Country Brief: Uganda

Evelyn Atuhaire/MWE

Background

On 23rd October 2018, the Government of Uganda through the Ministry of Finance Planning and Economic Development with support from the World Bank-led Wealth Accounting and the Valuation of Ecosystems Services (WAVES) partnership launched the Uganda Natural Capital Accounting program (NCA). The program aimed to increase understanding of the real contribution of natural assets and the ecosystem services to the economy, how the economy and its sectors affect the natural asset base, and inform the national development planning and policies.

The two-year program's initial focus was on two of the country's natural assets: land and forests, for which accounts were developed. The objective was to mainstream their value into development policy dialogue and planning by using results from the sets of accounts to inform the National Development Plan (NDPIII) and other national and sectoral policies. The accounts were developed following the United Nations global standard methodology: System for Environmental-Economic Accounting (SEEA).

The program also developed total wealth indicators and supported a range of in-depth studies (e.g. on tourism, ecosystem services, woodfuels), and capacity-building activities and knowledge exchanges.

Program Implementation

Implementation of the program was spearheaded by a Technical Working Group co-chaired by the Uganda Bureau of Statistics (UBOS), Ministry of Finance, Planning and Economic Development and the National Planning Authority. The other members of the working group included the Ministry of Water and Environment, the National Forestry Authority, National Environment Management Authority and Uganda Wildlife Authority.

Program Outputs

The program outputs were organized under three components:

Component 1: Accounts development to strengthen UBOS in the production and dissemination of accounts under SEEA.

Component 2: Studies and activities to enhance accounts development, to address gaps that need special attention for future NCA implementation.

Component 3: Institutional engagement, capacity building and policy dialogue, to raise awareness and increase understanding on the possible policy applications of NCA through a strong communication strategy, implementing a series of training events and knowledge sharing activities and fostering inter-institutional dialogue.

A third of the program implementation period fell during COVID-19 times, with unprecedented challenges for the work. Nevertheless, the good results to date are testament to the interest and commitment of Ugandan stakeholders and their belief that better natural capital information is critical for Uganda's future development.

NCA Program Launch, Kampala, Uganda, October 2018

World Bank

wwww.wavespartnership.org
Wealth Accounting and the
Valuation of Ecosystem Services

Achievements:

1. Land Physical Asset Accounts

The land accounts report (2019) shows land use and land cover associated with human activity such as agriculture, settlement, industry and natural processes between 1990 to 2015. **The accounts found that the land use for subsistence agriculture consistently increased while forest cover, particularly woodlands and natural forests, declined.**
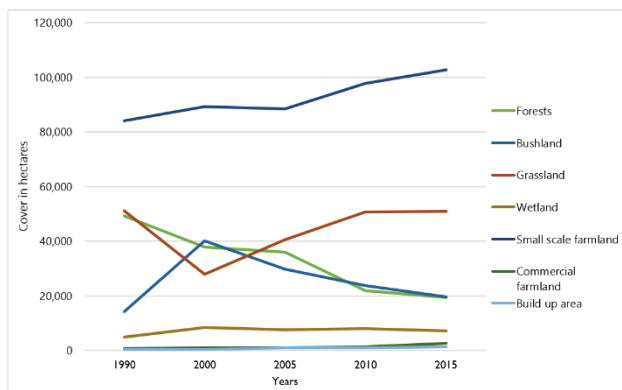

Figure 1: *Overall change in land cover trends (1990 to 2015)*

In order to reverse these trends, strategic interventions will be required to enhance sustainable wood production, introduce principles of resource rents, improve the market structure for wood products, restore and conserve natural forests.
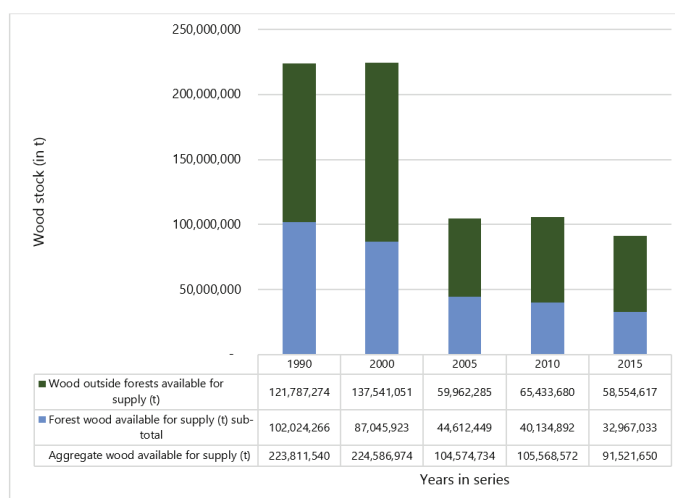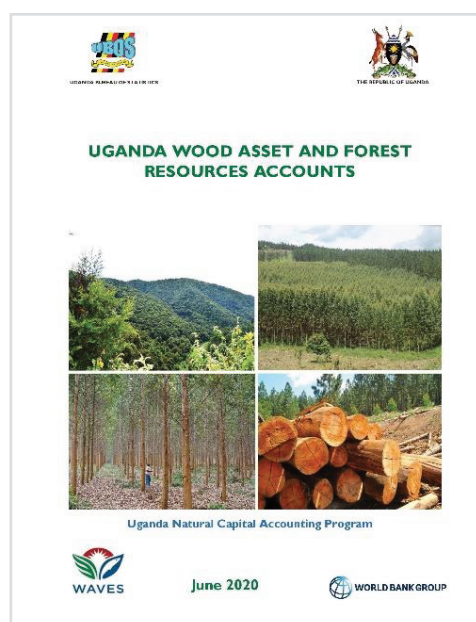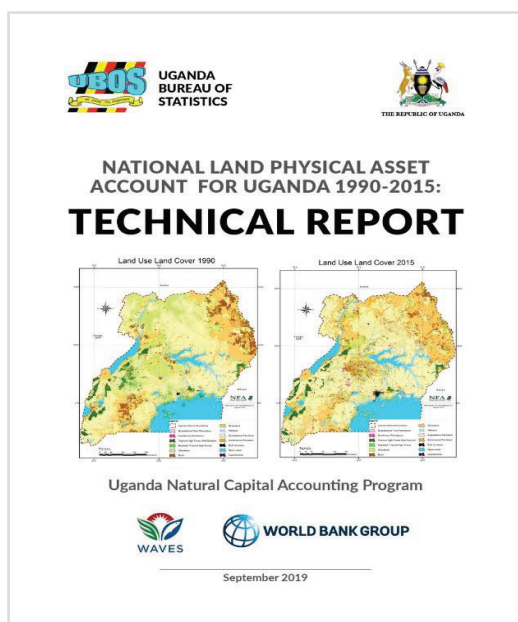

	1990	2000	2005	2010	2015
Wood outside forests available for supply (t)	121,787,274	137,541,051	59,962,285	65,433,680	58,554,617
Forest wood available for supply (t) sub-total	102,024,266	87,045,923	44,612,449	40,134,892	32,967,033
Aggregate wood available for supply (t)	223,811,540	224,586,974	104,574,734	105,568,572	91,521,650

Figure 2: *Aggregate wood stock available for supply (1990 to 2015)*

2. Wood Asset and Forest Resources Accounts

The Wood Asset and Forest Resource Accounts (2020) cover the stocks and flows of Uganda's wood resources. Due to rising demand for wood products as a result of population growth and urbanization, **national wood demand is projected to more than double between 2015 and 2040, from 48 Mt to 105 million tons per annum. If that happens, wood supply from areas defined as forest will be fully depleted by 2025, leaving an annual wood supply deficit of 72,615 tons by 2030.**

3. Towards Ecosystem Accounts

Uganda initiated the ambitious task of creating ecosystem accounts, using readily available data, modelling tools, and capacity. While it was not possible to produce a full set of ecosystem accounts in the short time available, much progress was made and a path for their production was outlined in the report '*Towards Ecosystem Accounts for Uganda*'. The report further developed the land accounts into proxy ecosystem extent accounts for each of the eight river basins in

www.wavespartnership.org
Wealth Accounting and the
Valuation of Ecosystem Services

Uganda, detailing permanent and seasonal wetlands and changes in their use. It provided estimates of physical measures for carbon storage, carbon sequestration, water yield and sediment retention in the eight river basins. The changes in these four physical measures were related to changes in land cover, in particular the loss of forests and its conversion to farmland.

4. National Plan for Advancing Environmental-Economic Accounting (NP-AEEA)

The program supported the review and finalisation of the National Plan for Advancing Environmental-Economic Accounting (NP-AEEA). The plan is a road map for the implementation of comprehensive SEEA in Uganda and provides a framework for integrated environmental statistical development, taking into account sustainable development and green economy.

5. Studies and activities to enhance accounts development

- **An issue paper on adjusted macro-economic indicators (2019) showing the Adjusted Net National Income & Adjusted Net Savings and their deviation from the GDP estimates as a result of natural resource depletion.** MOFPED also prepared a follow-up report of the adjusted macroeconomic indicators under the auspices of its Macro-economic department.

Figure 3: *Per capita wealth of Uganda*

Introductory SEEA training, Fort Portal, Uganda, March 2018

- A technical paper on the woodfuels sector detailing the use of woodfuel in Uganda and its impact on the country's wealth. The paper
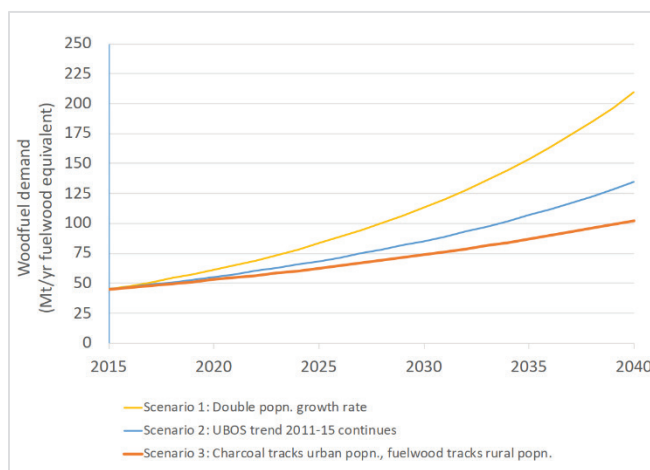

Figure 4: *Projected growth in demand for woodfuel in Uganda (2015 to 2040)*

provides a comprehensive valuation of all wood assets and forest resources in Uganda. The data generated will inform policy makers on effective governance of these resources to ensure sustainability of woodfuel supply.
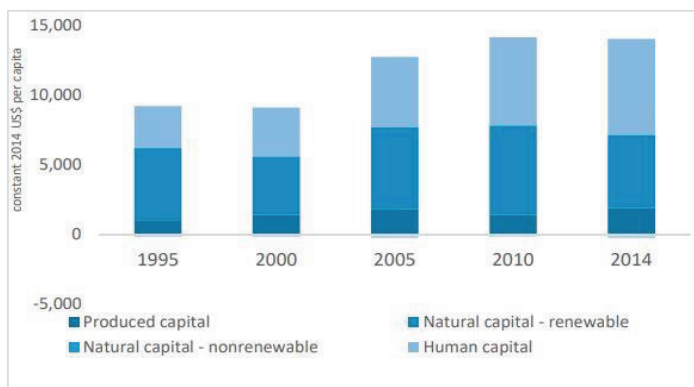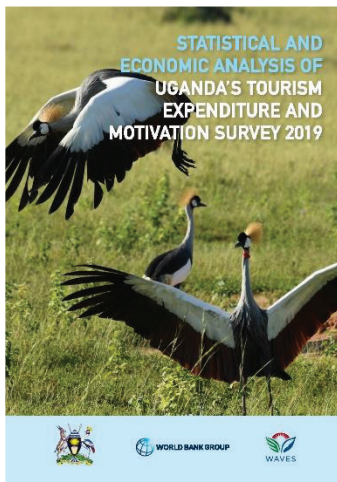

- **A technical paper on natural capital accounting and its link to National development planning with recommendations for NDP III.** NDP III gives cognizance to natural resource accounting and its role in improving the national income measurement.
- **Statistical and economic analysis of Uganda's tourism expenditure and motivational survey 2019.**

The Government of Uganda is keen on increasing the economic benefits derived from Uganda's tourism assets. To support government policies aimed at increasing tourism benefits, this analysis is based upon an exit survey of visitors to Uganda in the 2019 high season for tourism. Statistical analysis focused on comparisons between the 2012 and 2019 high season samples.

www.wavespartnership.org
Wealth Accounting and the
Valuation of Ecosystem Services

Key findings indicate that leisure tourists increased from 21 percent to 25 percent in 2019, forming the largest share of tourists. An important finding is that there were large increases in tourist satisfaction between 2012 and 2019. Between 2012 and 2019 tourist exports grew by 15.2 percent. Analysis based on pre-COVID-19 numbers shows that if every tourist stays one night longer in Uganda or if the number of leisure tourists goes up by 100,000, tourism exports and value added can increase by 15-20%.

6. Institutional engagement, capacity building and policy dialogue.

- Participation of Technical Working Group (TWG) members in a South-South knowledge exchange program with the government of Zambia hosted by the Central Bureau of Statistics, Netherlands.
- Attendance of an SEEA-EEA training by UNSD and UNEP in Pretoria, South Africa by four participants from participating institutions.
- One national training in the System of Environment Economic Accounting. Two national trainings in the development of Adjusted Macro-Economic Indicators.
- Two national trainings in the use of the Integrated Valuation of Ecosystem Services and Trade-offs (InVEST).
- The country was represented at the 3rd Annual policy forum on Natural Capital in 2018.

- The government of Uganda hosted the 4th policy forum on Natural Capital Accounting in November 2019.
- Uganda became a member of the African Community of Practice on Natural Capital Accounting and hosted its inaugural meeting.
- Results and policy applications of the program have been shared to enhance networks and knowledge.

TWG members in a South-South knowledge exchange program, Netherlands, September 2019
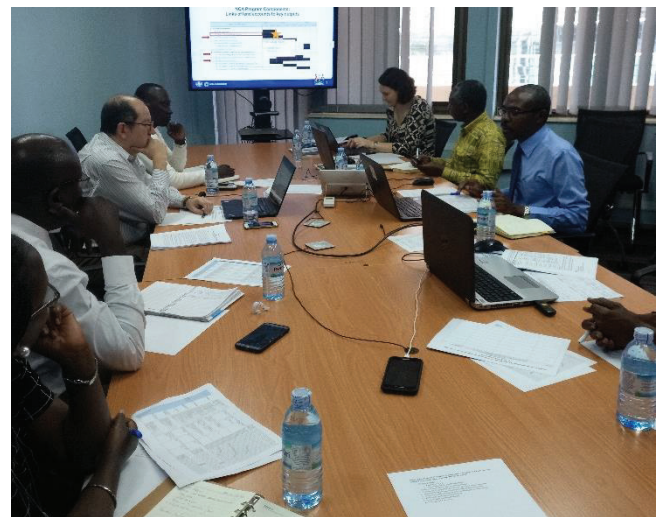
TWG members in a meeting, Kampala, Uganda, January 2019

Key lessons learnt:

- NCA development requires partnerships at both national and international levels.
- Local capacity in NCA is important to support national institutions, especially UBOS.
- Policy entry points need to be identified and tapped to mainstream NCA in the development agenda.
- Moving forward, it is crucial to embed NCA in the machinery of government.
- There is a need to prioritize and address data gaps that are important for future NCA implementation.
- Inter-ministerial/agency collaboration is critical.