



Country Brief: Uganda

Region: Africa

Natural capital: Natural capital includes land, water, minerals, ecosystems and forests. Natural Capital Accounting (NCA) uses data to consistently track how natural resources contribute to the economy and how the economy affects natural resources. Measuring and recognizing the value of natural capital and incorporating it directly into national accounts, statistics, policy, and decision-making leads to more inclusive and sustainable economic growth.

Uganda's forests are the backbone of a strong nature based tourism industry and are some of the most bio-diverse in Africa. These forests serve as an important source of energy, support rural livelihoods, and protect watersheds. Wetlands are critical for agriculture, jobs, and water filtration; and are home to many important species, including Uganda's iconic birds – crested crane and shoebill stork.

Natural capital accounts to inform policy

Uganda is not new to Natural Capital Accounting (NCA). In 2003 and 2005, some studies were undertaken by the Government's Environment and Natural Resources Sector Working Group to assess the feasibility of introducing environmental sustainability into the System of National Accounts (SNA) through environmental accounting. A study on Economic Value of Uganda's Forest Resources was conducted in 2011. Wetland valuation studies were completed for several wetlands between 1999-2010.

Uganda published the world's first species diversity accounts in March 2017. These experimental accounts built on the System of Environmental-Economic Accounting (SEEA) framework and generated a set of natural capital accounts to support improved management of biodiversity and help monitor progress towards Aichi Biodiversity Targets and Sustainable Development Goals (SDG). Also, in 2017, the Ministry of Water and Environment prepared preliminary forest accounts.

A draft National Plan for Advancing Environmental Economic Accounting was prepared in 2018. The plan provides a framework for integrated environmental statistical development taking into account sustainable development and green economy.

Policy entry points for natural capital accounting will include the NDP3. NCA will further enhance implementation of the Uganda Green Growth Strategy, and the implementation and reporting on Sustainable Development Goals (SDGs), among others.

Priority areas

NCA can address different questions about the relationship between natural capital and the economy. The initial focus in Uganda will be on forests, land, and wetlands. Some primary policy questions include:

- What is the real contribution of natural assets and the ecosystem services they provide to the national economy?
- How does the economy and its sectors affect the natural asset base?
- What is the impact of the informal forest economy on forests and wetlands?
- What is the value of critical ecosystem services?

Critical decision: Close to one-third of Uganda's wealth comes from natural capital.

Recognizing the importance of building statistical systems that support better management of its natural resources, the Uganda government wants to assess the contribution of natural capital and include it in its third National Development Plan (NDP3).

How will WAVES help?

WAVES will provide technical and institutional support for producing natural capital accounts, analyzing results, and using the findings to inform policy. The accounts will provide reliable and consistent data to understand the link between forests and energy, the relevance of ecosystem services with a focus on the Albert Nile Water Management Zone, and the issue papers will feed into the new NDP3 to make natural capital part of the development dialogue and planning in Uganda.

Accounts being developed:

Forests, Land and Wetlands

WAVES lead government agency:

Ministry of Finance, Planning and Economic Development (MoFPED), Uganda Bureau of Statistics (UBOS), National Planning Authority (NPA), and Ministry of Water and Environment (MWE)

Country steering committee:

Water and Environment Sector Working Group (WESWG) (Proposed)

Technical Working Group:

Led by the MoFPED and includes representatives from key government agencies



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The program will focus on the following:

- Building accounts compatible with the SEEA framework and seeking to strengthen the capacity to publish and disseminate results regularly.
- Studies that will enhance the quality of data used for the accounts.
- Capacity building and policy dialogue, including knowledge management activities to mainstream natural capital measurements into policy dialogue.

Institutional structures

A Technical Working Group (TWG) is leading activities related to NCA preparation and implementation. The TWG is chaired by the Ministry of Finance, Planning and Economic Development (MoFPED) and co-chaired by National Planning Authority (NPA) and Uganda Bureau of Statistics (UBOS). The core members include the Ministry of Water and Environment (MWE), National Forest Authority (NFA), and National Environment Management Authority (NEMA).

Water and Environment Sector Working Group (WESWG) will create the WAVES Steering Committee. The WESWG provides policy and technical guidance for the water and environment sector and comprises representatives from all key sector institutions (government, academia, development partners, and NGOs).

Progress

Uganda has broad interest and support for further development and institutionalization of NCA with several partners working to build capacity. The Uganda NCA Program will run until August 2020.

Since the October 2018 launch, the program has achieved the following under the leadership of the Technical Working Group (TWG):

- Conducted an introductory training on NCA for forests and wetlands
- Conducted macroeconomic indicators training
- Held an inception workshop and seven TWG meetings
- Developed a detailed work program with assigned roles and responsibilities
- A Uganda delegation, including five representatives from the MWE, UBOS, NPA, and MoFPED attended and presented at the WAVES Global Partnership meetings in November 2018
- Initiated the development of land accounts and early results reviewed during the fifth TWG meeting.
- Organized a SEEA basics training attended by over 20 participants from key government agencies
- Started work on the preparation of forest accounts

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