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Speech by the Chairman, Private Sector Foundation Uganda (PSFU)

First National Private Sector Engagement Forum on Climate Finance (NaPSEF1)

Thursday, July 10, 2025

Protocol:

- His Excellency, the Ambassador of the Royal Danish Embassy
- Honourable Evelyn Anite, Minister of State for Privatisation and Investment
- The Governor, Bank of Uganda
- The Permanent Secretary and Secretary to the Treasury
- Distinguished Guests, Development Partners, and Private Sector Stakeholders
- Ladies and Gentlemen

Introduction

Good morning. It is an honor to address you at the inaugural National Private Sector Engagement Forum on Climate Finance (NaPSEF1). On behalf of the Private Sector Foundation Uganda (PSFU), I extend gratitude to the Ministry of Finance, Planning and Economic Development, our development partners, and all stakeholders for fostering this critical dialogue. As Uganda strives to achieve its climate goal of reducing greenhouse gas (GHG) emissions by 24.7% by 2030, the private sector stands as a pivotal partner in driving sustainable economic transformation.

Ladies and gentlemen, this forum aims to enhance private sector participation in Uganda's climate finance ecosystem by addressing key objectives and interests.

The forum seeks to foster dialogue and collaboration among private sector actors, government, development partners and financial institutions to unlock investment opportunities in areas such as carbon markets, green bonds, climate-smart infrastructure, and public-private partnerships. It aims to clarify access to funding instruments, promote innovative financing solutions, and build capacity for developing bankable, inclusive, and gender-responsive green projects. By aligning private capital with Uganda's Nationally Determined Contributions (NDCs) and reducing barriers like information asymmetry and high capital costs, the forum supports the private sector's interest in driving innovation, scaling sustainable business models, and contributing to Uganda's goal of reducing GHG emissions by 24.7% by 2030.

Private Sector's Role in Climate Action.

The private sector is at the forefront of Uganda's climate change strategy, contributing significantly through innovation, investment, and advocacy. PSFU is committed to sustainability, ensuring that economic growth aligns with environmental stewardship and social responsibility. Our efforts focus on four key areas:

- **Resource Mobilization:** PSFU has secured substantial support from development partners, including the European Union, GIZ, the World Bank, and the Kingdom of the Netherlands. These resources have scaled climate-focused programs, empowering micro, small, and medium enterprises (MSMEs) to expand sustainable product offerings, enhance operational capacity, and drive market competitiveness.

Clean Energy Programs: PSFU is actively implementing initiatives to promote clean energy adoption:

- **Uganda Clean Cooking Supply Chain Project (UCSC CEP).** PSFU with World Bank and Government of Uganda under this project Sold 73,000 improved cookstoves; supported 7 new enterprises in the clean cooking

sector; achieved 31.5% reduction in household cooking fuel expenditure and 31.5% reduction in household emissions (exceeding 20% targets).

- **COVID-19 Economic Relief Fund for the Cooking Energy and Off-grid Solar Sector.** With support from GIZ, PSFU Supported 24 companies (13 solar, 11 cookstove) to recover from COVID-19 impacts through salary payments, operational costs, marketing, payment holidays for PAYGO customers, and staff training.
- **Energy for Rural Transformation (ERT) Program:** In partnership with the government and World Bank, PSFU Supported 2,496 households through two micro-hydro schemes (270 kW and 200 kW); trained and certified 860 wire persons for Electrical Installations Permit (Class D); supported institutional development of the Uganda Solar Energy Association (USEA).
- **Clean energy and Cooking Solutions:** PSFU in partnership with Energising Development (EnDev) – GIZ, with funding from the Kingdom of Netherlands is implementing the Demand Side Results Based Financing (DSRBF) project which seeks to increase access to affordable solar energy and cleaning cooking products (through offering subsidies on products) for refugees and their host communities in Northern Uganda (West-Nile sub-regions) and Kiryandongo district (Bunyoro sub-region).

The program targets to reach overall 23,000 households with solar energy and over 80,000 households with clean cooking products, i.e. improved cookstoves and high-tier cleaning cooking technologies over a period of 2 years (2023 – 2025). The project is currently being implemented in 13 districts: Yumbe, Terego, Madi-okollo, Adjumani, Nebbi, Pakwach, Koboko, Moyo, Maracha, Obongi, Zombo, Lamwo and Kiryandongo.

- **PSFU is also implementing Inclusive Markets for Energy Efficiency in Uganda (IMEU) program – Consortium:** Implemented by a Consortia of

three partners (SNV Netherlands, PSFU and Makerere University- Reached 12,500 people through energy efficiency awareness campaigns; trained women and youth actors for participation in energy efficiency demand and supply; 11 banks and microfinance deposit-taking institutions (MDIs) developed renewable energy products.

- **Policy Advocacy:** PSFU advocates for policies that create an enabling environment for climate investments. We engage with the government to streamline regulations, reduce taxes on clean energy technologies, and incentivize sustainable practices, supporting Uganda's Nationally Determined Contributions (NDCs) under the Paris Agreement.

Challenges to Private Sector Climate Action

Despite these strides, challenges persist, requiring collaborative solutions:

- **Limited Access to Suitable Financing:** Climate adaptation and mitigation projects in sectors like manufacturing, agriculture, and construction demand patient capital—structured debt, equity, grants, or crowdfunding. For instance, transitioning to bio-based plastics or renewable energy systems involves high upfront costs with long-term returns, necessitating affordable, long-term financing.
- **Policy and Regulatory Gaps:** Current policies require refinement to attract climate-related investments. High taxes on clean energy imports and inconsistent regulations deter private sector participation. PSFU calls for continuous government-private sector dialogue to create a favourable tax regime and streamline investment incentives.
- **Inadequate Infrastructure:** Poor road networks increase transit costs, limiting market access for sustainable products. Weak IT infrastructure hampers technologies like PAYGO, critical for clean energy adoption in

remote areas. Enhanced infrastructure is vital to support private sector contributions to national climate goals.

PSFU's Commitment to Sustainability

PSFU is steadfast in its commitment to sustainability as a cornerstone of Uganda's economic future. We are dedicated to fostering a green economy that balances profitability with environmental and social responsibility. Our ongoing clean energy programs, such as the ERT and PAYGO initiatives, exemplify this commitment, with plans to scale these efforts to reach 100,000 households by 2030. Additionally, PSFU is integrating sustainability into our advocacy against illicit trade, as counterfeit goods and unregulated markets undermine legitimate businesses investing in eco-friendly practices. By promoting formalized, transparent markets, we aim to protect sustainable enterprises and enhance economic resilience.

Call to Action

To the Government: We commend the FY 2024/25 budget's allocation of Shs 892.6 billion for energy and Shs 4.999 trillion for infrastructure. We urge continued investment in rural infrastructure and streamlined policies to support clean energy and sustainable businesses, particularly in underserved regions where PSFU operates.

To Development Partners: Your support through financing, knowledge sharing, and capacity building has been invaluable. We look forward to deepening collaborations to scale climate programs, enhance MSME resilience, and drive innovation in green technologies.

To the Private Sector: Let us seize this opportunity to lead in climate action. By investing in sustainable practices and embracing clean energy, we can create jobs, expand markets, and contribute to Uganda's vision for a low-carbon, prosperous future.

Conclusion

PSFU and the entire private sector remain committed to partnering with all stakeholders to achieve Uganda and the world's climate ambitions. Through our clean energy programs, advocacy for sustainable policies, and fight against illicit trade, we aim to build a resilient, inclusive, and green economy. Together, let us harness climate finance to transform Uganda into a beacon of sustainable development.

Thank you, and I look forward to a fruitful forum.