



## **Wealth Accounting and Valuation of Ecosystem Services program in Uganda: Why and How?**

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## Outline of the presentation

This presentation attempts to address the following issues:-

- i. The policy questions NCA could attempt to address in Uganda.
- ii. Progress on NCA and challenges/gaps identified
- iii. Future work



# Uganda at a glance



## Surface Area

- Uganda total surface area 241,550.7 sq. km
- 197,066 sq.km land area
- Uganda is a landlocked country in East Africa

## Population

- 39 million people
- 3.0% annual growth rate
- 72% of the population live in rural areas and rely heavily on rain-fed subsistence agriculture.
- 21% of population below poverty line

## Economy

- Economic Growth Rate: 6.1%
- Economic qns: Poverty, employment, inequality and economic growth
- Further;
  - 94% of household energy is supported by forestry
  - 61% of Uganda's tourism income is generated by the forest based national parks





## Existing policy issues affecting the natural capital accounting process

- Competing use of natural capital. High need for trade off evaluation, given the natural capital led industrialisation strategy.
- Harmonisation of transboundary use of natural resources. Such as Lake Victoria, River Nile, Mt. Rwenzori and Others
- Economic instruments for use in natural resources assessment.
- Low budget allocation despite the high return rates
- Capacity building on use of natural accounts for decision making.
- Policies not attaching the appropriate value to natural capital.
- Pressure to degazette protected areas



## What has Uganda done in the past?

Initiative/Study	Lead Agency and Partner
Feasibility study on Natural capital accounting such as 2004 and 2008	Government of Uganda, UNEP/WCMC
The five year national biomass study on Land cover	Government of Uganda, (National Forest Authority) FAO
Strategic environment assessment for Albertine region	Government of Uganda, Total & CNOOC
Harmonisation and Development of East African Community Environment Statistics Database	East African Community and UNSD



## What has Uganda done in the past?



Initiative/Study	Lead Agency and Partner
Water accounts	Government of Uganda
The role and contribution of Forest and Forest Ecosystems to Uganda's Economy	Government of Uganda (REDD+ Program) , UNREDD (UNEP, UNDP, IUCN)
The National plan for Advancing Environment Economic Accounting (NPA-EEA)	Government of Uganda
Experimental Species Account (Elephant, Chimpanzee, Shea nut tree, <i>Prunus Africana tree</i> , Gum tree	Government of Uganda, UNEP – WCMC & IDEEA
Uganda Natural Capital Accounting program (Forests and Wetlands)	World Bank WAVES partnership, Government of Uganda initiative



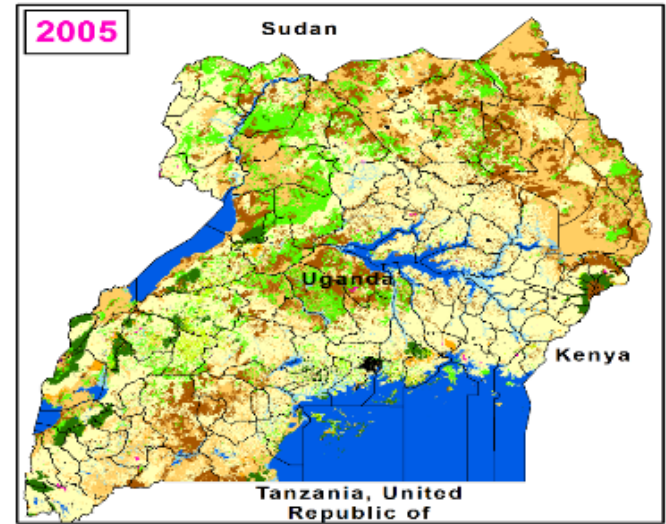
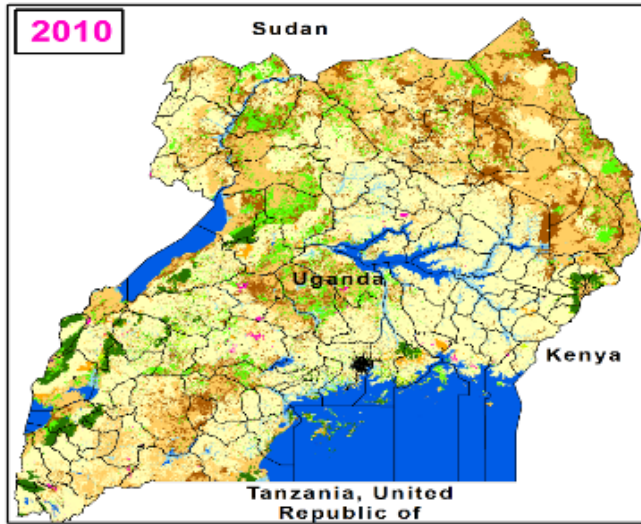
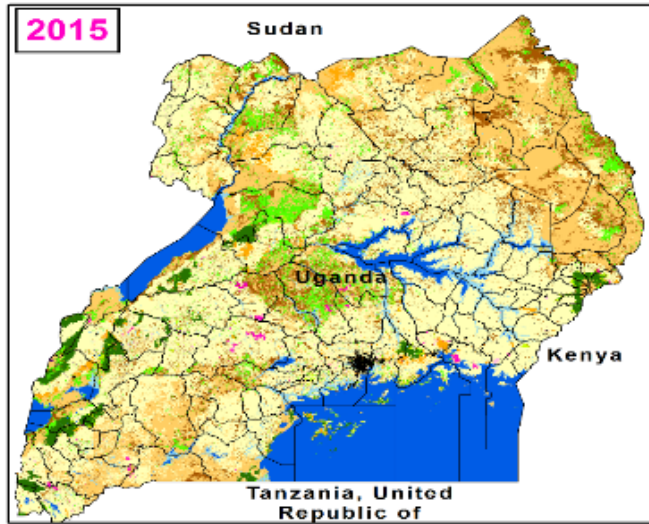


## Findings from the initiatives

- Forest loss by 60.4 percent between 1990 to 2015. Approximately 200,000 hectares every year with major losses on privately owned land (*As shown by the maps below*)
- The biggest driver of deforestation and forest degradation is Agriculture
- Forests in protected areas still intact but under intense pressure.
- 96% of electricity supply is from hydro power generation from River Nile which is a shared resource
- Excessive dependency on biomass energy. Leading to degradation of endemic and endangered flora such as *Prunus Africana*.



# Land use and Land Cover Series:



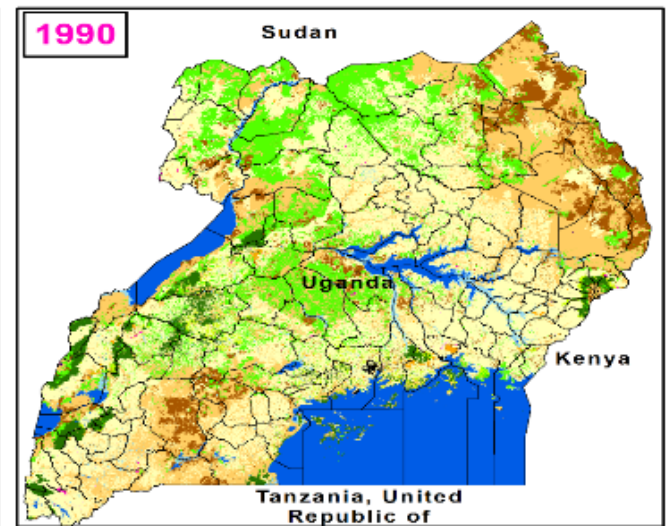
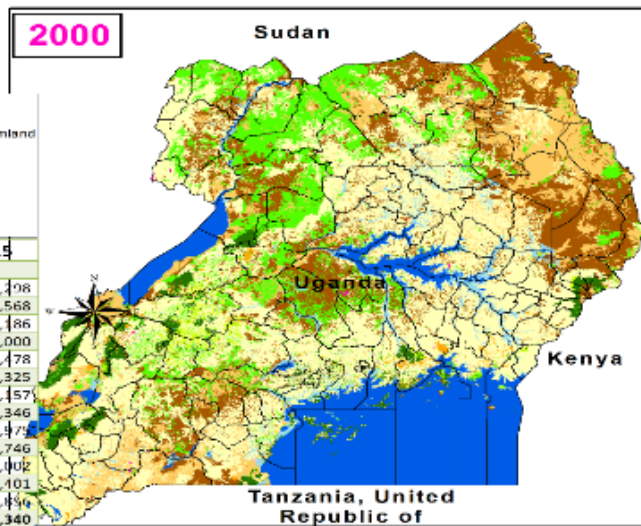
## LAND USE LAND COVER SERIES



### Legend

Districts	Woodland	Commercial Farmland
Broadleaved Tree Plantations	Bush	Built up areas
Coniferous Plantations	Grassland	Open water
Tropical High Forest Well Stocked	Wetland	Impediments
Depleted Tropical High Forest	Subsistence Farmland	

Land Use Land Cover (Ha.)	1990	2000	2005	2010	2015
<i>Not data</i>		462			
Broadleaved Tree Plantations	16,634	9,856	13,988	21,261	44,498
Coniferous Plantations	15,699	11,523	19,164	44,246	63,568
Tropical High Forest Well Stocked	743,154	703,999	614,264	563,693	529,186
Depleted Tropical High Forest	227,373	226,425	209,922	120,206	102,000
Woodland	3,544,793	2,834,194	2,364,297	1,444,910	1,214,478
Bush	1,557,185	4,007,711	3,035,877	2,377,605	1,972,325
Grassland	5,340,431	2,796,034	4,289,042	5,085,925	5,105,157
Wetland	502,091	838,018	751,364	808,677	760,346
Subsistence Farmland	8,405,204	8,913,924	8,936,373	9,787,857	10,274,474
Commercial Farmland	68,580	103,374	107,004	134,301	256,746
Built up areas	36,185	26,331	96,450	95,979	136,102
Open water	3,691,730	3,680,502	3,707,598	3,658,138	3,686,101
Impediments	5,103	1,846	8,789	11,421	7,894
<b>TOTAL</b>	<b>24,154,163</b>	<b>24,154,200</b>	<b>24,154,132</b>	<b>24,154,218</b>	<b>24,153,340</b>







## Application of the findings



- Government instituted a ban on the cutting of *Shea and Prunus Africana tree species* as these were considered endangered and are currently on the IUCN Red list
- The findings informed the development of National Biodiversity Strategy Action Plan (NBSAP) which will in turn inform the next National Development Plan three (NDPIII)
- Further facilitated efforts of Private Public Partnerships through promotion of commercial plantation development on public land and overall improved natural capital management



## Existing challenges/gaps



- Capacity in compilation of NCA
- Work done so far by GoU and various agencies not well communicated to the relevant change agents including policy makers, policy implementers and natural resources users
- Capacity in use of NCA for economic modelling and forecasting for policy and decision making.
- Data gaps
- Weak institution collaboration and coordination.



# WAVES in Uganda



CHIMPREPORTS

BUSINESS

## Moving Beyond GDP: Uganda Launches Natural Capital Accounting Program

By Benjamin Emuk  
Posted on October 24, 2018

MUHAKAZINI DELIVERING OPENING REMARKS AT THE EVENT



# Program objectives and Policy entry points



- The **objective** the Uganda Natural Capital Accounting (NCA) Program is to mainstream natural capital into development policy dialogue and planning in Uganda by integrating a set of accounts that will inform the National Development Plan (NDP3) and other national and sectoral policies.
- The initial **focus** in Uganda will be on forests and wetlands.
- The **aim** of the program is to increase understanding, among other things, on what is the real contribution of natural assets and the ecosystem services to the economy and how does the economy and its sectors affect this natural asset base.

International commitments

- Nationally Determined Contributions
- Sustainable Development Goals

National agendas

- National Development Plan
- Green growth Strategy
- Reporting systems and legal frameworks.

Sectoral agendas

- Conservation policy
- Forest policy
- Energy policy
- Other sectoral policies (e.g. tourism)

Regional and local agendas

- Water Resource Management





## Expected Outputs



### 1.1. Accounts development

Land accounts

Forest resource accounts

Forest and wetland ecosystem accounts

National SEEA Compendium

### 2. Studies and activities to enhance accounts development

The forest energy nexus

Assessment of ecosystem services at watershed level (Abertine Rift)

Macroeconomic indicators

Issue papers

### 3. Institutional engagement, capacity building and policy dialogue

Technical training for each component

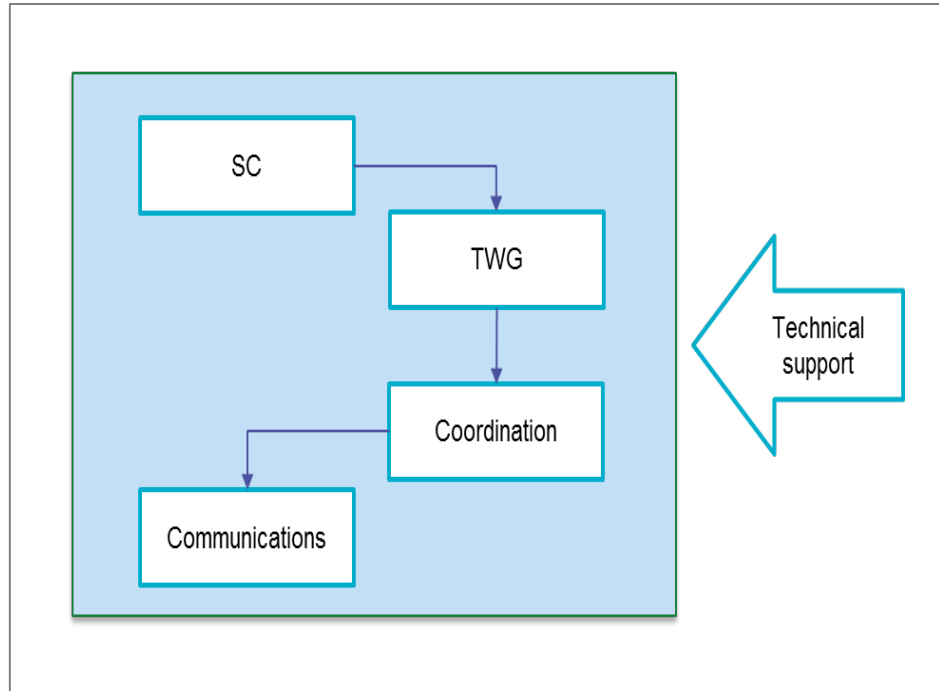
Exchanges

Awareness raising and communications activities





# Institutional arrangements for NCA in Uganda



## Steering Committee (SC)

Water and Environment Sector  
working group

## Technical Working Group (TWG)

MoFPED – Chair  
NPA – Co-chair  
UBOS  
MWE  
OPM  
NFA  
NEMA  
MAAIF  
CSOs and NGOs  
Private Sector



# Next steps and expected results



## In the Short run – Capitalising on linkages with other ongoing initiatives through:-

- Joint communication strategy
- Joint activities ( data needs assessment, dissemination, publication, capacity building ) contributing to a single data base.

## In the long run

- NCA influencing sector and national decision making and resource allocation.
- Tax policies on forest and products, subsidies in agriculture, environmental policy development and enforcement
- Annual dissemination of NCA alongside other National accounts.
- NCA balances guiding and being reflected in the NDPIII
- NCA balances being used to model and forecast major economic indicators at macroeconomic level

