

# Global Carbon Market



## Uganda

### Context

With the adoption of the Paris Agreement in 2015 the international community committed to limit global temperature rise to 1,5 or well below 2 degrees Celsius. To reach this goal, countries need to drastically reduce their greenhouse gas (GHG) emissions. Market-based approaches, such as emission trading schemes, are an effective way to mitigate climate change as they reduce costs of emission reduction and incentivize climate-friendly investments.

Against this backdrop, in 2008 the German Ministry of Environment, Conservation and Nuclear Safety (BMU) commissioned the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) with the [Global Carbon Market](#) project. The initiative was launched with the aim to support partner countries in using flexible mechanisms under the Kyoto Protocol and other types of market-based instruments at national and regional scale. Since 2018, the project is being implemented in Chile, India, Tunisia and Uganda with a focus on novel forms of cooperation that may arise under Article 6 of the Paris Agreement, the voluntary carbon market and dedicated carbon pricing instruments.

In the past, Least Developed Countries (LDCs) have been underrepresented in the global carbon market. Uganda, however, hosts more than 25 programmes and project activities under the Clean Development Mechanism – a considerable number, especially when compared to the wider region. Despite continuous uncertainties on the outcome of negotiations under Article 6, Eastern Africa countries strive to increase their participation in harnessing the sustainable development benefits carbon markets may offer. The [Global Carbon Market](#) project therefore combines country activities focusing on Ugandan partners with a broader regional perspective. The project's objective is to assist Eastern Africa countries in making use of carbon

market and pricing instruments and accessing climate finance for implementing their Nationally Determined Contributions (NDCs).

### Global Carbon Market

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### Approach

In Uganda, the *Global Carbon Market* project follows three approaches to engage with the relevant stakeholder groups in the context of Article 6 and NDC implementation:

- 1. Providing public decision makers with policy advice** on carbon market instruments and approaches.
- 2. Supporting the private sector** technically through capacity building to increase its market readiness.
- 3. Promoting regional cooperation** on carbon markets and climate finance in Eastern Africa.

### Activities

#### 1) Policy Advice for Public Decision Makers

- The *Global Carbon Market* project in Uganda works with governments, regulatory bodies, parliament and ministries offering technical support on the development of policies that improve the institutional capacity for carbon markets and climate finance.

- The project developed Standardized Baselines for Ethiopia and Rwanda and is developing additional ones for Uganda and Kenya.
- Support is provided to the government of Uganda regarding the development of the country's 2050 economy-wide Long-Term Strategy and the NDC updating process.
- Together with partners the project worked to further mainstream carbon markets and climate change in the country's third National Development Plan and its new energy policy.



## 2) Private Sector Support

- In Uganda, the *Global Carbon Market* project is strengthening capacities of the private sector to develop and implement carbon markets through a series of dialogues, trainings and events.
- The project is furthermore partnering up with various organizations and enterprises anchored in the Eastern Africa region. With these stakeholders, different events and workshops are organized on how to include the private sector in NDC implementation, Article 6 readiness and carbon markets.

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## 3) Regional Cooperation in Eastern Africa

- The project builds capacities amongst Eastern Africa negotiators through trainings and workshops on Article 6 and carbon markets.
- The *East African Community* is assisted in building up a unified position through regional and national roundtables, e.g. resulting in a position paper that informed the African Group of Negotiators ahead of UNFCCC negotiations.
- The project supports the [Eastern Africa Alliance on Carbon Markets and Climate Finance](#). The Alliance offers a platform for member countries (Burundi, Ethiopia, Kenya, Rwanda, Tanzania and Uganda) to foster a regional approach to carbon markets and to strengthen their capacities to access climate finance for NDC implementation and ambition raising.

## Results

- ✓ The *Global Carbon Market* project in Uganda has trained more than 50 negotiators from the Eastern Africa region on carbon markets and Article 6 as well as 40 stakeholders of the private sector.
- ✓ The project has supported countries of the region to establish the *Eastern Africa Alliance on Carbon Markets and Climate Finance* in order to deepen regional cooperation and create readiness regarding the new generation of market mechanisms.
- ✓ Article 6 readiness of Burundi, Ethiopia, Kenya, Rwanda, Tanzania and Uganda and their respective regulatory bodies and ministry representatives has been strengthened through regional workshops and activities.

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