

Policy Brief

Carbon Markets and Community Land Rights in Uganda

September 2026

Introduction

1.1 Purpose of this brief

Uganda has moved, within a single policy cycle, from an ad-hoc carbon project landscape to a regulated one. The National Climate Change (Climate Change Mechanisms) Regulations 2025 were officially launched in Kampala on 29 May 2025, operationalizing Article 6 of the Paris Agreement at national level. They were published in the Uganda Gazette as *Statutory Instruments Supplement No. 9 of 2025*.¹ The framework question has therefore shifted. It is no longer whether Uganda should regulate carbon markets, but whether the new architecture delivers for the communities' rights and interests on whose land the credits are generated.

This brief address that second question. It examines four projects that illustrate the range of Uganda's carbon and forestry sector: Formosa farms and New Forests Company in Mubende, ECOTRUST's Trees for Global Benefits, and the Kikonda Forest Reserve plantation. Through documented case evidence and testimony information gathered by Witness Radio, it offers recommendations for implementation, oversight and grievance handling ahead of the first full cycle of project approvals under the 2025 Regulations.

1.2 Key definitions

Carbon credit: a tradeable certificate that represents the reduction, removal, or avoidance of 1 metric ton of CO₂ or its equivalent in other greenhouse gases (GHGs). Carbon credits are a way to assign a financial value to activities that reduce GHGs in the atmosphere. One carbon credit = one ton of CO₂.

Carbon market: the buying and selling of verified GHG emissions reductions in the form of carbon credits. Credits reach buyers through two distinct routes; *compliance markets and voluntary carbon markets*.

Compliance markets: are created and regulated by mandatory national, regional, or international laws and policies; under Article 6 of the Paris Agreement, these take the form of Internationally Transferred Mitigation Outcomes (ITMOs) under Article 6.2 bilateral cooperation, or credits under the centralized Article 6.4 mechanism Paris Agreement Crediting Mechanism (PACM). In February 2026 the UNFCCC approved the first issuance of credits under the Paris Agreement's centralized market, marking a shift from rulemaking to early implementation.² Demand, however, lags supply: the EU Emissions Trading System, the world's largest compliance market, has not accepted international credits since the Clean Development Mechanism (CDM) and its units were phased out by 2020, and a 2026 Commission

¹ <https://www.undp.org/uganda/press-releases/uganda-launches-carbon-market-regulations-accelerate-climate-action-and-sustainable-development>.

² <https://unfccc.int/news/un-carbon-market-approves-first-ever-issuance-of-credits-under-the-paris-agreement>.

proposal to reopen a narrow channel from 2036 remains unadopted. In practice, this means Ugandan credits will continue reaching buyers almost entirely through the voluntary market and a small number of bilateral Article 6.2 agreements for the foreseeable future.

Voluntary carbon markets (VCM): are not mandated by law. Instead, businesses, governments, and individuals voluntarily purchase carbon credits to help compensate for emissions or meet sustainability commitments. In the voluntary carbon market, carbon standards set rules that project developers must meet in order to earn certified carbon credits. An independent auditor and the standards body - such as Verra's VCS, Gold Standard or Plan Vivo - itself verify that the project has met all requirements and generated actual emissions reductions. Once a carbon credit is verified, it can be sold or traded multiple times. However, only one buyer can use a credit to offset their emissions. Once a credit has been used as an offset, the credit is retired from the market.

1.3 Uganda's position in the market

Uganda has been described by government as one of Africa's carbon market frontrunners, with over 30.6 million tonnes of carbon credits issued under the Clean Development Mechanism and voluntary market standards³, including more than 8.9 million tonnes of reductions through clean development projects.⁴ The expected scale of the next phase is significant in fiscal terms: Uganda's carbon markets are projected to trade up to 5 million tonnes annually, potentially generating 100 million (USD) per year — against an NDC implementation cost of which 85 percent is expected to come from external sources.⁵ Uganda has not yet concluded a bilateral Article 6.2 agreement of its own. In East Africa, only Rwanda has done so, with Singapore.⁶

Uganda is one of the eight-member states of the Eastern Africa Alliance on Carbon Markets and Climate Finance, established in June 2019 to strengthen regional readiness for Article 6 and the voluntary market.⁷ On 1 September 2026 the Alliance entered a partnership with the Voluntary Carbon Markets Integrity Initiative (VCMI) to support member governments on national carbon market strategies and the establishment of market authorities, with a VCMI policy expert based in Kampala.⁸

Most Ugandan projects are land-based, falling into two categories that are often conflated in public debate: *REDD+* (avoided deforestation and degradation in existing forest) and *ARR* (afforestation, reforestation and revegetation, including commercial plantations that also produce timber). The distinction matters for this brief, because the two carry different implications for who may use the land and for how long —sometimes threatening community land rights and other associated rights. Two further terms recur throughout: *free, prior and informed consent* (FPIC), and *benefit sharing*, the distribution of project revenues to host communities.

Uganda's Milestones

2.1 Uganda's key milestone in carbon markets policy

Uganda's carbon-market framework has evolved from participation in international climate mechanisms to the establishment of a domestic regulatory system. The early phase was shaped by the UNFCCC and Kyoto Protocol, under which Uganda could participate in the Clean Development Mechanism. The subsequent development of the REDD+ architecture introduced national systems for measuring forest emissions, safeguards and benefit sharing. The 2015 Climate Change Policy and 2021 Climate Change Act strengthened Uganda's domestic climate-governance framework, while the Paris

³ <https://www.monitor.co.ug/uganda/news/national/carbon-markets-players-support-emissions-trade-4319704>.

⁴ <https://www.monitor.co.ug/uganda/news/national/uganda-unveils-carbon-market-rules-to-tap-climate-finance-5074538>.

⁵ <https://actalliance.org/wp-content/uploads/2025/07/Establishing-the-State-of-Adaptation-Finance-in-Uganda-.pdf>.

⁶ <https://www.mti.gov.sg/newsroom/singapore-signs-implementation-agreement-on-carbon-credits-collaboration-with-rwanda>.

⁷ <https://easternafricaalliance.org/>.

⁸ <https://vcmin integrity.org/vcml-partners-with-eastern-africa-alliance-on-carbon-markets-and-climate-finance-to-advance-sustainable-and-equitable-carbon-markets/>.

Agreement and Uganda's NDC linked mitigation activities to a new international accounting system. The 2025 Climate Change Mechanisms Regulations represent the most significant step towards dedicated domestic regulation of carbon-market activities, establishing rules for project approval, registration, validation, verification, carbon-credit ownership and transfers.

2.2 Chronology of Uganda's carbon-market policy and regulatory evolution, 1993 –2026

- In 1993, Uganda ratifies the UNFCCC.
- In 2002, Uganda ratifies the Kyoto Protocol.
- Uganda ratified the Kyoto Protocol on 25 March 2002; it entered into force for Uganda on 16 February 2005. Article 12 of the Protocol established the Clean Development Mechanism (CDM) which allowed emission-reduction projects in developing countries to generate certified emission reductions that could be used by industrialized countries towards their Kyoto commitments.
- In 2008, Uganda begins its REDD+ process.
- Uganda's REDD+ process formally began in 2008, when it became a participant in the Forest Carbon Partnership Facility (FCPF) following approval of its Readiness Plan Idea Note. Uganda's REDD+ process subsequently received support from the FCPF, Austrian Development Cooperation, UN-REDD and the Government of Uganda. The REDD+ process is particularly relevant to carbon markets because REDD+ is designed around reducing emissions from: deforestation; forest degradation; forest conservation; sustainable management of forests; and enhancement of forest carbon stocks.
- Uganda subsequently developed systems for measurement, reporting and verification (MRV), forest monitoring, safeguards, benefit sharing and emissions-reference levels.
- In 2015, Uganda adopts the National Climate Change Policy
- The Ministry of Water and Environment published Uganda's National Climate Change Policy, which consists of the broader national framework for responding to climate change and pursuing low-carbon and climate-resilient development. It is also described as one of the important domestic foundations for today's carbon-market system and places emission reduction and climate finance within Uganda's national development framework.
- In 2015, Uganda submits its first Intended Nationally Determined Contribution.
- Following ratification of the Paris Agreement, it became Uganda's first NDC. The NDC establishes the national climate targets against which mitigation activities can be considered.
- The Paris Agreement was adopted on 12 December 2015 and entered into force on 4 November 2016. For carbon markets, Article 6 is particularly important because it establishes: a cooperative approaches and internationally transferred mitigation outcomes; and a UN mechanism for generating carbon credits, among others.
- On 21 September 2016, Uganda ratified the Paris Agreement.
- Uganda signed the Paris Agreement in 2016 and ratified it on 21 September 2016.
- Between 2017 and 2018, Uganda established its forest-carbon reference framework.
- Uganda made its first Forest Reference Emission Level (FREL) submission in January 2017, updated it in July 2017, and received technical assessment/endorsement from the UNFCCC technical assessment process in April 2018. The FREL provides the benchmark against which reductions in forest-related emissions can be assessed. Uganda's submitted framework covers emissions from deforestation and established a national reference level for measuring REDD+ performance.
- Between 2018 and 2021, Uganda developed the REDD+ safeguards and benefit-sharing architecture.
- Uganda developed several components of its REDD+ system, including: National REDD+ Strategy and Action Plan; Forest Reference Emission Level; National Forest Monitoring System; Safeguards Information System; Feedback and Grievance Redress Mechanism; Benefit-Sharing Arrangements; Strategic Environmental and Social Assessment; and Environmental and Social

Management Framework. By June 2021, Uganda reported that these major components had been prepared.

- In 2021, Uganda adopts the National Climate Change Act
- The Ministry of Water and Environment published the National Climate Change Act, 2021. The Act provides the statutory foundation for Uganda's climate-change governance system and is particularly important because the 2025 Climate Change Mechanisms Regulations were subsequently made under sections 8, 9, 12 and 29 of the Act.
- In June 2021, Uganda completes major elements of its REDD+ framework
- Uganda's 29 June 2021 Summary Report on Compliance with Cancun Safeguards reported that the country had completed its National REDD+ Strategy and Action Plan, FREL, grievance mechanism, benefit-sharing arrangements, SESA, NFMS and Safeguards Information System.
- On 12 September 2022, Uganda submitted its updated NDC to the UNFCCC.
- The updated NDC covers 2020–2030 and provides Uganda's mitigation and adaptation commitments under the Paris Agreement.
- In May 2025, Uganda launches the National Climate Change (Climate Change Mechanisms) Regulations, 2025. The National Climate Change (Climate Change Mechanisms) Regulations, 2025 provide an administrative framework to operationalize national and international climate commitments in Uganda, following the legal framework given in the National Climate Change Act 2021. The regulations establish rules covering climate-change mechanism projects and include provisions concerning: project approval; registration; greenhouse-gas accounting; validation; verification; validators and verifiers; certified emission-reduction units; ownership of carbon credits; transfer of credits; international transfers; information and reporting; and alignment with Uganda's climate-change framework.

Major Gaps

Major gaps and barriers affecting communities

While Uganda's policy and regulatory framework governing the carbon market continues to evolve, challenges remain for communities living in areas where carbon projects are being implemented. Issues such as community participation, protection of vulnerable and marginalized groups, land ownership, access to information, environmental protection, human rights and benefit sharing have been addressed to varying degrees in Uganda's existing laws, policies and safeguards frameworks. The National Climate Change Act, 2021, for example, requires consideration of the needs of vulnerable and marginalized communities, gender and human rights issues, indigenous knowledge and the impacts of climate change on communities. The National Climate Change (Climate Change Mechanisms) Regulations, 2025 further provide social and sustainable-development criteria for carbon projects, including community engagement and participation, gender balance and participation of disadvantaged groups, land ownership, cultural heritage, indigenous people where applicable, and mutual economic benefits.

Evidence from Witness Radio's case studies shows that these protections do not always translate into practice. Communities have reported limited access to information, inadequate participation and consent, insecure land tenure, weak benefit-sharing arrangements, difficulties in accessing justice, corruption and disregard for existing legal protections. These experiences point to a broader gap between the protections provided for in law and policy and their implementation and enforcement on the ground.

Major gaps and barriers affecting communities in Uganda's carbon-market projects

No.	Gap / barrier	What Witness Radio evidence shows from the Case studies analyzed	Why it exists / underlying issue
1	Weak enforcement of existing laws.	Uganda has laws covering land rights, compensation and environmental protection, but the material records cases where these protections are disregarded.	The problem is not necessarily absence of law, but the failure to enforce existing legal protections.
2	Limited access to justice.	Communities may report cases but face long delays, with cases taking years in court and complaints sometimes not being registered at police level.	Delays and barriers within the justice system make it difficult and deter / discourage affected communities to challenge land or project-related decisions or violations.
3	Insecure land tenure and land-related abuses.	Witness Radio has discovered from examined cases where carbon credits in the voluntary carbon market are being created through projects that dispossess communities of their lands and territories. This happens, for example, because developers of carbon credit projects say they have to 'protect' the area that is being used to generate carbon credits and use this as a reason to evict the communities living there, or restrict communities' access to, and use of, the area.	Weak customary land tenure security, and land administration structures leave communities vulnerable, particularly where customary / community land is involved.
4	Inadequate FPIC processes.	It was revealed that inadequate FPIC happens when companies or government set up projects or programmes to create carbon credits on community lands and lands in custody of government without due lawful process, and FPIC from the customary owners and bonafide occupants of the land. Sometimes, they might do so, but from only a few community members, and not from the right audience of stakeholders that has a mandate from the people or community to make decisions on their behalf.	Communities often have less political, financial and institutional power to defend their interests against investors or other powerful actors. And, it is important to note that several communities have experienced that the topic of carbon markets has led to internal divisions. This is easily fueled by inadequate FPIC processes, where people do not have enough or the same information.

5	Lack of access to information.	Communities in the Witness Radio case studies were reportedly not given sufficient information about projects	Without information about the project, land arrangements, risks, carbon rights or expected benefits, communities cannot participate meaningfully or make informed decisions.
6	Weak benefit-sharing / uncertainty over whether benefits reach communities.	Communities reportedly claim that promised or expected benefits do not reach them.	This raises questions about the design, transparency and enforcement of benefit-sharing arrangements. Uganda's REDD+ framework has included benefit-sharing arrangements, but the case studies point to problems at community level.

Recommendations

5.1 Basis for these recommendations

The recommendations in this section derive from two sources. First, the accounts of affected communities documented through Witness Radio's casework and monitoring across the four projects examined in Section 3 — accounts that describe, in their own terms, where consent, information, compensation and access to justice broke down in practice. Second, the analysis in this brief of Uganda's existing legal and regulatory framework (Section 2) against the seven recurring gaps identified in Section 3. Where a recommendation responds directly to a documented community concern, this is noted; where it reflects the authors' own policy analysis, this is stated as such. Recommendations are grouped by the actor best placed to act on them, since responsibility for closing these gaps does not rest with government alone.

5.2 For the Designated National Authority / Government of Uganda

- Establish a dedicated compliance and monitoring function under the 2025 Regulations, with a mandate for unannounced site inspections and publicly accessible compliance reporting for all registered projects — responding directly to the enforcement gap documented in Section 3 (Gap 1).
- Require independent, third-party verification of land tenure status, including customary and communal claims, as a precondition for project registration, not merely a self-reported criterion (Gap 3).
- Require independent verification of FPIC processes prior to registration, with documentation that goes beyond sign-off by a single local leader: dated records of what was disclosed, in what language, to whom, and with what response (Gap 5, 6).
- Mandate public, standardized disclosure of project documents and benefit-sharing agreements in relevant local languages before project approval (Gap 5).
- Establish a fast-track grievance channel for carbon- and forestry-project-related land disputes, separate from the ordinary courts, with defined response timelines and formal tracking of complaints from first registration (Gap 2).

6.3 For project developers and investors

- Adopt standardized, plain-language benefit-sharing agreements with independent, published monitoring of whether funds reach communities as agreed (Gap 7).
- Where intercropping or continued food production was represented as compatible with tree planting, disclose realistic timelines for canopy closure before contracts are signed, not after.
- Provide contract terms, including duration and exit conditions, in a form, communities can review with independent legal advice before signing.

6.4 For carbon-credit buyers and certification bodies (Verra, Gold Standard, Plan Vivo)

- Condition certification renewal on evidence of functioning, accessible grievance mechanisms at project level, not solely on carbon accounting.
- Require disclosure of any unresolved land or human-rights disputes associated with a project as part of the public project documentation.

6.5 For development partners and donors

- Tie climate-finance support (e.g., under the ACSF or bilateral Article 6.2 cooperation) to demonstrated compliance with Uganda's own 2025 social and sustainable-development criteria, rather than treating these as a formality.
- Support independent legal aid capacity for communities pursuing land or compensation claims linked to carbon projects (Gap 2, 4).

6.6 For civil society and media

- Continue independent monitoring and documentation of community experience across active projects, with particular attention to cases (such as Formosa) that remain unresolved, applying strict safeguards for the safety and anonymity of individuals providing testimony.
- Support communities' access to information on their legal rights and options ahead of, not only after, project implementation.

Conclusion

Uganda now has what it lacked a decade ago: a dedicated legal architecture for carbon markets, built up gradually since 1993 and consolidated in the 2025 Climate Change Mechanisms Regulations. The gap this brief has documented is not one of missing law, but of missing enforcement.

Across the carbon projects examined in Uganda, a consistent pattern emerges, regardless of project size, ownership structure or certification standard: communities report limited information, weak or absent consent processes, insecure tenure, and benefits that do not reliably reach the people the projects are meant to serve. We see structural gaps recurring in different settings, which suggests the problem sits upstream of any single project, in how consent is verified, how tenure is checked, and how communities can seek remedy once a project is already operating. This matters beyond these cases. Uganda is positioning itself as a regional hub for carbon finance, with market volume, institutional partnerships and international attention all expected to grow over the coming years. Growth of that kind will multiply the scale of these risks unless implementation catches up with regulation now, before the next wave of projects is approved. The recommendations in Section 6 are

offered in that spirit: not as a case against carbon markets in Uganda, but as the minimum conditions under which they can operate without repeating the harms this brief has documented. The evidence is there. What is needed now is the will, and the institutional capacity, to enforce what Uganda has already written into law.

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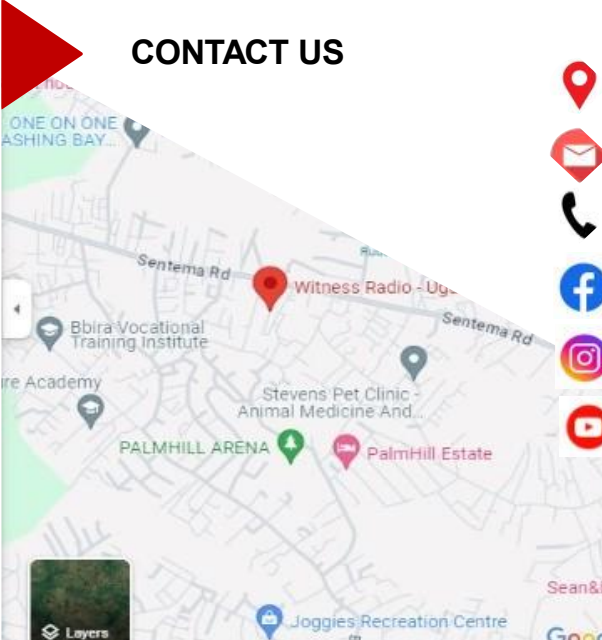
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