

HIGH-LEVEL ECONOMIC GROWTH FORUM X · SESSION I · AUGUST 2026

Climate, trade, and Uganda's tenfold growth: the road from compliance to competitiveness in green markets

How green trade rules are repricing market access — and how Uganda, acting with its neighbours, can convert compliance into export growth

Session I: Global trends that shape Uganda's medium-term growth opportunities · Sheraton Hotel, Kampala · 27–28 August 2026 · Vicky Chemutai, World Bank

Where this fits: trade and climate shifts are repricing Uganda's growth opportunities

Session I asks

“In a changing multilateral system, how should Uganda strategically position its trade policy?”

“What new opportunities are emerging in the evolving global development and climate finance landscape?”

This presentation answers, in three parts

1 • The stakes — climate is a first-order growth issue for Uganda, and adaptation is a net GDP win

2 • The shift — green trade rules (CBAM, EUDR) are repricing access to Uganda's key export markets

3 • The play — finish traceability at home, then act with Africa on standards, carbon pricing and institutions

The growth lens: the Tenfold Growth Strategy needs exports to rise from 12% to 50% of GDP by 2040 — and market access is increasingly priced on climate terms. Winning it is part of the growth arithmetic.

GLOBAL TRADE TODAY...

Industrial policy is back; unpredictability is on the rise...

- **US policies are disrupting the multilateral trading system** — tariff measures are announced with rising frequency, though announced exceed actual (10.8 vs 6.9%)
 - Other countries retaliating...
- **Geopolitics adds disruption** — from the Strait of Hormuz that caused supply chain shocks to the race for critical minerals...

The evolution of US tariffs, Jan 2025 - Jul 2026

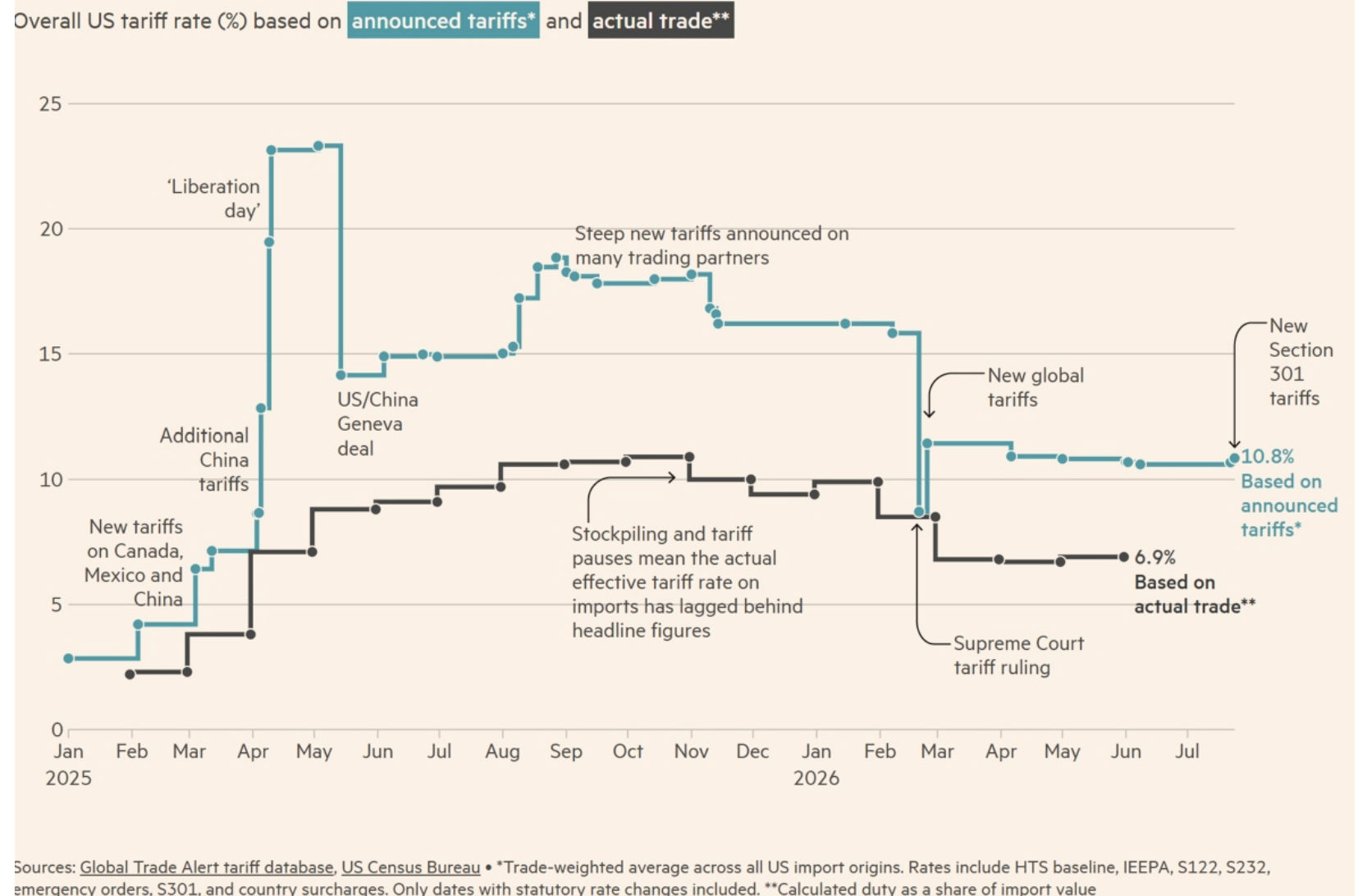


Chart: [Financial Times](#) (Alan Smith)

POLICY EFFECTIVENESS

But are these industrial policies working?

- **Global trade stays resilient** — the WTO upgraded 2025 merchandise trade growth to 2.4%
- **Manufacturing keeps shrinking** — factory jobs are down to 7.9% of US employment despite protection.
- **Unpredictability is the clearest outcome** — tariffs have depressed US growth without delivering their stated goal of manufacturing jobs.

Lesson for Uganda — import substitution hardly yields expected results.

- Africa's interest lies in actively shaping MTS reform, even as new trade blocs emerge, and pursue the continent's interests.

Manufacturing's shrinking share of US jobs

US manufacturing jobs as % of total nonfarm employment, seasonally adjusted, Jan 2019 – Jul 2026



7.9%

share of nonfarm jobs,
July 2026

-264k

net factory jobs lost
since January 2024

12,580k

dip in December 2025;
+31k recovered in 2026

Source: [US Bureau of Labor Statistics](#) (Current Employment Statistics, seasonally adjusted), via FRED series [MANEMP](#) and [PAYEMS](#)

Climate records keep falling — and each one reprices Uganda's growth opportunities

What the record books now show:

Heat — 2023–2025 were the three warmest years ever recorded; 2024 was the first calendar year above 1.5°C (1.55°C over pre-industrial levels)

Drivers — CO₂ hit 423.9 ppm in 2024, the largest one-year rise since records began in 1957; ocean heat set a record

Trajectory — July 2026 brought new sea-temperature records; WMO sees a 91% chance the world again tops 1.5°C by 2030

What this means for Uganda:

Production - climate change is changing comparative advantages, so there's need to plan

Competitiveness — markets are becoming more carbon conscious, so UG must prepare to compete.

Some opportunities:

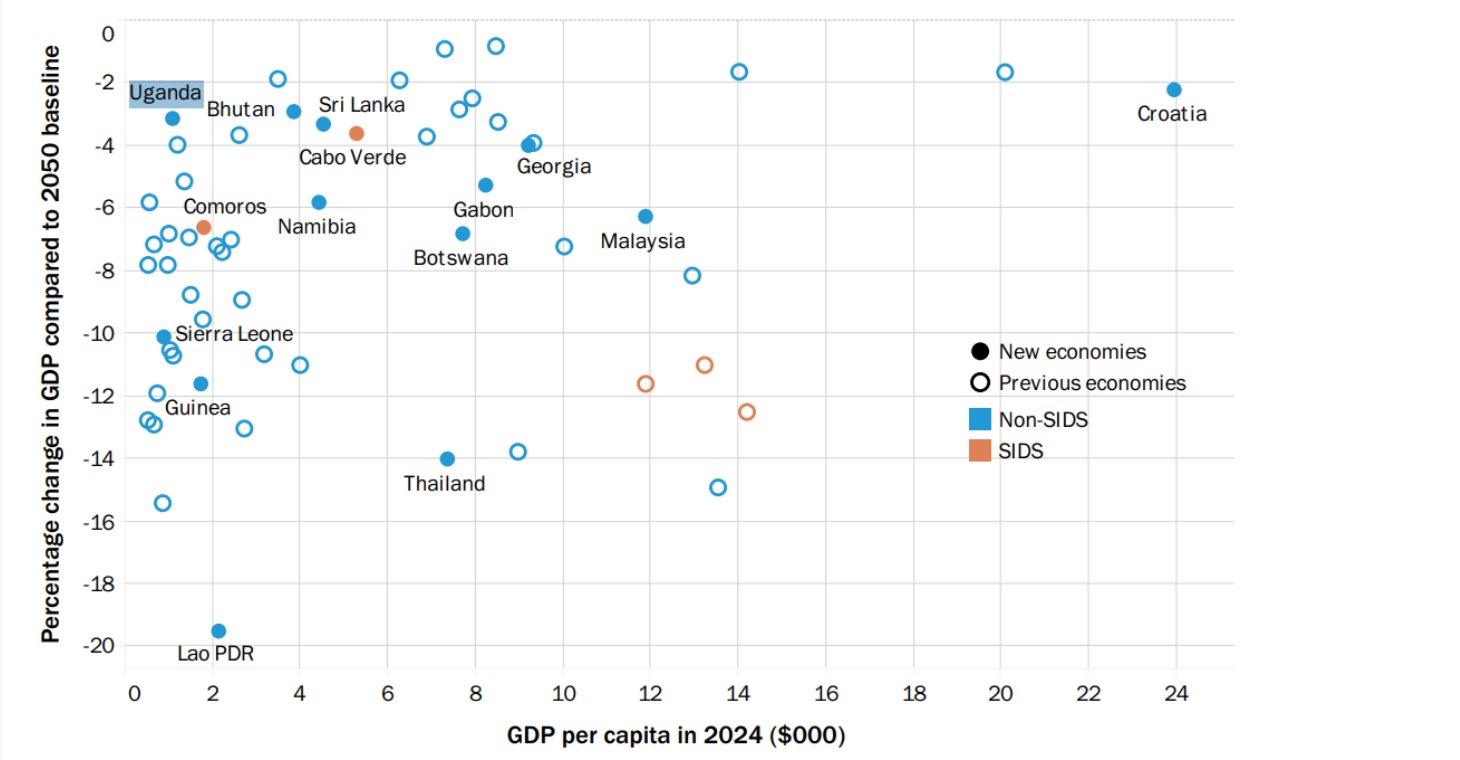
Finance — COP30 set a US\$1.3tn-a-year climate-finance ambition for developing countries by 2035 and agreed to triple adaptation finance

Carbon markets — Article 6 is now operational; Uganda's forests, land restoration and near-fully renewable grid are sellable green assets

Premiums — climate-hit harvests elsewhere lifted Uganda's coffee export prices by ~76% since 2021/22 — resilient producers can gain

Every record broken raises both the cost of exposure and the premium on early positioning — for the Tenfold Growth Strategy, these trends price in opportunity as much as risk.

Remember that climate change is an economic issue, not only an environmental one



Estimated GDP losses from climate impact channels by 2050 vs GDP per capita. Uganda highlighted. World Bank CCDR on jobs.

-3.1%

of GDP by 2050 without strong climate action

613,000+

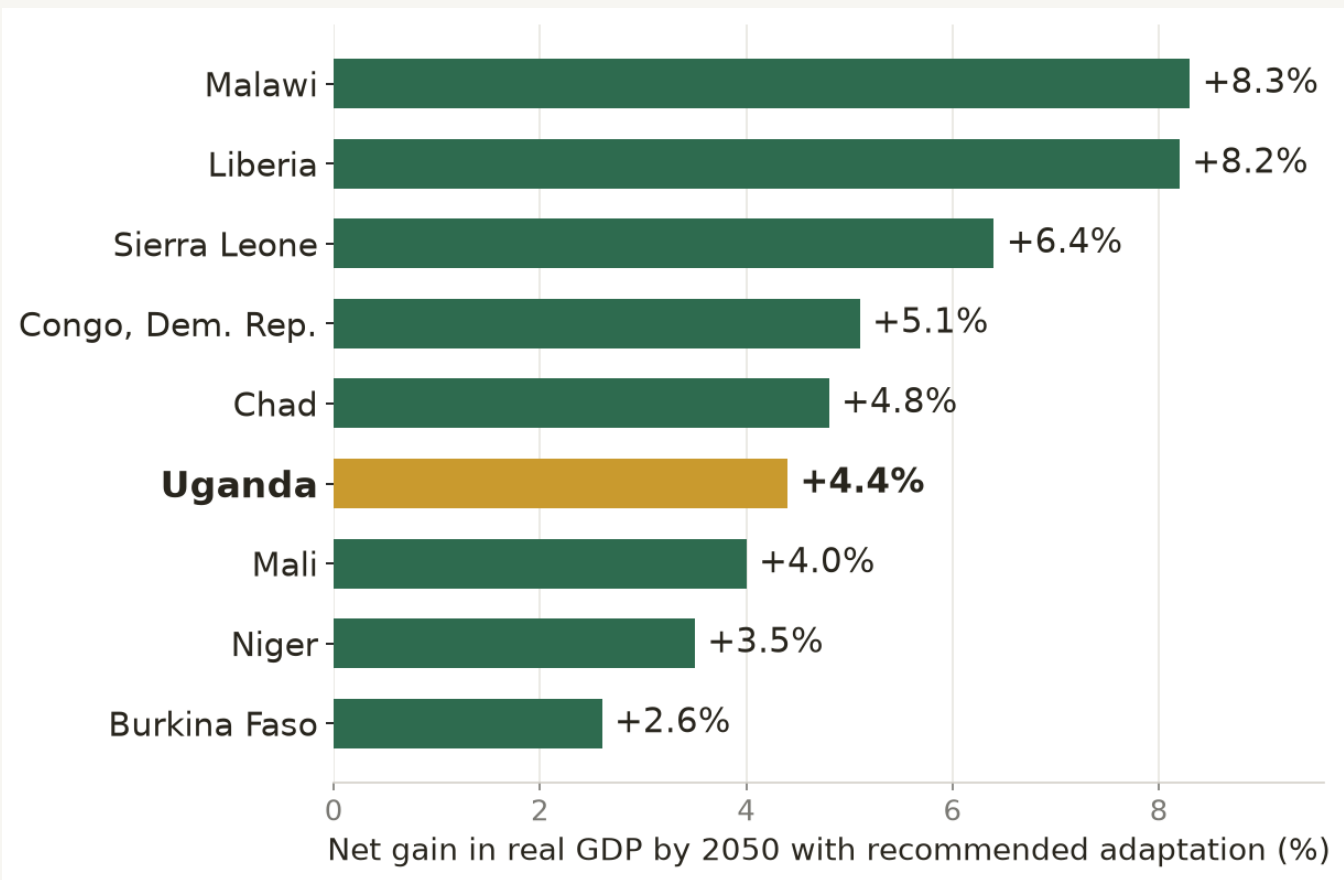
more Ugandans pushed into poverty

80%

of the poorest exposed households already lose income to climate shocks

In agriculture, labor productivity could drop by 3.3–4.8 percent due to heat stress

Acting is a net win: adaptation and climate policy pay for themselves



Net GDP gains by 2050 from adaptation recommended in CCDRs — low-income countries.
World Bank CCDR report on jobs (Figure 7).

Source: [Uganda CCDR](#), [IMF](#)

+4.4%

net GDP gain for Uganda by 2050 with recommended adaptation investments — a net win, not just avoided losses

Green FDI: climate policies attract green investment worth ~4% of GDP in EMDEs, with technology upgrading and jobs (IMF Staff Climate Note 2024/004)

Co-benefits: health, energy access and security, air and water quality, food security

Uganda's edge: near-fully renewable electricity is a ready-made low-carbon production asset

The green transition rewards strategy: early movers are capturing the market

Strategic embrace: China's green pivot

Industrial strategy — clean energy reached 11.4% of GDP in 2025 (7.3% in 2022) and drove over a third of China's GDP growth

Export payoff — ~US\$222bn of clean-tech exports in 2025 (+20%), including a record US\$69.6bn of EVs shipped to 150+ markets

New buyers — emerging markets now take 43% of its clean-tech exports (24% in 2022), backed by ~70–80% of global solar, battery and EV capacity

The measurable cost of stepping back

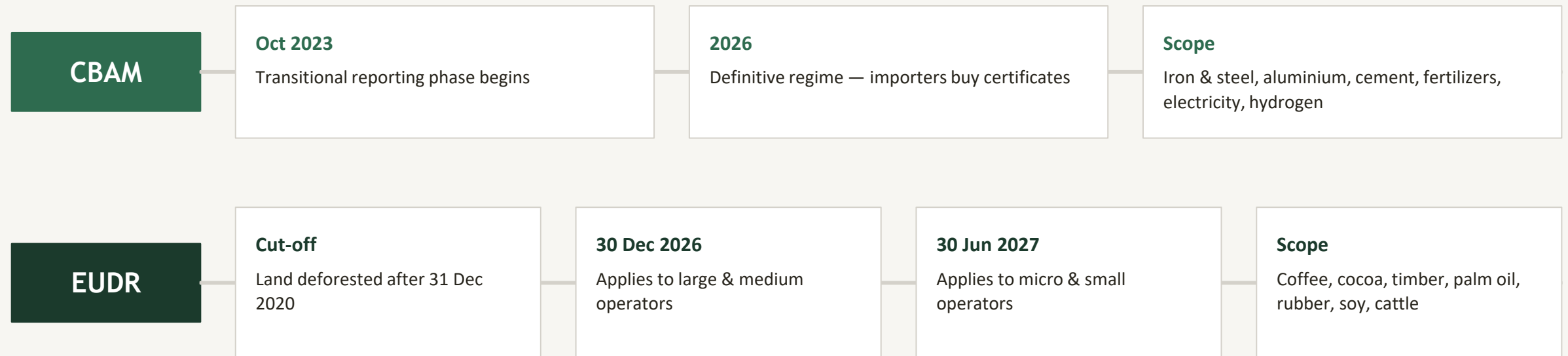
Reversal is costly — after the 2025 rollback of US clean-energy incentives, ~US\$68bn of announced investment and ~470,000 expected jobs were cancelled within a year

Capital did not pause — global energy-transition investment still hit a record US\$2.3tn in 2025, flowing to economies that stayed the course

Late movers pay more — green trade rules (CBAM, EUDR) are already repricing access to major export markets, *as the next slides show...*

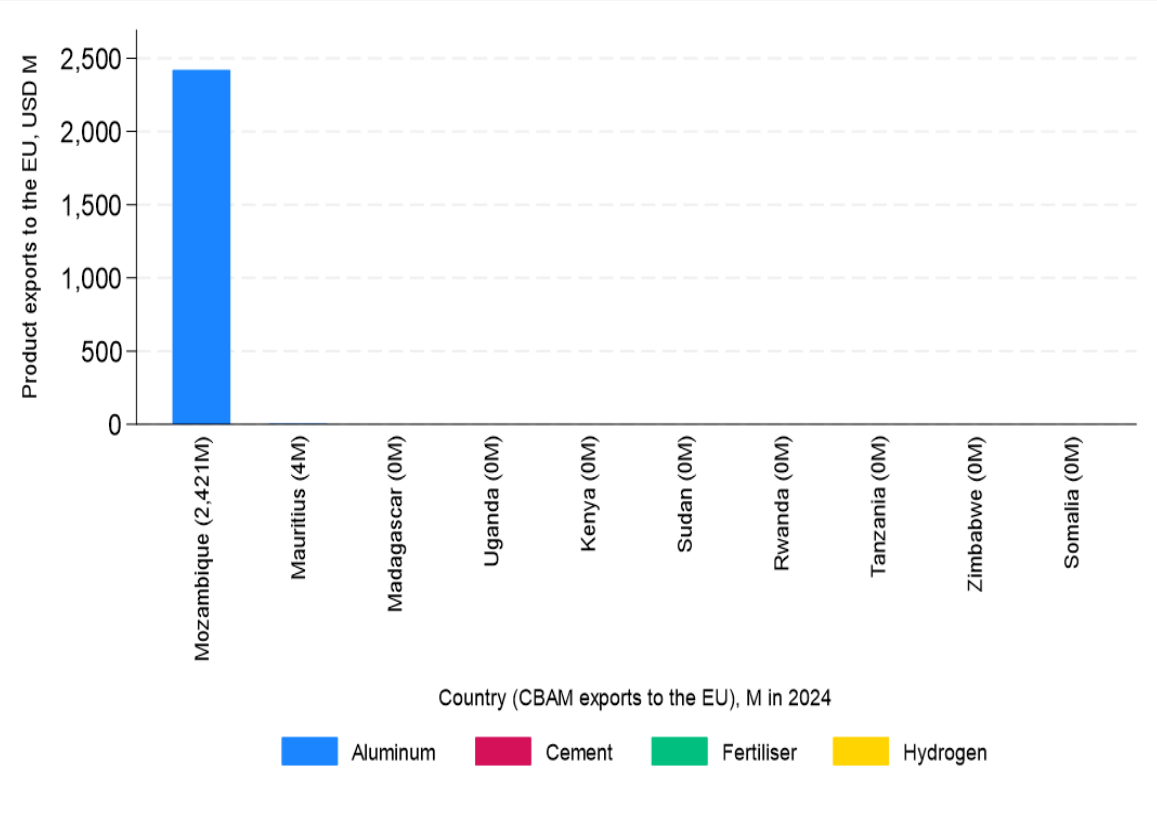
The question is no longer whether to engage the green transition, but how to capture value within it — for Uganda, green demand is an export market to win, not a compliance burden.

Green trade rules are the transmission channel: e.g. CBAM and EUDR



Same logic in both: market access is now priced on how you produce, not just what you produce.

Uganda's CBAM exposure is limited today – but the scope could expand...



Uganda today: direct exposure low — covered goods (mainly fertilizers) are a marginal share of EU exports

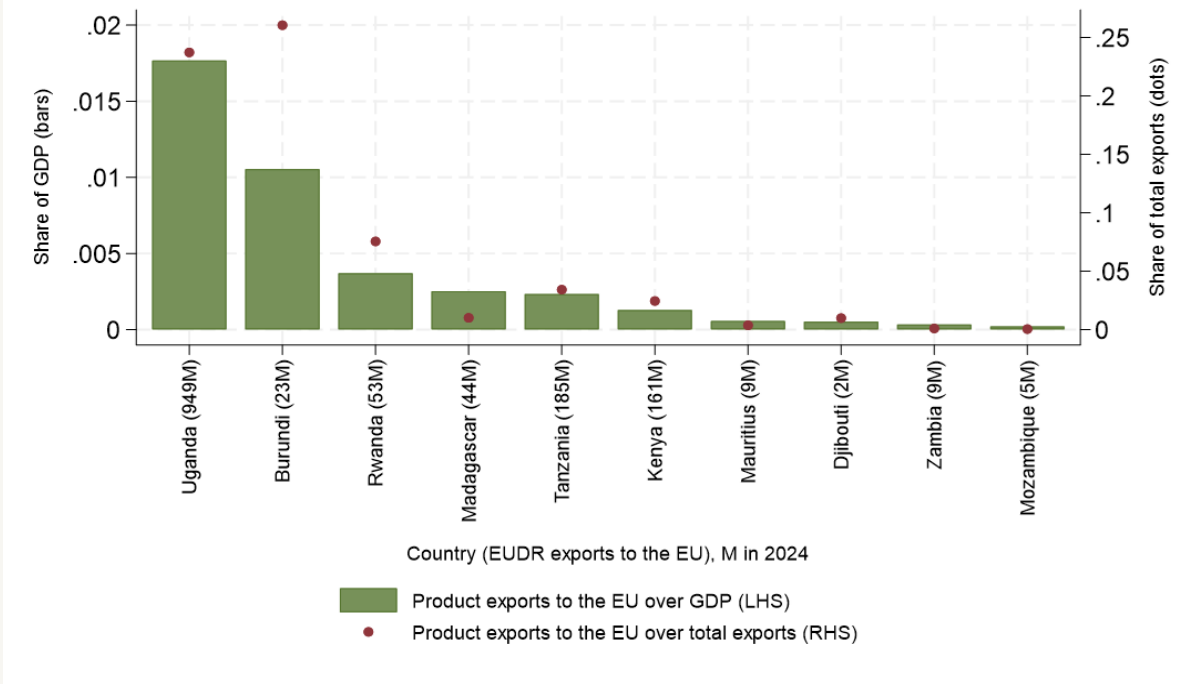
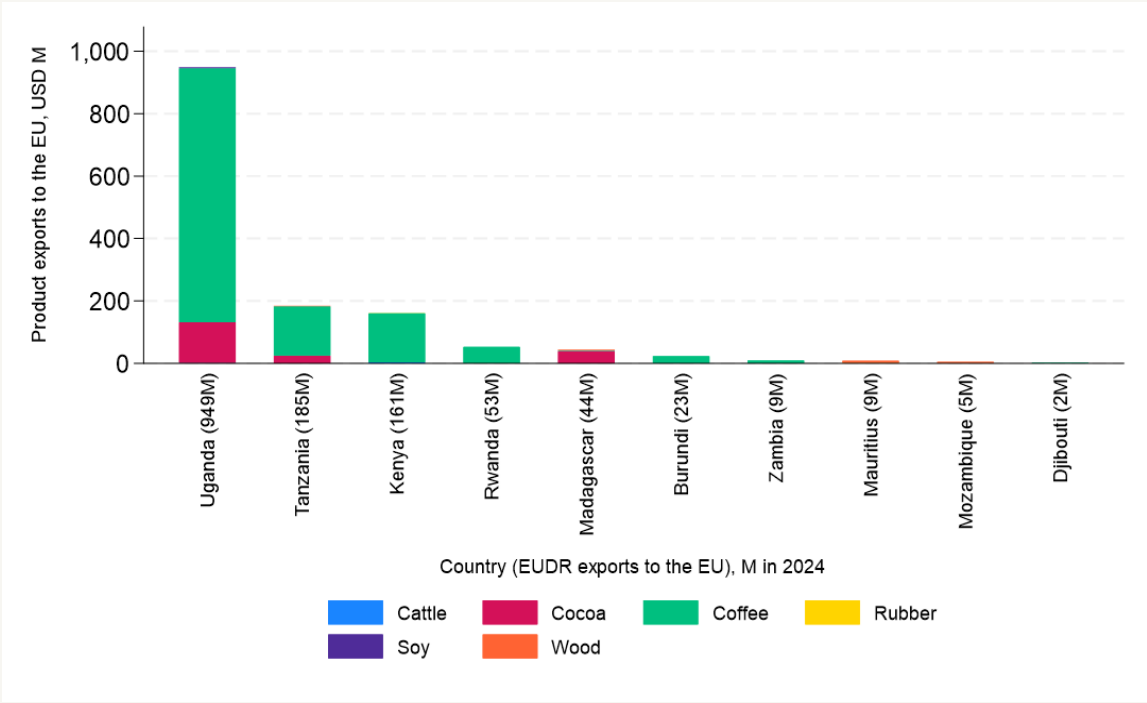
- Only country in the dataset with significant CBAM-related exports to the EU is Mozambique, driven by aluminum.
- US \$ 25 bn - potential annual loss in African exports from CBAM (African Climate Foundation / LSE)

Watch the scope: downstream products and more sectors under review — low exposure is not a permanent shield

Use the time: build emissions data systems now, on the same rails as EUDR traceability

WBG CBAM Exposure Index. World Bank Trade Team based on WITS; Chepeliev et al. (2022), GTAP11-CE.

EUDR is the immediate test: Uganda is among the world's most exposed economies



World Bank staff calculations based on WITS; HS codes listed in the EUDR (2021).

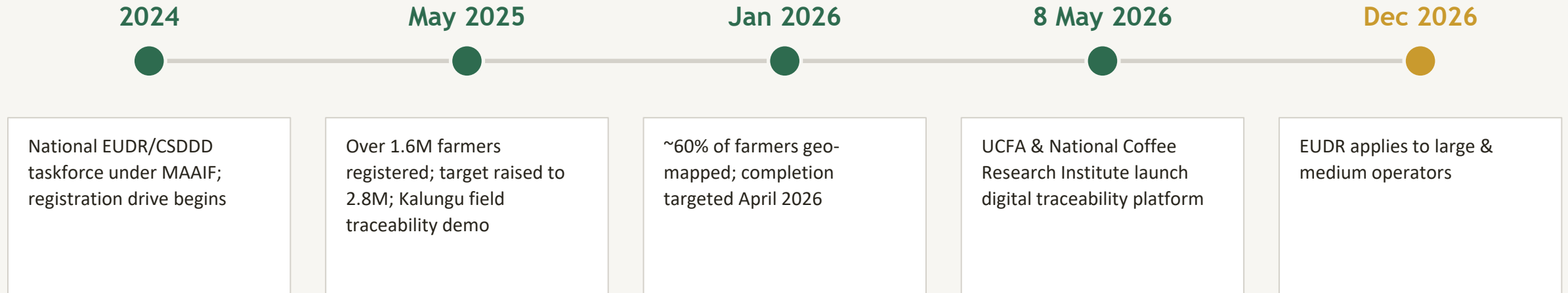
Uganda is most exposed in Africa

- Uganda had close to \$950 million in EUDR-regulated exports to the EU in 2024 — predominantly coffee & cocoa (23% of Uganda's total exports and around 1.8% of GDP).
- Tanzania and Kenya follow at \$185 million and \$161 million respectively, also driven by coffee.
- Burundi, while smaller in absolute terms, has the highest concentration relative to its total exports at around 26%.

African economies dominate the high-exposure end — this is a shared African problem.

What has Uganda done to prepare for the EUDR thus far?

Uganda has moved: a two-year sprint from taskforce to traceability platform



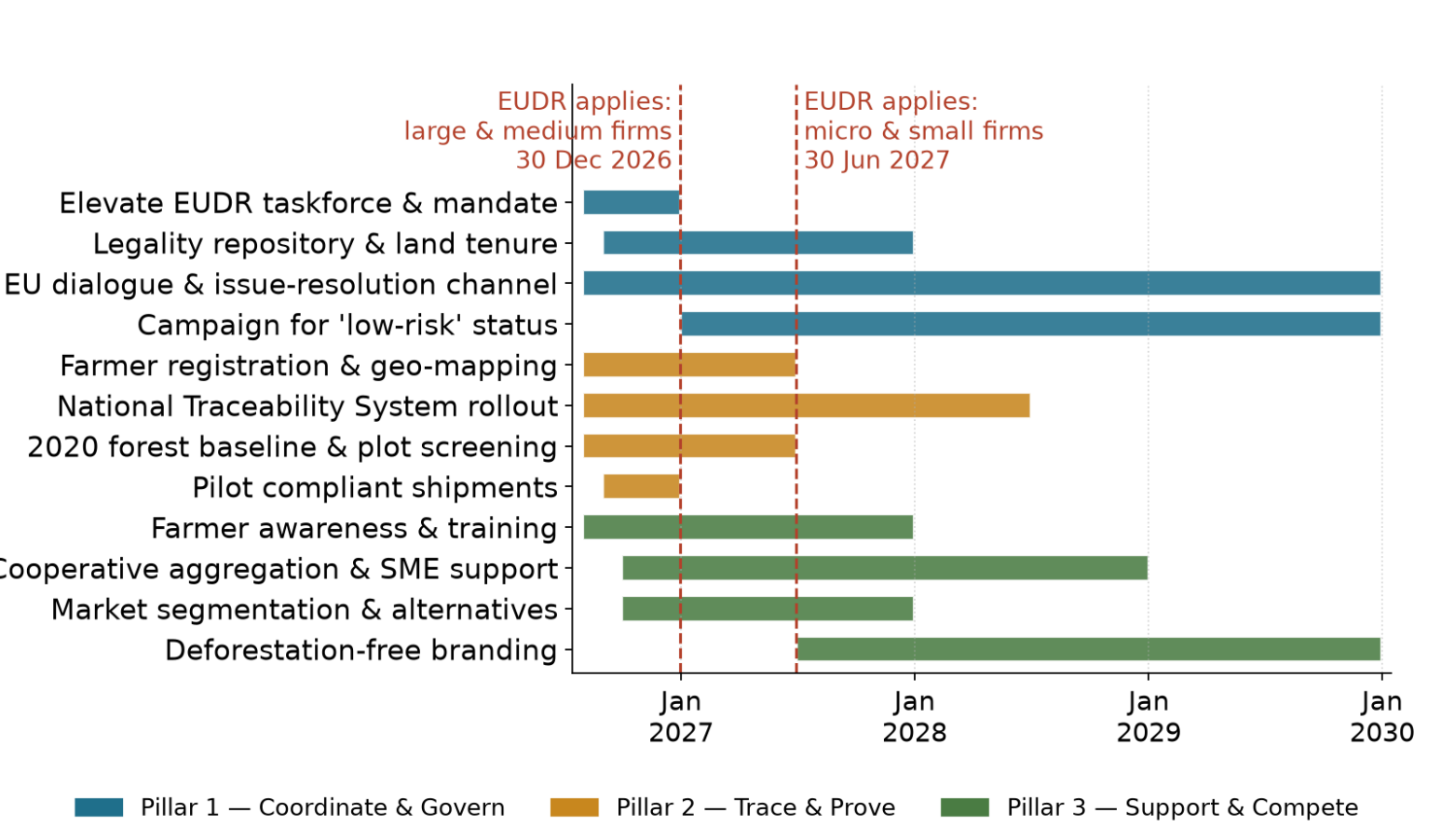
How Uganda compares: peers are converting compliance into advantage

Country	EU risk class	Where they stand	Lesson for Uganda
Kenya / Rwanda	LOW	Lighter due diligence; cheaper compliance	Low-risk status is worth real money
Ghana	LOW	Cocoa traceability: pilot → national rollout	Scale beats pilots
Côte d’Ivoire	STANDARD	~40% of cocoa crop traced, parcel to port	One national system, not many pilots
Ethiopia	STANDARD	National platform recognized by the EU	Government registry builds EU trust
Honduras (benchmark)	STANDARD	First EUDR-compliant container, May 2025	Prove one shipment end-to-end, early
Uganda	STANDARD	Registry + platform live; TRACES pending	We should target: low-risk club at the next review

EU country risk classification, May 2025.

Source: [EU Green Forum](#), [Africanews](#), [Ethiopia MoF](#), [SASI — Ghana](#), [SASI — Honduras](#)

Uganda's practical next steps: finish, prove, then get reclassified



Indicative sequencing of Uganda EUDR readiness workstreams.

Source: [Linklaters](#), [European Commission](#)

1 Finish the map

By Dec 2026 — complete registration and geo-mapping; consolidate into the national traceability system with a verifiable 2020 forest baseline

2 Prove it works

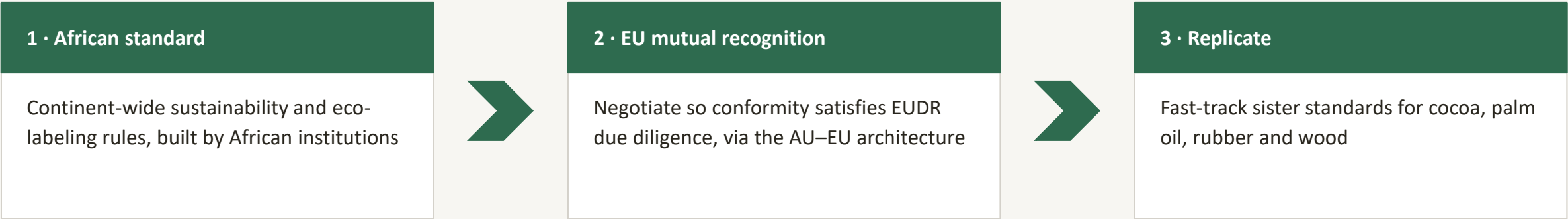
Q3–Q4 2026 — pilot end-to-end compliant shipments through EU TRACES before the deadline; one accepted due diligence statement beats a thousand plans

3 Convert compliance into status

2027 — campaign for low-risk reclassification at the Commission’s benchmarking review

Continental play 1: African standards as a negotiating lever

2 Feb 2026, Addis Ababa: ARSO and the Inter-African Coffee Organization launched the African Standard for Sustainable Coffee at the 3rd African Coffee Week — incorporating EUDR traceability and due diligence requirements.



Uganda's role: as a top-two African coffee exporter (~7% of global robusta), Uganda has the credibility to champion adoption within IACO and the EAC.

Continental play 2: carbon pricing and MRV on African terms

Price it here, keep the revenue

- CBAM deducts any carbon price already paid at origin — a modest African carbon price keeps revenue in African treasuries instead of Brussels
- South Africa remains the only African country with a formal carbon tax (Carbon Tax Act 15 of 2019; Phase 2 from 2026); Botswana, Senegal and Morocco are considering
- Uganda already has a carbon-market regulatory framework for nature-based solutions — a foundation to build on

Measure it here, own the data

- Most African producers — especially SMEs — cannot yet measure firm-level emissions (the MRV gap)
- Ask 1: technical assistance to build national MRV systems
- Ask 2: negotiate regional default emission values with the EU until national systems mature

Continental play 3: use the institutional machinery that already exists

Continental / AU-EU

7th AU–EU Summit, Luanda, Nov 2025 — green trade cooperation endorsed

AU–EU dialogue on EUDR & CBAM (Oct 2025)

ACS2 Addis 2025: deforestation-free value chains initiative

Regional

EAC & AfCFTA — green-trade rules and harmonization

IACO / AFCA + MARKUP regional coffee coordination

National

Uganda EUDR taskforce, registry, traceability platform

The ask: Uganda moves from participant to co-chair and agenda-setter — tabling mutual recognition, regional default values, and pooled traceability infrastructure.

e.g. current efforts by the Coalition of MOF for Climate on COP32 (Africa as one)

Alone, Uganda complies. Together, Africa negotiates.

- 1** **Finish and prove** — complete the map, pilot compliant shipments through TRACES, win low-risk status
- 2** **Standardize and recognize** — scale the African coffee standard across commodities and secure EU mutual recognition
- 3** **Price and measure** — build carbon pricing and MRV on African terms before CBAM's scope widens

Every dollar of compliance infrastructure is also market intelligence, farmer formalization, and climate-finance readiness. For a strategy that must lift exports from 12% to 50% of GDP, this is growth policy, not paperwork.