounts for a staggering 88 % of Uganda's total energy demand, which has led to a dramatic dwindling of the country's forest cover (from 24 % in 1990 to about 8 % at present, while the forest cover considered needed to maintain a stable ecological system is in the order of 30 %). Accordingly, the present intervention looks at supporting the development of a sustainable, job-intensive forestry and charcoal value chains.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
The project components are not attractive enough for private sector engagement and investment.	M	Dialogue engaging both the private and public sector will continue to be promoted, and necessary financing will be provided to create a conducive business environment. In order to reinforce both supply- and demand-side capacities, technical assistance will also be provided.
Public partners fail to deliver due to internal challenges and lack of drive. Implementation is delayed for policy reasons outside of the scope of the programme, such as, for instance land governance, coffee value chain development.	M	The EU co-finances several initiatives that are complementary to this action, such as land management and infrastructure development, and retains a key policy dialogue with key stakeholders. Uganda Coffee Development Authority, Enabel, Private Sector Foundation Uganda, the Ministry of Lands, Housing and Urban Development or Kampala Capital City Authority shall also be part of the relevant project Board to ensure timelines are aligned.

Political interference (development and cooperation dictated by the political agenda).	M	High-level policy dialogue with the Government. Regular review of the overall EU-Uganda partnership (development and political relations). Robust, objective procedures and transparency in the development of sector plans and policies
Political and natural shocks such as election violence, drought, etc.	M	Mitigation measures will be taken flexibly, depending on the severity, impact and duration of the shock.
The gender-responsive rights-based approach is not integrated during the implementation.	M	High-level policy dialogue with the Government of Uganda to support gender equality, women's empowerment and fulfilment of international human rights commitments, including regarding people living in vulnerable situation such as indigenous people and persons with disabilities. The United Nations (UN) Guiding Principles on Business and Human Rights will be promoted. Monitoring will be based on disaggregated indicators to monitor integration of rights-based approach working principles participation, non-discrimination, accountability and transparency.
Assumptions		
<ul style="list-style-type: none"> - The conduciveness of Uganda's legal framework to private sector development and investment does not deteriorate. - The Government of Uganda remains committed to the implementation of its Land Policy, particularly the institutionalisation of the land administration from the national to local level. - The Government of Uganda continues to support the agreed strategic framework under the Coffee Roadmap against which the private sector, Civil Society Organisations and Development Partners can priorities and align their actions. 		

3 LESSONS LEARNT AND COMPLEMENTARITY

3.1 Lessons learnt

Inclusive Green Economy is a relatively new sector worldwide, let alone for Uganda and the region. Nonetheless, the proposed intervention builds on the momentum, lessons learnt and opportunities created by successful pilot actions in the country in the three main areas of business environment, investment climate and value chain development.

Business environment

At the end of 2018, a pilot exercise, based on the EU Economic Diplomacy Agenda and Sustainable Business for Africa Platform, initiated a consultative process with both public and (Ugandan and European) private sectors. The aim was to identify investment constraints, recommend remedial responses and implement them. Coordinated with EU Member States (MS) and in partnership with Private Sector Foundation Uganda, the country's apex private sector association, the exercise led to the formulation of a living Roadmap and the recommendation to form an EU-Uganda public-private platform (the Sustainable Business for Africa Platform in Uganda) tasked to upgrade a strategic dialogue with the Government of Uganda, strengthen business links and implement private sector-led interventions. The identified areas of cooperation (skills and attitude, corruption and access to finance) will build on the experiences of ongoing support programmes in the same areas implemented by the EU

and other partners: the main ones are (i) Enabel and EU programmes on Skills development, (ii) EU (e.g. Yield Fund), the Department for International Development (DfID), the World Bank and development and commercial banks implemented programmes on Access to Finance and (iii) multi-donor programmes on accountability and Justice, Law and Order on anti-corruption measures.

Investment Climate

In terms of green urbanisation, green industrialisation and waste management, there are many lessons to be learnt from projects that have been supported by the member agencies of the Urban Development Partners Group over the past few years. These include the World Bank-financed Uganda Support to Municipal Infrastructure Development Programme and the Kampala Infrastructure and Institutional Development Project, DfID's Cities and Infrastructure for Growth programme, as well as a number of African Development Bank, French Development Agency, Japanese International Cooperation Agency and UN HABITAT supported interventions, not to mention the ongoing strategic, policy and/or regulatory work by think tanks such as the Global Green Growth Institute (GGGI) and the Inclusive Growth Centre.

On inclusive urban development, the Ministry of Finance and Economic Planning emphasised that insecurity is one of the hindrances to effective and inclusive urbanisation, with women being the most affected victims of violence at night. The design of this action has also picked lessons from Kampala Capital City Authority's recent efforts to install street lights, including on quality and sustainability considerations.

Land administration reform is a precondition for improvement of the investment climate as land tenure insecurity severely limits investments. Under the first phase of the World Bank's Competitiveness and Enterprise Development Project, the pilot phase on land administration was evaluated and rated satisfactory. One of the challenges under the currently proposed action is to consolidate the gains made in land administration by increasing sustainability of the decentralised institutions such as the Ministry of Land's Zonal Offices.

Value chain development

Regarding coffee, Uganda's Coffee Roadmap is an ambitious undertaking. The main value addition by far will come from increased production given the enormous yield gap of current coffee production. A step-wise approach to productivity enhancement will be needed, as not all coffee farmers are the same and need different services to move to a higher production level. Two of the main critical services are technical support and financing, best provided through private service providers. Support to small holder aggregators such as coffee traders and the establishment of medium scale commercial coffee farms should also be promoted, as these can provide smallholder coffee farmers with seedlings, inputs, credit, processing facilities and markets. Similar recommendations may be useful to the cocoa value-chain.

As for the forestry and green charcoal value-chains, the intervention will benefit from both the vast experience acquired under the Sawlog Production Grant Scheme and the Ministry of Energy and Mineral Development's (UNDP-supported) Green Charcoal Project, which, amongst others, involved conducting a national charcoal survey, completing the country's national biomass strategy and developing a sustainable charcoal value chain Nationally Appropriate Mitigation Action. Experience shows that establishing a sustainable charcoal value chain is not only about fuelwood plantations but also efficient charcoal production / conversion technologies, standards and certification, research and development of bioenergy tree species, policy dialogue and regulation, as well as capacity building of stakeholders in green charcoal production skills.

3.2 Complementarity, synergy and donor coordination

The proposed action is complementary to EU programmes such as the Annual Action Plan 2018 Promoting Inclusive Green Economy in Uganda action – and in particular the access to finance and planned green cities – the Development Initiative for Northern Uganda (targeting in particular agriculture, agri-businesses, infrastructure development and governance in five Northern regions), the Market Access Upgrade Programme (focusing on job creation in the coffee and cocoa value-chains in Uganda), the Strengthening Uganda’s Anti-Corruption Response programme, a few other value chain development programmes (in Forestry, Aquaculture and Beef), a number of pilot projects financed under the Switch Africa Green initiative, as well as on land tenure rights and land administration. Crucially, the action also builds upon and would feed into key private sector development initiatives supported by the EU in Uganda, such as the Economic Diplomacy process and the External Investment Plan. The current intervention will also complement activities aimed at providing economic opportunities to refugees and host communities funded from the EU Trust Fund.

The intervention is also fully complementary and will contribute to a policy green mainstreaming exercise led by the National Planning Authority (with possible EU and World Bank support notably on the drafting of **urban/building development guidelines**¹¹) as well as a number of Governmental and/or UN-led programmes (including the Decent Work Country Programme and the Green Jobs Programme). It builds synergies with Enabel’s Skills Development Fund, as well as with other urban development projects led by the French Development Agency, the German Cooperation, UN HABITAT, the Global Green Growth Institute and other agencies (including the International Finance Corporation-facilitated Kampala Waste Treatment & Disposal Public Private Partnership Project) notably to provide improved services and to upgrade slums. Moreover, the action also explores synergies with the Korean International Cooperation Agency sustainable agriculture and rural development programme, in particular on the area of organic waste management.

EU Member-States are more and more sensitive to and supportive of the Green Economy agenda, with Sweden setting it as one of the focal sectors of its recent country strategy and Belgium (Enabel) including green activities into its programmes and a partnership with the latter being considered as a good way to jointly promote European and Uganda interests.

Finally, it should be noted that there is a strong complementarity between the different components of the proposed intervention, with for example the investment climate contributing to a better business environment and the business environment component supporting private sector operators and income generation in the value chains component.

4 DESCRIPTION OF THE ACTION

4.1 Overall objective, specific objective(s), expected outputs and indicative activities

The **overall objective** of this action is to contribute to the Ugandan transition toward an inclusive, green and competitive low carbon economy with the creation of decent green jobs in a number of key sectors laid down in the Uganda Green Growth Development Strategy, as follows:

1. Support to Uganda's **Business Environment**

The **specific objective (SO)** of this component is to help make Uganda's business environment more conducive to inclusive and green investments.

Expected results include (i) priority policy and regulatory reforms triggered by a vivid public-private dialogue, (ii) partnerships sealed as a consequence of Uganda-EU networking

¹¹ to be financed outside this intervention.

activities, (iii) business roadmap implemented to remove key impediments to private sector operations and (iv) increased and greener investments and jobs.

2. Support to Uganda's Broader **Investment climate**

The **specific objective** of this component is the improved environment for investing in Uganda's economic green transformation and industrialisation agenda.

Expected outputs include (i) Green City Development guiding documents, investment plans and knowledge platform are developed for four secondary Cities, (ii) Green Industrialisation guidelines, investment projects and support mechanisms are developed, (iii) Waste management strategy, investment plans and business support infrastructure are developed, (iv) Green Growth integrated into the NDP's planning and budgeting, (v) Inclusive Urban Development in selected areas and (vi) Regulatory system for customary land registration improved.

3. Value chains development

The **specific objective** of this component is increased production and exports of coffee and cocoa, and efficient and environmentally friendly management of forestry value chain, including charcoal.

Expected outputs include (i) improved value chain infrastructure for coffee and cocoa, (ii) improved management systems of the forestry value-chain, including green charcoal.

The indicative activities are:

1. Business Environment.

Establish a Sustainable Business for Africa Platform in Uganda in order to (i) strategically engage with the Government of Uganda on key constraints, opportunities (e.g. digitalisation with e-government services) and responses for sustainable investments, (ii) strengthen the business links, partnerships and the market access of both the European and Ugandan private sector, notably through networking events and (iii) implement roadmap private sector-led actions aiming to improve the investment climate and business environment in the areas such as Skills and Attitudes (e.g. internships, business development services, incubators and accelerators), Access to Finance (e.g. regulation on Private Equity, Deal Flow Facility), Governance, Accountability and Corruption (e.g. whistle-blower entity, International Centre for Arbitration and Mediation in Kampala) which have already been identified in a pilot exercise, and other areas to be mutually proposed by the European and Ugandan private sector.

2. Investment Climate.

The envisaged activities for the **green urbanisation and industrialisation** component consist in: (i) developing/finalising relevant green strategies¹² and integrating Uganda's green growth agenda into National Development Plan planning and budgeting to implement Uganda Green Growth Development Strategy, (ii) developing (a) guidelines, building codes, greened resilient participatory masterplans, infrastructure investment plans for four secondary cities, (b) masterplans and infrastructure investment plans for four industrial parks/ free zones and (c) national guidelines for green growth integration and tracking in planning and budgeting as well as the development of a number of technical background studies, (iii) designing two waste sorting and diversion centres for the Greater Kampala Metropolitan Area (GKMA), identifying organic waste valorisation opportunities for Uganda (including human waste), conducting a value chain analysis of the oil and petroleum waste and e-waste subsectors, and providing waste value chain MSMEs with some business development support and (iv)

¹² National Low Carbon Industrialisation Strategy 2020-2040, Greater Kampala Metropolitan Area Waste Management Strategy.

implementing the Kampala Lighting Masterplan which involves the installation and operation of about 16 000 new street lights as well as retrofitting 1 568 faulty lights with high quality LEDs in Kampala City with emphasis on informal settlements, roadside markets, major pedestrian routes and road crossings, commuter taxi stations, health centres and major hotspots that are prone to crime and/or motor accidents and developing supporting urban infrastructure.

Regarding the **customary land registration**, the envisaged activities include i) preparing guidelines and procedures to support registration of customary lands, ii) strengthening institutions and mechanisms to resolve land disputes and iii) increasing people's awareness on procedures to register customary land, paying particular attention on women and the most vulnerable and critical groups.

3. Value Chains development.

The proposed activities envisaged under the coffee and cocoa value chains development component are for a major part based on Uganda's Coffee Road Map action plan, and include (i) supporting the establishment under the "Coffee Road Map for Uganda" of a commercial coffee and cocoa production investment support scheme to increase production and productivity of smallholders, (ii) providing technical assistance to support a coffee and cocoa (to become private sector-led) business support delivery unit that facilitates providing solid business services and technical backstopping to private operators and producers in the value chain, (iii) managing, under the supervision of the Uganda Coffee Development Authority, a matching grant scheme for private operators and producers in the coffee and cocoa value chain similar to the successful Sawlog Production Grant Scheme and complementary to the MARKUP matching grant scheme for coffee and cocoa, (iv) strengthening and implementation of the general policy and regulatory frameworks that govern the sectors, particularly for cocoa and (v) establishing a dialogue mechanism to engage with and support the development of the private sector.

Envisaged activities for the forestry and sustainable charcoal value-chains are (i) establishment of commercial fuelwood plantations, (ii) introduction of efficient charcoal conversion technologies, (iii) promoting standards and certification of charcoal, (iv) promotion of research and development of bioenergy fast growing tree species, (v) promotion of UN Guiding Principles of Business and Human Rights, policy dialogue and regulation of the sustainable charcoal value chain, (vi) capacity building and training of stakeholders in charcoal production and (vii) establishment of a mechanism to engage with and support the development of the private sector. This activity will build on pilots and studies undertaken under the successful EU funded Sawlog Production Grant Scheme.

4.2 Intervention Logic

The high priority given by the Government to employment and the launch of Uganda Green Growth Development Strategy set a solid and comprehensive strategic framework for green investment and job creation. The European Union pioneers this approach in Uganda and supports, through this intervention, an inclusive green economic model that (i) creates a more conducive environment for businesses, (ii) helps to remove some major impediments in the current investment climate, including improved land administration (iii) supports some key value chains for sustained employment creation. These different enabling "services" are not independent and mutually exclusive but much on the contrary will work in synergy. The present intervention is designed so that it remains complementary, and further builds upon, actions initiated through the Annual Action Plan 2018 support to the sector, notably on the areas of promoting green investments, planned green cities, access to finance, and access to sustainable energy services.

As confirmed through the ongoing Economic Diplomacy and Sustainable Business for Africa Platform initiatives in the country¹³, key constraints to investment include (i) insufficient skills of the workforce leading to incompatibility with the needs of an evolving private sector, (ii) limited private sector access to finance and (iii) rampant corruption that undermines competition on a level playing field and mutual trust among actors. Those three challenges were identified during the last years by Private Sector Foundation Uganda and agreed with the European private sector, thus paving the way for the drafting and implementation of a roadmap with concrete action, lead actor and deadlines, with the objective to demonstrate that positive change is possible. To address those issues as well as future ones, the action will support the establishment of a structured platform – the Sustainable Business for Africa in Uganda – aggregating both EU and Uganda private sector and selected public sector parties, with the aim to promote sound economic reforms and private sector's initiatives and responsibilities to sustainably invest and generate jobs. The sustainability in the financing of the platform will be ensured through the fees of Ugandan and European companies which will find their interest in being a member of it.

Investment climate looks at the broader enabling conditions to private sector development and investment. Improved urban living conditions, industrialisation set up and land governance are expected to contribute to the attractiveness and economy dynamism of the country. The systematic land registration of Customary Lands will address the long history of land insecurity, land grabbing and dispute, and will build on past pilots and initiatives, in particular on issuance of Certificates of Customary Ownership (CCOs).

A critical priority for value chains development will be to ensure that the slow but steady progress towards achieving the targets set in the coffee road map and similar actions proposed for cocoa are not frustrated by technical constraints and regulatory gaps, if the interventions are to achieve their potential to help reduce poverty, provide jobs and increase supplies for export. In supporting the development of specific value chains, the threefold approach below has been adopted, as detailed under the Jobs and Growth Compact for Uganda: (i) targeting weak missing links of selected value-chains, (ii) supporting private sector groups (e.g. Timber Growers Association) and (iii) considering the geographical coherence, complementarity with existing programmes and lessons learnt from the past in well-known sectors.

It is worth noting that the whole intervention was conceived while taking into consideration two important factors to the success of the action: the involvement of women, as main but completely underestimated contributors to the economy and the rise of digitalisation that will dramatically change Uganda as the rest of the world in the years to come.

4.3 Mainstreaming

Given its inclusiveness and sustainability objectives, the action will specifically target vulnerable populations (rural and urban poor, women, youth, persons with disabilities, indigenous peoples etc.). To make sure the gender aspect remains at the forefront of the action, particular attention will be paid to the inclusiveness of women and girls (e.g. favoured access to decent work, business development services and finance, beneficiary of street lighting). The action integrates gender-responsive rights-based approach working principles (participation, non-discrimination, accountability and transparency).

Households and small businesses affected by possible land right and tenure evictions will be able to benefit from land administration services. In terms of environmental protection, the programme will have a positive impact on the restoration/conservation of critical environmental areas. As for equipment and infrastructure provided by the action, they will be

¹³ The results achieved through these two initiatives, which have been combined in a single intervention in consideration of the inter-related objectives, are reported in section 3.1 concerning the business environment component.

designed so as to be climate-proof and proper waste management measures will be in place (for example by embedding requirements for recycling in the end-of-life disposal for the activities foreseen under the Kampala Lighting Masterplan, electronic waste management).

4. 4 Contribution to Sustainable Development Goals (SDGs)

This intervention is relevant for the United Nations 2030 Agenda for Sustainable Development. It contributes primarily to the progressive achievement of SDGs 1. No Poverty, 8. Decent Work and Economic Growth, 9. Industry, Innovation, and Infrastructure, 11. Sustainable Cities and Communities and 12. Responsible Consumption and Production and 13. Climate Action and secondarily SDG 5. Gender Equality.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Decision and the relevant contracts and agreements.

5.3 Implementation of the budget support component

N/A.

5.4 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹⁴.

5.4.1 Grants: direct management

(a) Purpose of the grant(s)

One grant agreement is foreseen to be awarded directly to Financial Sector Deepening Unit (FSDU) under specific objective 1 – support to Uganda's **Business Environment**, in order to contribute to the achievement of the results set under the Support to Uganda's Business Environment objective and in particular to improve regulation on Private Equity and set up the Deal Flow Facility.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to FSDU.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified due to the fact that the action has specific characteristics requiring a specific type of beneficiary for its technical competence, according to Article 195 (f) FR: the nature of the activities implemented by FSDU require

¹⁴ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

their specific technical competence and experience notably from other ongoing activities funded by the Department for International Development such as support to the Capital Market Authority on market regulations improvement in Uganda, participation in the Financial Markets Development Committee chaired by the Bank of Uganda as representative of the Development Partners and expertise to set up the Deal Flow Facility.

FSDU is the only technical institution capable of implementing the expected activities to accomplish the support of Uganda's Business Environment related to Access to Finance.

5.4.2 Procurement (direct management)

A part of this action will be implemented through procurement of services under direct management. Indicatively, two service contracts will be awarded under direct management to support implementation of the action. The first would subscribe to the objective of supporting Uganda's **Business Environment** (SO1) to contract a consultant to assist in the implementation of the EU-Uganda private-public sector platform and the roadmap actions aimed at encouraging sustainable private investments. This call may be launched by 1 October 2019 under a suspensive clause prior to the adoption of this decision. This is justified because the implementation of the platform and the roadmap requires continued dialogue and achievements of results in order to maintain and progressively raise the level of interest and participation by the stakeholders. As mentioned in section 3.1 regarding the business environment, a pilot exercise formulated a living roadmap and recommended to support an EU-Uganda public-private platform. This action will continue and upgrade such exercise without discontinuation.

The second would subscribe to the objective of contributing to a competitive, job-intensive, environmentally-sustainable and climate resilient agriculture sector in Uganda (SO3). A Technical Assistance will also be contracted to support a coffee and cocoa delivery unit that facilitates providing business services and technical backstopping to private operators and produces in the value chain. This delivery unit will be an independent unit that will work under the overall supervision of the Uganda Coffee Development Authority (UCDA), which has shared competences with the Ministry of Agriculture on cocoa sector development as well. The delivery unit will be established within the framework of the agreed action plan to achieve the targets of the Coffee Road Map. This tender may be launched by 1 October 2019 under a suspensive clause prior to the adoption of this decision. This is justified because the design of the ensuing Programme Estimates depends on the mobilisation of technical assistance under this call.

5.4.3 Indirect management with an international organisation - Global Green Growth Institute (GGGI)

A part of this action may be implemented in indirect management with GGGI. This implementation entails supporting the Investment Climate (SO2) pursuing and demonstrating green city development, green industrialisation and efficient and effective waste management, as well as mainstreaming Uganda's green growth agenda into the planning and budgeting of the National Development Plan. The envisaged entity has been selected exceptionally at this stage using the following criteria: unrivalled experience in terms of advancing green growth in Uganda (with key inputs including the development of a costed *Uganda Green Growth Development Strategy Roadmap*, the development of the *Green Cities Development Roadmap*, contributions to the drafting of the *National Urban Policy*, the *National Urban Waste Management Policy* and a number of similar strategic and policy documents, as well as the promotion of the incorporation of green growth as a regulatory best practice).

If negotiations with the above-mentioned entity fail, that part of this action may be implemented in direct management in accordance with the implementation modalities identified in section 5.4.9.a.

5.4.4 *Indirect management with an international organisation - Food and Agriculture Organisation of the United Nations (FAO)*

A part of this action may be implemented in indirect management with the FAO. This implementation entails Value Chains Development (SO3), a top-up of the ongoing Sawlog Production Grant Scheme Phase III project (SPGS III) to specifically promote energy plantations and accompanying measures, thus contributing to implement the Green Charcoal Nationally Appropriate Mitigation Action. The envisaged entity has been selected using the following criteria: FAO's ongoing experience of managing SPGS III, including supporting the development of fuelwood use applications, technical skills and promoting value addition.

If negotiations with the above-mentioned entity fail, that part of this action may be implemented in direct management in accordance with the implementation modalities identified in section 5.4.9.b.

5.4.5 *Indirect management with an international organisation - World Bank*

A part of this action may be implemented in indirect management with the World Bank. This implementation entails supporting the Investment Climate (SO2) and is part of the Competitiveness and Enterprise Development Project-Additional Finance (CEDP-AF), a 3-year operation with a national coverage. The main objective of CEDP-AF is to increase security of land rights and strengthen local land administration and management. The envisaged entity has been selected using the following criteria: World Bank's extensive experience in managing land tenure programmes in Uganda and its shared implementation with the Ministry of Lands, Housing and Urban Development.

If negotiations with the above-mentioned entity fail, that part of this action may be implemented in indirect management with an international organisation. The implementation by this alternative entity would be justified because of the following criteria: proven experience in registration of customary lands, land tenure rights and land administration.

5.4.6 *Indirect management with a Member State Organisation*

A part of this action may be implemented in indirect management with an entity which will be selected by the Commissions services using the following criteria: longstanding experience in the sector and field of action, as well as a positive and established track record of relations with the main stakeholders. The implementation by this entity entails the execution of actions under specific objective 1 - Support to Uganda's **Business Environment**. In particular, the agency's long-time experience in skills development and Uganda's private sector will be useful in targeting skills and governance-related bottlenecks in promoting private sector investments and jobs in the green economy space. The foreseen fields of action include Support to Skilling, transforming Business, Technical, Vocational Education and Training and private sector development in Uganda.

If negotiations with the above-mentioned entity fail, that part of this action may be implemented in direct management in accordance with the implementation modalities identified in section 5.4.9.c.

5.4.7 *Indirect management with the partner country*

A part of this action contributing to the specific objective (SO3) value chains development with the objective of supporting of contributing to a competitive, job-intensive, environmentally-sustainable and climate resilient agriculture sector in Uganda may be implemented in indirect management with Uganda, according to the following modalities:

The partner country will act as the contracting authority for the procurement and grant procedures. The Commission will control ex-ante all the procurement procedures except in cases where programme estimates are applied, under which the Commission applies ex-ante

control for procurement contracts above EUR 100 000 (or lower, based on a risk assessment) and may apply ex-post control for procurement contracts up to that threshold. The Commission will control ex-ante the grant procedures for all grant contracts.

Payments are executed by the Commission except in cases where programmes estimates are applied, under which payments are executed by the partner country for ordinary operating costs, direct labour and contracts below EUR 300 000 for procurement and for grants.

The financial contribution partially covers, for an amount of EUR 400 000, the ordinary operating costs incurred under the programme estimates.

MoFPED shall apply the Commission's rules on procurement and grants. These rules will be laid down in the financing agreement to be concluded with the partner country.

5.4.8 Contribution to the Africa Investment Platform (AIP)

This contribution may be implemented under indirect management with the entities, called Lead Finance Institutions, and for amounts identified in appendix 2 of this action document. The entrusted budget-implementation tasks consist in the implementation of procurement, grants, financial instruments and payments. The entrusted Member State agency or international organisation shall also monitor and evaluate the project and report on it.

5.4.9 Changes from indirect to direct management mode due to exceptional circumstances

In case the proposed implementation modalities under indirect management cannot be implemented due to circumstances outside of the Commission's control, the following alternative implementation modalities may be pursued.

a. Alternative to 5.4.3

As exceptional contingency to the failure to implement via the preferred modalities described herein, direct management through procurement will be pursued to (SO2) support Uganda's investment climate.

Procurements under direct management may be used to identify service, supply or works providers to implement other actions based on the applicable EU procurement processes and well established selection criteria.

Procurement (direct management)

Subject	Indicative type (works, supplies, services)	Indicative trimester of launch of the procedure
Support Uganda's investment climate	Services, Supplies Works	Q1 2021

b. Alternative to 5.4.4

As exceptional contingency to the failure to implement via the preferred modalities described herein, direct management through procurement will be pursued to (SO3) value chains development.

Procurements under direct management may be used to identify service, supply or works providers to implement other actions based on the applicable EU procurement processes and well established selection criteria.

Procurement (direct management)

Subject	Indicative type (works, supplies, services)	Indicative trimester of launch of the procedure
Value chains development.	Services, Supplies Works	Q1 2021

c. Alternative to 5.4.6

In case the proposed implementation modalities under indirect management section 5.4.6 above cannot be implemented due to circumstances outside of the Commission's control, a direct grant will be awarded to a competent organisation to administer the contracting and implementation of the intervention on the Commission's behalf, following the applicable financial regulations.

Grants (direct management)

(a) Purpose of the grants

As exceptional contingency to the failure to implement via the preferred modalities described herein, direct management through grants will be pursued to (SO1) support Uganda's business environment.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to Private Sector Foundation Uganda.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified in line with Article 195 (f) because of the specific characteristics of the action that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative powers, on condition that the activities concerned do not fall within the scope of a call for proposals.

d. Alternative to 5.4.7

As exceptional contingency to the failure to implement via the preferred modalities described herein, direct management through procurement will be pursued to (SO3) value chains development.

Procurements under direct management may be used to identify service, supply or works providers to implement other actions based on the applicable EU procurement processes and well established selection criteria.

Procurement (direct management)

Subject	Indicative type (works, supplies, services)	Indicative trimester of launch of the procedure
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Value chains development.	Services, Supplies Works	Q1 2021
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5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.6 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
<i>Objective/Outputs Business Environment/ Sustainable Business for Africa Platform composed of</i>	10 000 000	
5.4.1 Grants (direct management) Financial Sector Deepening Uganda	3 000 000	
5.4.2 Procurement (direct management) Service contracts	2 000 000	
5.4.6 Indirect management with an EU Member State entity	5 000 000	
<i>Objective/Outputs Investment Climate composed of</i>	20 000 000	
5.4.3 Indirect management with the international organisation Global Green Growth Institute	5 000 000	
5.4.8 Contribution to the Africa Investment Platform	7 000 000	Indicatively EUR 65 000 000
5.4.5 Indirect management with the international organisation World bank	8 000 000	USD 26 000 000 (WB Loan) equiv. EUR 23 000 000
<i>Objective/outputs Value chains development composed of</i>	13 000 000	
5.4.4 Indirect management with FAO	5 000 000	
Coffee/Cocoa value chain	8 000 000	
5.4.2 Procurement (direct management) - Service contracts	1 400 000	
5.4.7 Indirect management with Government of Uganda (matching grants, investment support scheme, regulatory environment)	6 600 000	
5.9 Evaluation, 5.10 – Audit	Covered by another decision	N.A.
5.11 Communication and visibility	Covered by another decision	
Contingencies	2 000 000	N.A.
Totals	45 000 000	88 000 000

5.7 Organisational set-up and responsibilities

A Programme Steering Committee (PSC) shall be set up to provide strategic and management oversight. The possible permanent members of the Steering committee will be the Ministry of Finance, Planning and Economic Development, the National Authorising Officer (chair), the EU Delegation (co-chair), relevant line Ministries, Government Agencies or other stakeholders including Civil Society and the Private Sector to be invited by the co-chairs. Quorum shall be ensured when both co-chairs and at least two other members are present.

The PSC will notably have the following responsibilities: review and validate work plans, budgets, programme performance of the programme in terms of the foreseen targets; ensure overall coherence amongst the different components and implementing agencies; inform the programme about relevant and complementary activities implemented in the framework of other donor-funded programme or government initiatives. The PSC will meet at least twice a year. A representative from the Uganda Local Government Association; relevant agencies – including the Kampala Capital City Authority, the Gulu Municipality and Isingiro District, donors/international organisations and representatives from the civil society can be invited to attend steering committee meetings as deemed necessary by the full members of the PSC.

Technical Management Committees (TMC) will be created for each of the intervention's three components and will be chaired by a National or local-level counterpart having a key role in the implementation of the relevant component. The TMCs will meet regularly (at least quarterly) and will report progress regularly to the PSC.

5.8 Performance and Results monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the Logframe matrix.

Any monitoring and evaluation will be gender-sensitive, assess gender equality results and implementation of rights-based approach working method principles (participation, non-discrimination, accountability and transparency) in terms of implementation of the project and project outcomes. Key stakeholders will be involved in the monitoring process. Monitoring and evaluation will be based on indicators that are disaggregated by a minimum sex, age and disability, and even further when appropriate (group, location urban/rural etc.).

SDGs indicators and, if applicable, any jointly agreed indicators as for instance per Joint Programming document should be taken into account.

Reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Collaboration between the implementing partners and the technical Ministries may be framed in Memorandums of Understanding or similar documents.

5.9 Evaluation

Having regard to the nature of the action, a mid-term, as well as final and ex-post evaluations may be carried out for this action or its components via independent consultants contracted by the Commission.

A mid-term evaluation may be carried out subject to the decision of the PSC in agreement with the Commission. In such case, the mid-term evaluation will be carried out for problem solving, learning purposes, in particular with respect to investments under the inclusive green economy sectors.

A final and ex-post evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that this is an innovative action.

The Commission shall inform the implementing partner at least 1 month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Evaluation services may be financed under Technical Support Programmes.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

It is foreseen that audit services contracts may be financed under Technical Support Programmes.

5.11 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

It is foreseen that a contract for communication and visibility may be financed under Technical Support Programmes.

APPENDIX 1 - INDICATIVE LOGFRAME MATRIX

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Sources of data	Assumptions
Impact (Overall Objective)	Contribute to the Ugandan transition toward an inclusive, green and competitive low carbon economy with the creation of decent green jobs in a number of key sectors laid down in the UGGDS.			<i>Not applicable</i>
Outcome(s) (Specific Objective(s))	<p>1. Help making Uganda's business environment more conducive to inclusive and green investments in line with the country's industrialisation agenda, with a focus on strengthened dialogue with the private sector, and removing some key impediments to private sector operations.</p> <p>2. An improved environment for investing in Uganda's economic green transformation and industrialisation agenda.</p> <p>3. Increase rural jobs and income through supporting production and export of coffee and cocoa, thus contributing to competitive, job-intensive, inclusive, environmentally sustainable and climate-resilient value chains.</p>	<p><i>1.1 Number of sustainable business reforms and measures approved and enforced by the Government of Uganda.</i></p> <p><i>1.2 Number of sustainable business reforms measures implemented by the private sector</i></p> <p><i>1.3 Number interventions and events implemented by the Sustainable Business for Africa Platform in Uganda.</i></p> <p><i>2.1 Amount of investment mobilised in the inclusive green economy sector.</i></p> <p><i>2.2 Number of green jobs generated.</i></p> <p><i>3.1 Percentage Increase in exports of coffee and cocoa.</i></p> <p><i>3.2 Production of green charcoal (as a proxy for % increase in jobs & income).</i></p>	Uganda Gazette, NPA, MoFPED, PSFU, Enabel, other Implementing partners reports (EU MS, private sector's associations, other Ministries, agencies and authorities).	Government of Uganda continues to prioritise private sector-led economic growth and transformation transit.
Outputs	<p><i>Enabel/PSFU – Business Environment.</i></p> <p><i>1.1 Ugandan and European sustainable investments are attracted by a regular</i></p>	<p><i>1.1.1 Number and sizes of sustainable investments proposals and realisations.</i></p> <p><i>1.2.1 Number of joint EU MS trade missions.</i></p>	1.1.1 Uganda-EU private and public sector platform, Uganda	

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Sources of data	Assumptions
	<p><i>1.2.1. Development of Private Equity regulatory framework</i></p> <p><i>1.2.2 Capacity Building of the Industry Practitioners and the Regulator on implementation of the new regulations done and Scoping Study to assess the Needs of the Market and the capacity and incentives for participation prepared</i></p> <p><i>1.2.3. Design of the Business Model of the Deal-Flow Facility prepared</i></p> <p><i>1.2.4 Establishment of the Deal-Flow Facility</i></p> <p><i>1.2.5 Selection of potential Deal-Flow Facility candidate companies done</i></p> <p><i>1.2.6 Preparation of selected candidate companies for capital raising</i></p> <p><i>1.2.7 Matching of investors to the candidate companies</i></p>	<p>1.2.1. Draft regulatory framework for Private Equity</p> <p>1.2.2 Number and % of Industry Practitioners and the Regulator staff trained on regulatory framework Scoping Study findings report</p> <p>1.2.3. Status of Proposed Business Model of the Deal-Flow Facility with a Business Plan</p> <p>1.2.4. Status of the Deal-Flow Facility and number of business support providers and companies participating in the Deal Flow Facility</p> <p>1.2.5 Number of Investment ready candidates from the Deal-Flow Facility</p> <p>1.2.6 Number of investors registering with the Deal Flow Facility</p> <p>1.2.7 Size of Capital raised by the companies participating in the Deal-Flow-Facility</p> <p><i>(all indicators for the Output 1.2 ** EU RF 2.12 and 2.13)</i></p>	<p>1.2.1. Private Equity & Venture Capital Funds publications</p> <p>1.2.2. East African Venture Capital and Private Equity Association</p> <p>1.2.3.FSDU reports</p> <p>1.2.4. Deal-Flow Facility reports</p> <p>1.2.5 Deal-Flow Facility reports</p> <p>1.2.6 Deal-Flow Facility reports</p> <p>1.2.7 Deal-Flow Facility reports</p>	<p>i) Timely approval of the Private Equity Regulations/ Guidelines</p> <p>ii) Availability of domestic champion for the Deal-Flow Facility</p> <p>iii) Sufficient Interest from domestic and foreign investors in the Deal-Flow Facility deals pipeline</p> <p>iv) Sufficient Pool of Expertise in the Markets</p>

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Sources of data	Assumptions
	<p>Output 2.1. Green City Development guiding documents, investment plans and knowledge platform are developed for four (4) secondary Cities</p> <p>2.1.1. National Urban Development and Physical Planning Guidelines are finalised and submitted to MLHUD for adoption</p> <p>2.1.2. The National Building Code incorporating green and resilient building standards is finalised and submitted to the MoWT and MLHUD</p> <p>2.1.3. Green Growth is mainstreamed in the Masterplans for four (4) Secondary Cities.</p> <p>2.1.4. Infrastructure Investment Plans for four (4) Secondary City are finalised and shared / discussed with the counterparts</p>	<p>2.1.1. Status of the National Urban Development Policy Guidelines</p> <p>2.1.2. Status of the National Building Codes</p> <p>2.1.3. Status of 4 (updated) Green Masterplans</p> <p>2.1.4.1. Status of 4 Infrastructure Investment Plans. 2.1.4.2. Status of identification of lists of four projects per Secondary City (estimated 12 in total) 2.1.4.3. Number and status of the concept notes for investment projects presented to potential financiers</p> <p>2.1.5.1. Status of National Multi-Stakeholder Platforms dialogues</p>	<p>2.1.1. Project and Government documents</p> <p>2.1.2. Project and Government documents</p> <p>2.1.3 Project documents</p> <p>2.1.4 Project, city and other documents</p> <p>2.1.5 Project and Government</p>	<p>- Ministry of Works and Transport and KCCA will move forward with the development of the (draft) National Building Code. - Adequate public awareness is raised on the green building and resilient codes</p>

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Sources of data	Assumptions
	<p>2.1.5. A knowledge and engagement platform is established by Makerere University</p> <p>Output 2.2. Green Industrialisation guidelines, investment projects and support mechanisms are developed</p> <p>2.2.1. National Green Industrial Business Parks (IBP) and Free-Zones (FZ) Policy Guidelines are finalised and submitted to the UFZA, UIA and MTIC for adoption</p> <p>2.2.2. National Low Carbon Industrialisation Strategy 2020-2040 is finalised and submitted to the NPA for adoption.</p> <p>2.2.3. Green Growth is mainstreamed in the Masterplans for four (4) selected IBPs</p>	<p>2.1.5.2. Status of training manuals for participatory Urban Planning of local leaders 2.1.5.3. Number of Research Papers finalised 2.1.5.4. The gender disaggregation of the beneficiaries and/or participants of the platform</p> <p>2.2.1.1. Status of National Green Industrial Business Parks and/or Free-Zones Policy Guidelines .</p> <p>2.2.2.1.- Status of the National Low Carbon Industrialisation Survey and identification of low-carbon entry points 2.2.2.2. – Status of a National Low Carbon Industrialisation Strategy 2020-2040 document 2.2.2.3.- Status of a 3D Model Industrial Business Park and/or Free-Zone.</p> <p>2.2.3.1. (Updated) status of the Green Industrial Masterplans.</p>	<p>documents</p> <p>2.2.1 Project, UIA, UFZA and Government documents</p> <p>2.2.2 Project and Government documents</p> <p>2.2.3 Project, UIA, UFZA and Government documents</p>	<p>- The GoU sees the benefit of adopting the Urban Asset Inventory (UAI) approach in engaging secondary cities.</p> <p>- Selected IBP/FZs are willing to cooperate</p> <p>- Inclusion of private FZs stimulates increased interest from private sector actors</p>

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Sources of data	Assumptions
	<p>and/or FZs</p> <p>2.2.4 Infrastructure Investment Plans for four (4) Industrial Business Parks (IBP) and/or Free Zones (FZ) are finalised (including emission reduction potential) and shared with the relevant counterparts and investors.</p> <p>Output 2.3. Waste management strategy, investment plans and business support infrastructure are developed</p> <p>>2.3.1. GKMA Waste Management Strategy developed and submitted for adoption to the KCCA and MoKMA</p> <p>>2.3.2. Two waste sorting and diversion centres designed for the GKMA</p> <p>>2.3.3. Organic Waste Valorisation Opportunities identified (including along the faecal sludge value chain)</p>	<p>2.2.4.1. Status of the 4 Infrastructure Investment Plans</p> <p>2.2.4.2. Status of a list of 4 projects per FZ or IBP.</p> <p>2.2.4.3. Status of a list of potential investors (domestic and international).</p> <p>2.2.4.4. Status and number of the concept notes for investment projects</p> <p>- 2.3.1.1. Status of the GKMA Waste Management Strategy</p> <p>-2.3.1.2. Status of revision of GKMA Waste Collection and Transportation Concession model.</p> <p>- 2.3.2.1 Status of the two feasibility studies</p> <p>- 2.3.2.2 Status of the two designs</p> <p>- 2.3.2.3 Status of identification an work with the potential investors.</p> <p>-2.3.3.1 Status of the identification of Organic Waste Valorisation technical and financial opportunities</p> <p>- 2.3.3.2 Status of the development of Organic Waste Valorisation business models for the GKMA, including potential site selection.</p>	<p>2.2.4 Project, UIA, UFZA and Government documents</p> <p>2.3.1 Project, KCCA and Government documents</p> <p>2.3.2 Project, KCCA and Government documents</p> <p>2.3.3 Project and Government documents</p>	

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Sources of data	Assumptions
	<p>>2.3.4 Investment opportunities for oil/petroleum waste and e-waste products identified</p> <p>> 2.3.5. Business Development Support for waste management value chain actors/SMEs is provided.</p> <p>Output 2.4. Green Growth integrated into the NDP's planning and budgeting</p> <p>> 2.4.1. The implementation of UGGDS communication strategy has started.</p> <p>> 2.4.2. National "Green Growth integration and tracking in planning and budgeting" guidelines developed.</p>	<p>- 2.3.4.1 Status of value chain analysis</p> <p>- 2.3.4.2 Status of the two investment projects concepts</p> <p>- 2.3.5.1 Status of support and number of SMEs in GKMA supported in strengthening or adopting the Waste-to-Resource business model</p> <p>- 2.4.1.1 Status of the gender/social inclusion sensitive UGGDS Communication Strategy</p> <p>- 2.4.1.2 Status of implementation of a gender/social inclusion sensitive UGGDS focused media campaign by NPA</p> <p>- 2.4.2.1 The status of inclusion of Green Growth Indicators (including gender, poverty and social inclusion indicators) in the Budget Tracker for public finance includes</p> <p>- 2.4.2.2 Status of the MRV</p> <p>- 2.4.2.3 Status of reporting of Green Growth in the upcoming Biannual Update Reports</p> <p>- 2.4.2.4 Level of the capacity on GG Indicators in the relevant Ministries (at least 100 people).</p> <p>- 2.4.3.1 Status of the 5 background papers</p>	<p>2.3.4 Project documents</p> <p>2.3.5 Project documents</p> <p>2.4.1 Project documents</p> <p>2.4.2 Project documents</p> <p>2.4.3 Project</p>	

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Sources of data	Assumptions
	<p>> 2.4.3. Key UGGDS green growth elements are mainstreamed into the NDP III</p> <p>Inclusive Urban Development</p> <p>Increase in the service delivery, economic activity and safety of the citizens of Kampala</p>	<p>- 2.4.3.2 Status of Technical Advisory during the NDP III process</p> <p>- 2.4.3.3 Status of Gender and Poverty Markers in each paper.</p> <p>- Number of functional street lights in Kampala city</p> <p>- Number of lane-kilometres of new and/or improved pedestrian sidewalks and/or bus lanes in Kampala city</p> <p>- Number of reconfigured and improved bus stops, pedestrian crossings and/or junctions in Kampala city</p>	<p>documents</p> <p>Project monitoring documents prepared by KCCA</p>	<p>Government of Uganda maintains its commitment to honouring its contractual obligations (i.e.by making timely payments, securing of right of way etc.) so as to allow for the implementation of the physical infrastructure improvements and execution of the street lightning masterplan as per the agreed work plan.</p> <p>Government of Uganda (GoU)</p>

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Sources of data	Assumptions
	<p>Output 2.6. Regulatory system for CUSTOMARY LAND REGISTRATION improved</p> <p>2.6.1. Guidelines and procedures to support registration of customary lands are prepared</p> <p>2.6.2. Institutions and mechanisms to resolve land disputes are strengthened</p> <p>2.6.3. Increased awareness of people on procedures to register customary lands</p>	<p>2.6.1.1. Status of Guidelines and procedures to regularise customary and communal lands;</p> <p>2.6.2.1 Status of Guidelines and procedures to Alternative Dispute Resolutions;</p> <p>2.6.2.2 Status of Alternative Dispute Resolution mechanism</p> <p>2.6.3.1. Status of Awareness and civic engagement strategy</p> <p>2.6.3.2. Number of land parcels recorded (gender-disaggregated);</p> <p>2.6.3.3 Number of Certificates of Customary Ownership formalised</p> <p>2.6.3.4 Number of communal land associations CLADs formalised;</p> <p>2.6.3.5 Level of capacity of Local land c institutions at LC3 and LC5 levels in securing customary and communal land rights, especially women and marginalized groups;</p> <p>3.1.1.1 Number of Ha of green charcoal plantations established</p>	<p>Project documents, studies by Ministry of Lands, Housing and Urban Development records</p>	<p>remains committed to implementation of its Land Policy, particularly the institutionalisation of the land administration from the national to local level.</p>

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Sources of data	Assumptions
	<p>Output 3.1. SUSTAINABLE CHARCOAL VALUE CHAIN developed</p> <p>3.1.1. Commercial bioenergy plantations for green charcoal production established</p> <p>3.1.2. Efficient charcoal production / conversion technologies developed</p> <p>3.1.3. Sustainable charcoal standards and certification tools developed</p> <p>3.1.4. Research conducted and bioenergy tree species developed</p> <p>3.1.5. Policy dialogue and regulation for the sustainable green charcoal value chain organised / conducted</p> <p>3.1.6. Improved capacity of stakeholders involved in charcoal production</p>	<p>3.1.2.1. Number of technologies promoted and adopted</p> <p>3.1.3.1. Status of Sustainable charcoal standards developed</p> <p>3.1.4. Status of Research findings on bioenergy tree species</p> <p>3.1.5. Status on Enhanced dialogue on sustainable charcoal and alternative sources</p> <p>3.1.6.1. Number of charcoal value chain related training packages developed and promoted.</p> <p>3.1.6.2. Number of stakeholders trained</p> <p>(All indicators ** EU RF 2.19, 2.20)</p> <p>3.2.1. Status of the support scheme</p>	<p>Project documents, Studies by the Ministry of Water and Environment, FAO and the Ministry of Energy</p> <p>Project documents, Studies by the Ministry of Water and Environment, FAO and the Ministry of Energy and Mineral Development</p> <p>Project documents,</p>	<p>Government of Uganda maintains commitment to the sustainable value chain NAMA as an identified priority.</p> <p>The Government of Uganda will</p>

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Sources of data	Assumptions
	Output 3.2. COFFEE & COCOA VALUE CHAINS developed 3.2.1. An investment support scheme established 3.2.2. Business services and technical back-stopping provided 3.2.3. A matching grant scheme established and managed 3.2.4. Policy and regulatory frameworks strengthened and implemented	3.2.2. Number of private operators and producers accessing technical assistance 3.2.3 Number of private operators and producers accessing the grant scheme 3.2.4. Status of the regulatory frameworks (All indicators ** EU RF 2.19, 2.20)	studies by Uganda Coffee Development Authority, Project Management Unit, Ministry of Agriculture Animal Industry & Fisheries	continue to prioritise the implementation of the Coffee Road Map

APPENDIX 2 – LIST OF ELIGIBLE LEAD FINANCE INSTITUTIONS

Acronym of Legal Entity	Legal Entity (sub-entities covered (if any) via hyperlink)
ADB	Asian Development Bank
AfDB	African Development Bank
AU-IBAR	African Union - Interafrican Bureau for Animal Resources
CABEI	Central American Bank for Economic Integration
CIFOR	Centre for International Forestry Research
EBRD	European Bank for reconstruction and development
EIB	European Investment Bank
EIF	European Investment Fund
IADB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
NEFCO	Nordic Environment Finance Corporation
OIE	World Organisation for Animal Health

SPC	The Pacific Community
SPREP	South Pacific Regional Environment Programme
WBG	World Bank Group (IBRD, IDA, IFC, MIGA, ICSID)
WFP	World Food Programme

Acronym	National Agency, Country
AECID	Agencia española de cooperación internacional al desarrollo, Spain
AFD	Agence française de développement, France
CDP	Cassa depositi e prestiti S.p.A., Italy
COFIDES	Compañía española de financiación del desarrollo, Spain
DEG	Deutsche Investitions- und Entwicklungsgesellschaft mbH, Germany
FMO	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden, Netherlands

KfW	Kreditanstalt für Wiederaufbau, Germany
PROPARCO	Groupe Agence Française de Développement, France
RVO	Rijksdienst voor Ondernemend Nederland (Netherlands Enterprise Agency), Netherlands
SIMEST	Societa Italiana per le Imprese all'Estero, Italy
USAID	United States Agency for International Development, USA