



Remarks

by

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Deputy Governor

at

**The Ceremonial Signing of the Collaboration Agreement
Between the European Investment Bank and the Bank of
Uganda**

***“Greening Financial Systems Technical Assistance
Programme”***

Serena Hotel,
Kampala

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The Ceremonial Signing of the Collaboration Agreement Between the European Investment Bank and the Bank of Uganda Under the Greening Financial Systems Technical Assistance Programme

*Head of Regional Hub of the European Investment Bank, **Mr. Edward Claessen**;*

The Ambassador of the European Union to Uganda;

The Ambassador of the Federal Republic of Germany;

The representative of the Embassy of Luxembourg;

The representative of the NDC Partnership;

Distinguished representatives of the energy sector;

The private sector representatives;

Development partners and the diplomatic community;

Ladies and gentlemen.

Good afternoon.

It is a great pleasure to join you this afternoon as we mark an important milestone in the partnership between the Bank of Uganda and the European Investment Bank (EIB): *the signing of a Collaboration Agreement on the Greening Financial Systems Programme.*

I would like to thank the European Investment Bank (EIB), the European Union, and the Governments of Germany and Luxembourg for their support of Uganda's efforts to build a greener, more resilient and sustainable financial system. Today's signing ceremony is more than a formal exchange of documents; it represents a shared commitment to preparing our financial system for the realities of climate change and the opportunities presented by a greener economy.

Why does this matter to Uganda, and why now?

Climate change is not only an environmental concern; it is also a significant macroeconomic and financial stability challenge. As you are aware, Droughts, floods, and energy disruptions can adversely affect production, damage infrastructure, and disrupt supply chains, thereby reducing incomes, weakening borrowers' capacity to service their debts, and increasing risks within the financial system. These effects, coupled with other economic and financial vulnerabilities, can spill over into inflation, financial stability, and economic growth. Consequently, climate change pose material risks to the effective fulfilment of central banks' mandates.

Fortunately, the green transition also offers significant opportunities. Investments in renewable energy, climate-resilient infrastructure, sustainable agriculture, and cleaner technologies can create jobs, enhance productivity, strengthen businesses, and attract investment. The key question is whether our institutions are sufficiently prepared to manage the associated risks while seizing the opportunities presented by the transition to a greener economy.

I believe that, through the *Greening Financial Systems Technical Assistance Programme*, the collaboration with the EIB will enhance the Bank of Uganda's capacity to support supervised financial institutions (i.e., Banks) in identifying, assessing, managing, and disclosing climate-related risks. This programme will facilitate the implementation of Uganda's National Green Taxonomy, enhance supervisory and reporting frameworks, and build the institutional capacity needed to translate policy commitments into meaningful action.

But what does this mean beyond the central bank?

For financial institutions, this means better understanding climate risks in their portfolios and making more informed lending decisions. For businesses and investors, especially in energy, agriculture, transport and infrastructure, this

translates into improved access to finance for credible sustainable projects. For development partners, greater transparency and strengthening confidence in our climate commitments. For Uganda, it can help mobilise the financing needed for development and resilience. *Our climate-action financing requirement is approximately US\$28.1 billion by 2030 and will require coordinated public and private resources.*

Ladies and gentlemen,

The Bank of Uganda recognises that this transition must be practical, proportionate and suited to our national circumstances. We must strengthen resilience without unnecessarily constraining access to finance. Our objective is a financial system that understands emerging risks, allocates capital into sustainable projects and continues to finance productive activity. Achieving this will require collaboration across sectors, technical expertise, reliable information and sustained implementation.

This partnership fits within the Bank of Uganda's mandate and will strengthen capacity of our financial institutions drawing on the EIB's technical expertise, experience in other countries, and the wider support of our European partners.

Therefore, I encourage financial institutions, energy-sector stakeholders, private-sector actors and development partners to see this initiative not merely as a regulatory requirement, but as an opportunity to promote greening and sustainability of the financial sector, strengthen the resilience and competitiveness of Uganda's economy.

As we sign this agreement today, let us be guided by this simple guiding principle to drive this transition:

“A greener financial system must not only manage climate risks better; it must also help unlock investment, support enterprise and contribute to sustainable economic growth.”

Finally, on behalf of the Bank of Uganda, I want to take this opportunity to once again thank the European Investment Bank, the European Union, the Governments of Germany and Luxembourg, and all our partners for their commitment.

We look forward to translating this partnership into stronger institutions and meaningful benefits for Uganda's economy, our people and the world.

Thank you.