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**READINESS PREPARATION PROPOSAL ASSESSMENT NOTE**

**ON A**

**PROPOSED GRANT**

**IN THE AMOUNT OF US\$3.634 MILLION**

**TO THE**

**REPUBLIC OF UGANDA**

**FOR**

**REDD+ READINESS PREPARATION SUPPORT  
FROM THE FOREST CARBON PARTNERSHIP FACILITY**

**JUNE 17, 2013**

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## DATA SHEET

*Republic of Uganda*  
**REDD+ READINESS PREPARATION SUPPORT**

### READINESS PREPARATION PROPOSAL (R-PP) ASSESSMENT NOTE

AFR  
AFTN3

Date: Country Director: Philippe Dongier Sector Manager/Director: Magda Lovei / Jamal Saghir Project ID: P124296 Lending Instrument: Technical Assistance Grant Team Leader(s): Martin Fodor	Risk Rating: Sectors: ENV Themes: Forests, Climate Change	
Date of country selection into FCPF: October 2008 Date of Participation Agreement signed by Country: December 5, 2008 Date of Participation Agreement signed by Bank: Date of R-PP Formulation Grant Agreement signature: August 25, 2009 Expected date of Readiness Preparation Grant Agreement signature:		
<b>Project Financing Data:</b>		
<input type="checkbox"/> Loan <input type="checkbox"/> Credit	<input checked="" type="checkbox"/> Grant <input type="checkbox"/> Guarantee	<input type="checkbox"/> Other, explain:
For Loans/Credits/Others: Total Project Cost (US\$M): 4.062 <sup>1</sup> Cofinancing: 0.428 Total Bank Financing (US\$M): 3.634 <sup>2</sup>		
Source	Total Amount (US\$)	
Recipient	0.428	
IBRD		
IDA		
New		
Recommitted		
Others	3.634 (from FCPF)	

<sup>1</sup> All dollar amounts are U.S. dollars unless otherwise indicated.

<sup>2</sup> \$3.6 million standard grant amount plus \$0.34 million unutilized FCPF allocation to Uganda from the initial Formulation Grant of \$200,000.

Regional FCPF Trust Fund Number: TF093599  
FCPF Country Child Trust Fund Number:

Recipient: Republic of Uganda

Responsible Agency: Ministry of Water and Environment

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Project Implementation Period: 2013-2016

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## **PURPOSE OF THE READINESS PREPARATION PROPOSAL ASSESSMENT NOTE**

As part of its responsibilities for the FCPF, the World Bank has been asked to ensure that the FCPF's activities comply with the relevant World Bank Operational Policies and Procedures, in particular the Safeguard Policies, and the policies on Procurement and Financial Management.

The World Bank has also been asked to assist REDD Country Participants to formulate and implement their Readiness Preparation Proposals (R-PPs).

The purpose of this Readiness Preparation Proposal Assessment Note (R-PP Assessment Note), therefore, is for the Bank to assess if and how the proposed REDD+ Readiness Support Activity, as presented in the R-PP, complies with Safeguard Policies, and the Bank's policies on Procurement and Financial Management, discuss the technical quality of the R-PP, record the assistance it has provided to the REDD Country Participant in the formulation of its R-PP, and describe the assistance it might potentially provide to the REDD Country Participant in the implementation of its R-PP.

### **ABBREVIATIONS AND ACRONYMS**

AFDB	African Development Bank
BOU	Bank of Uganda
CAS	Country Assistance Strategy
CFM	Collaborative Forest Management
CFR	Central Forest Reserve
CO <sub>2</sub> e	Carbon dioxide equivalent
CSO	Civil Society Organization
DFS	District Forest Service
DP	Development Partner (donor)
ESMF	Environmental and Social Management Framework
FCPF	Forest Carbon Partnership Facility
FMT	Facility Management Team
FSSD	Forestry Sector Support Department
GHG	Greenhouse Gas
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IUCN4	International Union for Conservation of Nature
LFR	Local Forest Reserve
MoWE	Ministry of Water and Environment
MRV	Measurement, reporting and verification
NDP	National Development Plan
NFA	National Forestry Authority
NFP	National Focal Point
NFTP	National Forestry and Tree Planting (Act)

NGO	Non-governmental organization
PA	Protected Area
PC	Participants Committee (of the FPCF)
PDO	Project Development Objective
REDD+	Reducing emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries
R-PIN	Readiness Preparation Idea Note
R-PP	Readiness Preparation Proposal
Mt	Megaton (million metric tonnes)
SESA	Strategic Environmental and Social Assessment
UBOS	Uganda Bureau of Statistics
UGX	Uganda shilling
UNFCCC	United Nations Framework Convention on Climate Change
UWA	Uganda Wildlife Authority
WBS	World Bank System

REPUBLIC OF UGANDA  
REDD+ READINESS PREPARATION SUPPORT

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## **I. Introduction and Context**

### **A. Country Context**

1. Uganda is a landlocked country with an estimated population of 32.9 million (UBOS, 2011). Growing at 3.2 per cent per year (averaged over the past decade) (UBOS, 2011), Uganda currently has the third-highest population growth rate in the world. Uganda's population has more than tripled in the past 40 years, from 9.5 million in 1969, and is predicted to double by 2050. Uganda's population is predominantly rural (approximately 85 per cent). The high rate of population growth puts pressure on the natural resources, which drives the expansion of agriculture into marginal lands and forested lands.

2. About 31 per cent of the population lives below the national poverty line (UBOS 2010), and food security is an issue for 62 per cent of the population. The economy is driven by natural resources, which, through the products and services they provide for consumption and trade, remain the primary source of livelihood for the vast majority of Ugandan households for the foreseeable future.

3. Uganda sustained significant economic growth over the last two decades. Annual GDP growth averaged over 8 per cent in 2001-2008. About 25 per cent of the GDP – more than \$ 4 billion annually – is attributable to the natural resources. National estimates<sup>3</sup> put the total monetary value of forest products and services, including carbon stocks, at \$1,276.95 million.

### **B. Sectoral and Institutional Context**

5. **Status of Forest Resources.** According to the National Biomass Study 2005 (NFA 2009) a total area of Uganda's forests as of 2005 is 3,594,550 ha, or 15 per cent of the total country's land area. This includes a total of 1,300,994 ha of forests in Protected Areas (PAs)<sup>4</sup>, of which 627,897 ha (or 17 per cent) are managed by the National Forestry Authority (NFA); 641,138 ha (or 18 per cent) are managed by the Uganda Wildlife Authority (UWA); 30,748 ha (or 0.86 per cent) are jointly managed by the NFA and UWA; and 1,211 ha (or 0.03 per cent) are managed by the District Forest Service (DFS). The remaining area of app. 2,293,500 ha (or 64 per cent) are forests on private land.

6. **High Rate of Deforestation.** Between 1990 and 2005, annual forest loss was estimated at 88,638 ha. Current sector reports estimate annual forest loss at 92,000 ha. There is a remarkable difference in the degree of deforestation inside protected areas as compared to forests

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<sup>3</sup> NEMA, Forests Valuation Study, 2011

<sup>4</sup> According to the National Forestry Policy, Protected Areas are "all land gazetted and held in trust by government, such as Forest Reserves, National Parks and Wildlife Reserves). However, not all forests in protected areas are under strict conservation regime. Some 840,100 ha (over 70 per cent of the total CFR area) have been categorised as CFRs of Ecological and Biodiversity Importance (Forest Nature Conservation Master Plan, 2002); the FNCMP has further zoned them into 351,900 ha for production zones, 220,800 ha of strict nature reserve (SNR) zones for preservation of biodiversity and 267,400 ha of buffer zones that are used to provide non-timber forest products.

on private land. Between 1990 and 2005<sup>5</sup> forest estate outside protected areas reduced from 3.46 million ha (70 percent) in 1990 to 2.3 million ha (64 percent) in 2005; a difference of about 1.2 million ha. Inside the Protected Areas forests reduced from 1.47 million ha to 1.3 million ha, a difference of about 0.2 million ha. Inside protected areas the deforestation rate is 0.7 percent while outside protected areas it is 2.27 percent - triple the rate in PAs. The overall (inside and outside PAs) deforestation rate per year is 1.8 percent.

7. **Structure of Forests.** Tropical high forests, broadleaved plantations and coniferous plantations cover only 4 percent of Uganda. About 37 percent of Uganda is under small scale farming, the largest land cover type. It is followed by grass land and open water which constitute 16 per cent and 15 per cent respectively. The relative composition of the land cover types is indicative of the potential livelihood strategies of Uganda's population.

**Table 1. Land Cover of Uganda by class**

Class	Class description	AREA 2005 (ha)	AREA 1990 (ha)
0	Unmapped	87.64	699.58
1	Broad leaved	14,840.72	18,682.01
2	Conifer	18,766.63	16,384.13
3	THF well stocked	542,787.27	651,110.41
4	THF low stocked	201,644.44	273,061.51
5	Woodland	2,816,423.13	3,974,508.13
6	Bush	2,970,317.94	1,422,193.00
7	Grassland	4,064,331.51	5,115,425.81
8	Wetland	753,041.37	484,030.25
9	Small scale farmland	8,854,670.83	8,400,789.52
10	Large scale farmland	106,630.08	68,446.68
11	Built up area	97,270.38	36,571.72
12	Open Water	3,706,731.64	3,689,602.94
13	Impediments	7,804.18	3,740.71
<b>Total</b>		<b>24,155,347.78</b>	<b>24,155,246.39</b>

8. **Legal Framework.** The sector legal framework is based on the Constitution of the Republic of Uganda (1995), the National Environment Act, Cap 153 (1995), the National Forestry Policy (2002), National Forestry and Tree Planting (NFTP) Act (2003), the Land Act (2001), the Local Government Act (1997), National Environment Policy (1995), and National Wetlands Policy (1994). The policy and law are reflected in the National Forest Plan (2002 and currently under review). A complete set of regulations implementing the National Forestry and Tree Planting Act is yet to be drafted and adopted.

9. The Constitution of Uganda provides for enhancing conservation and management of the environment and natural resources. Section 44 (1), (4) and (5) of the Land Act provides that the government or local government holds in trust and protects for the common good of all

<sup>5</sup> NFA, Technical Biomass Report, 2009

citizens of Uganda certain environmentally sensitive areas, including forest reserves, national parks and any other land reserved for ecological and touristic purposes. Equally, the National Environment Act provides for sustainable management of the environment. The Forestry Policy advocates for an integrated forest sector that achieves sustainable increases in the economic, social, and environmental benefits from forests and trees by all the people of Uganda, especially the poor and vulnerable. The Forest Policy further advocates for protection and sustainable management of the permanent Forest Estate under government trusteeship and forests on private land, promotion of profitable and productive forest plantations, value addition, collaborative partnerships with rural communities in management of forests, conservation of Uganda's forest for biodiversity, watershed protection and environmental services. The National Forestry and Tree Planting Act is the principal legal framework for management of forest resources that provides for management of the Permanent Forest Estate, biodiversity conservation, stakeholder participation, value addition, innovations in forestry management and funding, and participation in global conventions.

10. **Forestry and REDD+ Related Policies.** The policies of other land use sectors, such as energy, agriculture and mining promote harnessing of land-based natural resources for development, job creation, and economic growth required to advance Uganda towards the middle income status. The main policy goal of the energy sector, according to the Energy Policy for Uganda (2002) is “to meet the energy needs of Uganda’s population for social and economic development in an environmentally sustainable manner”. One of the objectives of the energy policy is to develop the use of renewable energy resources for both small and large-scale applications. This is to be achieved through supporting the dissemination of biomass and other renewable energy technologies to increase positive impact on the energy balance and the environment and supporting efforts to develop biomass resource, in agreement with the Uganda Forestry Policy and the National Forest Plan. The Uganda Renewable Energy Policy (2007) strongly advocates for sustainability of energy supply and consumption to reduce environmental impacts in terms of land use, greenhouse gases, and health hazards through production and use that conform to acceptable environmental standards. The policy acknowledges current low efficiency in production and use of wood fuel, charcoal stoves and biogas in households, institutions and industries. The policy recognizes that provision of incentives for the growing of energy crops will contribute to re-forestation while sustainable use of biomass and reduced consumption of both wood and charcoal through the use of efficient technologies will reduce the rate of deforestation.

11. Policies of other sectors which affect or are affected by forestry and REDD+ include the Gender Policy (1997), National Environment Management Policy (1994), National Policy for the Conservation and Management of Wetland Resources (1995), The Wildlife Policy (1999), the National Water Policy (1999), and the National Agricultural Research Policy (2005). Uganda Strategic Investment Framework for Sustainable Land Management 2010-2020 identifies linkages between SLM and REDD+, especially at the community benefit level.

12. **Institutional Set Up.** The key forestry sector institutions are: the Forestry Sector Support Department (FSSD) of the Ministry of Water and Environment (MoWE) which is in charge of forest sector policy, sector coordination and support to districts; the NFA which is in charge of managing the 506 CFRs and providing certain technical services; and the District

Forest Services which provide decentralized forestry services in all 112 districts and manage LFRs. UWA manages the forests in the National Parks and Wildlife Reserves.

13. **Public Participation in Forestry Management.** Since 1997, forest sector reforms have developed frameworks for increasing active citizenship and participation (especially of the poor and vulnerable) in decision making in the management of key resources in the country. These reforms aimed at enhancing integrity, transparency, and accountability. The National Forestry Policy, the National Forest Plan and the National Forestry and Tree Planting (NFTP) Act promote public participation and partnership between government and private companies in forest management. The NFTP Act also requires the Minister to consult before taking major decisions on forests reserves. The National Environment Management Policy and the Forestry Policy emphasize the participation of the private sector and communities in national resource management and recommend using incentives, including sharing of benefits from conservation. Collaborative Forest Management (CFM) is used by the NFA for benefit-sharing in select CFRs.

14. **National Development Plan (NDP)** for 2010/11-2014/15 is main strategic policy document that envisages “a transformed Ugandan society from a peasant to a modern and prosperous country within 30 years”. The forestry sector’s critical role in the country’s economy is recognized by the NDP that classifies forestry as a primary growth sector. The NDP also sets an ambitious target of restoring forest cover to 30 percent of the nation’s land<sup>6</sup>, at the same time committing to restore degraded natural forests in forest reserves and private forests; reduce pressure on forest cover as a source of wood fuel and construction materials; and promote forestry based industries and trade.

15. **Forestry Sector Reforms.** Uganda was one of the first countries in Africa with an established Forest Department (created in 1898) and a forest policy (1929). The most recent forestry sector reform started in 1999; it resulted in a framework for development of the forestry sector (a new Forestry Policy and a new law) and creation of three new institutions to replace the Forest Department. These institutions are: the Forestry Sector Support Department (FSSD), National Forestry Authority (NFA) and the District Forestry Services (DFS). The three institutions were designed to operate in a complimentary and programmatic way under the Directorate of Environment Affairs (DEA) of the Ministry of Water and Environment with clearly defined functions described in the 2003 Act and elaborated in the 2002 NFP.

16. **Sector Challenges.** The sector faces many challenges due to continued destruction and degradation of forests; loss of forest cover; increased pressure on forests in protected areas due to rapid degradation of forests on private lands; poor enforcement of forest laws; uncontrolled encroachment on forests in protected areas, especially in the Central Forest Reserves; unclear land rights that result in issuance of land titles for land in the protected areas and disputes over land use; growing population pressures on the remaining forests; weak sector governance; political interference in management of protected forest estate; and a resultant failure to contribute to improving livelihoods and forest-based development to the levels expected in the Forest Policy and the National Forest Plan.

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<sup>6</sup> Since forest cover is estimated to be 15 percent of the national land area in 2005, this would consist of doubling the area under forest cover. This may be difficult to achieve but this set target reflects the Government concern over the loss of forests and desire to correct the situation.

## **i. REDD+ Readiness in Uganda and the FCPF Grant**

17. **International Mechanism of REDD+** as a tool for performance based payments for reducing emissions from deforestation and forest degradation (REDD+) offers an opportunity for Uganda to serve the common interest in managing its forests in a balanced way for long-term sustainable economic growth; to support the livelihoods of local, rural and forest dependent communities; and to ensure that its important natural heritage is conserved.

18. **The Forest Carbon Partnership Facility (FCPF)**, a multi-donor initiative, became operational in 2008 to assist countries in establishing the key pillars of REDD+ readiness: (i) developing their national reference scenarios for emissions from deforestation and forest degradation; (ii) adopting and complementing national strategies for reducing deforestation and forest degradation; and (iii) designing national monitoring, reporting, and verification systems for REDD+. These activities are referred to as REDD+ Readiness.

19. **REDD+ Process in Uganda** started in 2008, when Uganda became a Participant of the FCPF after approval of the REDD+ Preparation Identification Note (R-PIN). The R-PIN provided initial overview of land use patterns and causes of deforestation, the stakeholder consultation process, and potential institutional arrangements for REDD+. The REDD+ Working Group was created in March 2010 – it was actively involved in the REDD+ formulation process (The National Technical Committee is a successor of the REDD+ Working Group). With financial support from the FCPF (\$200,000) and Norwegian Government (\$183,500), the country prepared a Readiness Preparation Proposal (R-PP) that was endorsed by the Participants Committee (PC) of the FCPF in June 2011. The R-PP lays out a roadmap for achieving “Readiness” to engage in an international REDD+ mechanism and puts forward a request for a \$3.4 million grant from the FCPF to implement this roadmap. The total budget for all R-PP activities is estimated at \$10,617,000.

20. **REDD+ and National Agenda in the Forestry Sector.** The 2002 National Forestry Policy and the 2011 draft National Forest Plan provide fundamental and holistic visions for the forest sector in Uganda. The proposed activities will contribute to the overall policy goal of the NFPolicy, i.e. an integrated forest sector that achieves sustainable increases in the economic, social and environmental benefits from forests and trees by all the people of Uganda, especially the poor and vulnerable. The REDD+ activities will add value to ongoing forestry programs in the following areas: baseline information and inventory, sustainable management of forest resources, enhancing incomes from forestry resources management, and promotion of stakeholder participation in forestry resources development and management.

21. **The R-PP Preparation Process** included extensive consultations on the national and sub-national levels with various stakeholders, including government agencies (the executive and the legislative), NGOs / CSOs, private sector, academia, development partners, cultural groups, special groups, forest dependent people, local communities, etc. These consultations were carried out by the REDD+ Secretariat and a number of regional and national NGOs. The following studies were conducted and fed into the R-PP: (i) an assessment of land use, forest policy and

governance; REDD+ Strategy Options; and REDD+ Implementation Framework; (ii) assessment of the likely social and environmental impacts of REDD+ Strategy options and implementation framework; (iii) developing a reference scenario and designing an MRV system; and (iv) assessment of trends of evictions from protected areas during the period 2005-2010 and their implications for REDD+. The R-PP process was financially supported by the FCPF Formulation Grant and by Norway. IUCN, through its Pro-Poor REDD+ Project (with DANIDA funding), supported the Government of Uganda in preparing the (i) REDD+ Consultation and Participation Plan; (ii) REDD+ Communication Strategy; and (iii) REDD+ Conflicts and Grievances Management Strategy.

22. **REDD+ National Focal Point.** The National Forestry Authority served as a REDD+ National Focal Point during the R-PP Preparation stage. The REDD+ Secretariat was also hosted by the NFA. The REDD+ Working Group, created in March 2010, was instrumental in the formulation process. The REDD+ National Steering Committee, created in November 2011, endorsed the R-PP and approved relocation of the REDD+ NFP to the FSSD of the Ministry of Water and Environment (MoWE), as the institution with the overall coordination and supervision role in the forestry sector.

## ii. Deforestation and Forest Degradation – Drivers and Strategy Options

23. **Identified Drivers of Deforestation and Forest Degradation.** Uganda’s R-PP identified the following major drivers of deforestation and forest degradation: (i) agricultural expansion into forested land; (ii) population growth; (iii) unsustainable cutting of trees for charcoal; (iv) unsustainable cutting of trees for firewood; (v) unsustainable harvesting of timber; and (vi) livestock grazing and bush burning. While degradation drivers are well known, the impact of degradation is not as obvious as for deforestation.

24. **Strategy Options.** Based on the above drivers of deforestation and forest degradation, the R-PP includes preliminary REDD+ Strategy Options for each of the drivers. These are summarized in the table below. These strategies have the following objectives: (i) to develop and elaborate on actions for addressing the direct drivers and underlying causes of deforestation and forest degradation in Uganda; (ii) to develop practices for sustainable forest management and conservation; (iii) to define and pilot test processes for stakeholder engagement in implementing Uganda’s R-PP.

**Table 2: Potential strategy options for addressing deforestation and forest degradation in Uganda**

Driver	Issues	Potential Areas of Intervention
<b>Agricultural Encroachment</b>	✓ Bush clearing for expansion of agricultural land	✓ Clarification of property rights to forests and trees.
	✓ Agricultural encroachment into protected areas	✓ Agricultural intensification to increase productivity per land unit.
<b>Charcoal Production</b>	✓ Charcoal productions for internal and external markets	✓ Improving charcoal use efficiency
		✓ Regulating charcoal production and trade

Driver	Issues	Potential Areas of Intervention
	<ul style="list-style-type: none"> <li>✓ Difficult to regulate because of tenure of land and tree resources</li> <li>✓ Wasteful charcoal production technologies</li> <li>✓ Market prices influenced by unaffordable or lack of alternatives to charcoal energy</li> </ul>	<ul style="list-style-type: none"> <li>✓ Strengthening enforcement and compliance</li> <li>✓ Policy reforms in Energy Sector to promote affordable alternative renewable energy sources that reduce pressure on biomass energy</li> <li>✓ Addressing Land Tenure reforms in the long term</li> </ul>
<b>Unsustainable Firewood harvesting</b>	<ul style="list-style-type: none"> <li>✓ Mostly responding to large scale consumers – schools, hospitals, military, urban centres, construction etc.</li> <li>✓ Difficult to regulate because of tenure of land and tree resources</li> <li>✓ Wasteful Utilization technologies</li> <li>✓ Market prices influenced by unaffordable or lack of alternatives to fuel wood energy</li> </ul>	<ul style="list-style-type: none"> <li>✓ Promotion of alternative and affordable clean energy sources for large fuel wood consumers</li> <li>✓ Promote fuel wood use efficiency</li> <li>✓ Forest management planning that would zone and project for timber production to meet demand whilst restocking for future needs.</li> <li>✓ Promotion of alternative and affordable clean energy sources for large fuel wood consumers</li> </ul>
<b>Unsustainable Timber harvesting</b>	<ul style="list-style-type: none"> <li>✓ Weak enforcement of policies and laws in protected areas</li> <li>✓ Poor timber production technologies that are wasteful</li> <li>✓ Market prices influenced by booming construction industry and general scarcity, especially of hard wood</li> </ul>	<ul style="list-style-type: none"> <li>✓ Improvement in forest timber harvesting and utilization technologies.</li> <li>✓ Strengthen timber tracking and timber trade regulations.</li> <li>✓ Increasing timber stocks countrywide to reduce pressure to current stock, especially in natural forests through</li> <li>✓ Increase forestry resources competitiveness so as to attract investments in forestry development.</li> </ul>
<b>Livestock Grazing</b>	<ul style="list-style-type: none"> <li>✓ Clearing of woodlands and grassland forests for pasture improvement</li> </ul>	<ul style="list-style-type: none"> <li>✓ Study to assess and analyze the impact of livestock grazing on deforestation/forest degradation in the cattle corridor</li> <li>✓ Developing strategies for managing woodlands to avoid/minimize degradation from livestock use.</li> </ul>
<b>Addressing needs of Forest Dependent People</b>	<ul style="list-style-type: none"> <li>✓ Uncertainty over access and use of forest resources</li> <li>✓ Uncertainty over tenure of trees and carbon in</li> </ul>	<ul style="list-style-type: none"> <li>✓ Assess forest and carbon tenure and right of forest dependent people to carbon.</li> <li>✓ Review forest policies and regulations</li> </ul>

Driver	Issues	Potential Areas of Intervention
	protected areas occupied or recognized to provide for livelihoods to forest dependent people	<p>to provide access to forests by forest dependent people during REDD+ implementation.</p> <ul style="list-style-type: none"> <li>✓ Assessment of the CFM/CRM initiatives and policy guidelines with the view to strengthen benefit sharing issues, mapping out of potential CFM/CRM areas and identifying ways of ensuring a cost-effective negotiation process.</li> </ul>
<b>Policy, legal, institutional framework</b>	<ul style="list-style-type: none"> <li>✓ Inadequacies in provisions for stakeholder participation, tenure and ownership of carbon and carbon trade</li> <li>✓ Institutional capacities for implementing REDD+</li> <li>✓ Institutional capacities for enforcing forestry policies and legislation</li> </ul>	<ul style="list-style-type: none"> <li>✓ Assess options for widening the private sector engagement</li> <li>✓ Assess CFM/CRM initiatives and policy guidelines with the view to strengthening benefit sharing issues</li> </ul> <ul style="list-style-type: none"> <li>✓ Strengthen Law enforcement capacities and measures</li> <li>✓ Undertake reviews to identify reforms for strengthening policy, legal and institutional framework for REDD+ implementation.</li> <li>✓ Strengthen Forest monitoring systems</li> </ul>

### C. Relationship to CAS

25. The objectives and activities to be funded under the FCPF grant are consistent with the FY2011-2015 Country Assistance Strategy (Report number 54187-UG, April 27, 2010). The project will contribute to the CAS Strategic Objective 1 (Promote Inclusive and Sustainable Economic Growth), more specifically to CAS Outcome 1.4: Increased efficiency and sustainability of natural resource management.

26. The project will contribute to strengthening Uganda's governance structures, institutions and capacity building processes for sustainable forestry resources use and planning while promoting the participation and generating benefits to the local communities – thus, contributing to the CAS Strategic Objective 4 (Improve Good Governance and Value for Money).

27. The project is consistent with the Bank long term investment support to environment and natural resources management, and climate change resilience. It follows on afforestation and carbon finance activities under the recently completed Second Environment Management Capacity Building Project (P073089), complements watershed management under the ongoing Second Lake Victoria Environment Management Project (P103298) and recently approved Water Management and Development Project (P123204). It complements the planned new

natural resource management operation (P145632) focused on landscape restoration and climate resilience.

## **II. Proposed Project Development Objectives**

### **A. Proposed PDO**

28. **The Project Development Objective** is to design a socially and environmentally viable national strategy for reducing emissions from deforestation and forest degradation as compared to a reference level.

### **B. Key Results**

29. The Key result from R-PP Implementation is the REDD+ Strategy for Uganda. The following are the specific results:

- ✓ A national draft REDD+ strategy and actions for addressing deforestation and forest degradation and enhancing carbon stock that has been consulted upon and validated by national stakeholders;
- ✓ A preliminary national/sub national forest emissions reference level that is based on updated and quantified information of forest resources and national circumstances;
- ✓ A Strategic Environmental and Social Assessment is completed and findings are validated by stakeholders and integrated into the design of REDD+ strategy.

## **III. Project Context**

### **A. Concept**

#### **1. Description**

30. The FCPF grant will provide funding to support Uganda in carrying out selected key activities outlined in the R-PP for the REDD+. The total funding requested from the FCPF is \$3,634,000 of which \$200,000 is earmarked for the feedback and grievance redress mechanism, as per FCPF PC decision, and \$ 34,000 is the unutilized balance of the initial \$ 200,000 allocation by FCPF to Uganda. This grant will fund a portion of the identified R-PP activities and will help the Country progress towards achieving REDD+ Readiness. The gap between the total amount requested for the R-PP (\$10, 617,000) and the FCPF contribution will be financed by additional funds (other donors and interested partners and Government of Uganda). Additional funding sources will be mobilized through regular updates to the Climate Change Policy Committee and potential interested partners. Annex VII compares the proposed Readiness Grant activities vis a vis the R-PP components, indicating FPCF and GoU financing.

31. The FCPF will finance components of the R-PP that have been prioritized by the REDD+ National Steering Committee. The prioritization process took into consideration (i) how critical

activities are to get Uganda REDD+ ready; (ii) the potential to raise financing for other activities from alternative sources; and (iii) their usefulness to the forest sector management regardless of success of REDD+ (the “no-regrets” options) – all this within the limits of available financing. Discussions with counterparts confirm that the selected activities can be implemented independently and do not depend on other potential financial contributions (which would jeopardize their full completion in case the co-financing could not materialize).

32. This support is limited to technical assistance, analytical studies, capacity building, consultations and meetings, and operating costs; the FCPF support does not include the implementation of the site-specific REDD+ programs (pilots / demonstration sites). The activities have been prioritized keeping in view the comparative advantages of the FCPF and the likelihood of follow up work by others actors active in the REDD+ space in Uganda. For example, United Nations Food and Agriculture Organization (FAO) intends to support remote sensing and mapping under the Global Forest Resources Assessment 2015; IUCN has very actively supported the consultation process in Uganda and confirmed interest in contributing to the work on benefit sharing for REDD+. It is envisaged that other Development Partners will complement and build upon the activities started with FCPF finance. Discussions with potential additional donors to the REDD+ process, including Department for International Development (DFID), Nordic Development Fund (NDF), and Austrian Development Association (ADA), have started but they are at a too early a stage for inclusion in the AN. As it is observed in several other FCPF countries, satisfactory progress on REDD+ under FCPF has invited interest and support from other financial contributors.

33. The grant support will be organized along five components that correspond with the components and sub-components of Uganda R-PP. The components are summarized in Table 2. For detailed description of components and implementation arrangement description, please see Annex VIII.

**Table 3: Project Components and Costs (US\$, million)**

	<b>R-PP Component</b>	<b>Total Cost</b>	<b>FCPF Grant</b>
<b>Component 1: Coordination and Monitoring of REDD+ Readiness Process</b>		<b>0.672</b>	<b>0.474</b>
1.1 Coordination capacity of REDD+ Readiness Process	1A	0.562	0.414
1.2 Monitoring and reporting Readiness process	6	0.110	0.060
<b>Component 2: Stakeholder Engagement and Feedback in Readiness Process</b>		<b>0.625</b>	<b>0.585</b>
2.1 Participatory structures and capacity building to enhance stakeholder engagement	1B	0.235	0.235
2.2 Communication materials/tools	1C	0.150	0.150
2.3 Strengthening national feedback and grievance redress mechanism for REDD+	1[D]	0.240	0.200
<b>Component 3: REDD+ Strategy and SESA</b>	<b>2</b>	<b>0.820</b>	<b>0.730</b>
<b>Component 4: REDD+ Implementation Framework</b>	<b>2</b>	<b>0.355</b>	<b>0.355</b>
4.1 Review of benefit sharing arrangements		0.230	0.230

4.2 Guidelines and Standards for REDD+ demonstration		0.120	0.120
4.3 Review of existing REDD+ demonstration activities		0.005	0.005
<b>Component 5: National Reference Scenario and Inventory of Forest Resources</b>	3	<b>1.140</b>	<b>1.040</b>
<b>Carbon Offset</b>		<b>0.050</b>	<b>0.050</b>
<b>Total for all components</b>		<b>3.662</b>	<b>3.234</b>
<b>Contingency</b>		<b>0.400</b>	<b>0.400</b>
<b>TOTAL</b>		<b>4.062</b>	<b>3.634</b>

**Component 1: Coordination and Monitoring of REDD+ Readiness Process (\$672,000, including \$474,000 from FCPF)**

34. The objective of this component is to support national level coordination and monitoring of the REDD+ process. The component will have two sub-components: (a) national management and coordination, and (b) M&E framework.

**Sub-component 1.1: Coordination Capacity of REDD+ Readiness Process**

This sub-component will fund the National Readiness Management Arrangement Activities, such as technical assistance, capacity strengthening, and operations of the National Focal Point and other participating institutions.

**Sub-component 1.2: Monitoring and Reporting Readiness Process**

This sub-component will fund monitoring and transparent reporting on the progress made on implementation of REDD+ readiness and independent assessment of progress at mid-term and final stages of FCPF grant. The R-Package Assessment Framework will be applied as guidance when preparing the M&E framework and progress reports, in accordance with the process adopted through Resolution PC/12/2012/2

**Component 2: Stakeholder Engagement and Feedback in Readiness Process (\$625,000 including \$585,000 from FCPF)**

35. The objective of this component is to support ensure broad stakeholder engagement and use of stakeholder feedback in shaping the REDD+ readiness. The component has three sub-components as follows.

**Sub-component 2.1: Participatory Structures and Capacity Building to Enhance Stakeholder Engagement**

This sub-component will fund strengthening of participatory structures to enhance stakeholder engagement in REDD including local and national structures, community based forest associations, religious institutions, women's and youth associations, national association of tree growers, etc. The resources shall be used to strengthen stakeholder structures specifically in prioritized areas/regions where Uganda expects REDD+ to be concentrated.

### **Sub-component 2.2: Communication Materials and Tools**

This sub-component will fund development of communication materials and tools for all components supported by the Readiness grant and to suit different stakeholder groups. The sub-component activities will be guided by the Communication Strategy that was developed as a complement to the Consultation and Participation Plan prepared in conjunction with the R-PP.

### **Sub-Component 2.3: National Feedback and Grievance Redress Mechanism for REDD+**

This subcomponent will build upon the framework assessment already undertaken by the Government of Uganda during the formulation phase and the SESA findings that identify the potential sensitive issues. It will fund assessment of existing the capacity of institutions and customary mechanisms to handle grievances and support their strengthening specifically for REDD.

### **Component 3: REDD+ Strategy and SESA (\$820,000, including \$730,000 from FCPF)**

36. The objective of this component is to develop REDD+ strategy informed by strategic environmental and social impact considerations. The component has two interrelated activities: Strategic Environmental and Social Assessment (SESA) and the REDD+ Strategy.

37. The SESA will contribute to the REDD+ Readiness process in Uganda by assessing how REDD+ strategy options address environmental and social priorities associated with current patterns of land use and forest management. Gaps identified through this assessment would lead to formulation of the REDD+ strategy options for close those gaps. Also, the SESA will provide an Environmental and Social Management Framework (ESMF) that will outline the procedures to be followed for managing potential environmental and social impacts of specific policies, actions and projects during the implementation of the REDD+ strategy that is finally selected. The component will fund cost and benefit analysis, review of legal, policy and political economy considerations, and validation of the proposed REDD+ Strategy.

### **Component 4: REDD+ Implementation Framework (\$355,000, all from FCPF)**

38. The objective of this component is to design the implementation framework and procedures for REDD+ implementation. The component will include sub-components on (i) review and assessment of existing benefit sharing arrangements<sup>7</sup> and recommendations of options for benefit sharing for REDD+; (ii) Interim Guidelines for early implementation of pilot or demonstration activities; and (iii) review and documentation of existing REDD+ demonstration activities.

#### **Sub-Component 4.1: Review of Benefit Sharing Arrangements**

This sub-component will review and analyze the existing benefit sharing systems in country and in the region for use under REDD+; recommend possible options for adapting the existing

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<sup>7</sup> Benefit sharing arrangements are understood in a broad sense, denoting individual and collective benefits, monetary and non-monetary benefits, and dimensions of participatory REDD+ funds management, carbon rights, and REDD+ revenues distribution.

system for REDD+; and consult and validate these at sub-national/district level. This activity will also include analysis of carbon rights.

#### **Sub-Component 4.2: Guidelines and Standards for REDD+ Demonstration Activities**

This sub-component will fund preparation of national guidelines and/or standards that clearly set (to the extent possible at this stage of readiness) the parameters and eligibility criteria (social, environmental, scale, engagement of stakeholder, types of forests/ land uses, etc.) for potential REDD+ programs in the country with special consideration to the public and private ownership of forests, an equitable and transparent incentive structure. It will advance the ongoing work on the existing Interim Guidelines.

#### **Sub-Component 4.3: Review of Existing REDD+ Demonstration Activities**

This sub-component will fund a review of the ongoing REDD+ efforts and demonstration activities / pilots in Uganda, particularly those driven by private and NGO actors.

#### **Component 5: National Reference Scenario and Inventory of Forest Resources (\$1,140,000, including \$1,040,000 from FCPF)**

39. The objective of this component is to establish a reference scenario for emissions from deforestation and/or forest degradation. The REDD+ reference scenario is as a combination of recent historical data on emissions from deforestation and / or forest degradation and other relevant land uses and estimations of future emissions and removals, to produce a Uganda-specific baseline scenario of greenhouse gas (GHG) emissions without additional REDD+ incentives. The component will fund designing a methodology, reviewing "national circumstances", inventorying of forests, mapping of forest cover, spatial modeling, calculating of carbon emissions, and establishing the reference level.

### **2. Key Risks and Issues**

40. Please refer to ORAF (Annex 1) for a more detailed presentation of risk and mitigation activities. Key risks are linked to:

a. **Stakeholders.** REDD+ is a mechanism still under discussion internationally; it attracted much attention from various groups of stakeholders. While there is support for the establishment of an international REDD+ mechanism that would reward developing countries with tropical and sub-tropical forests for reducing emissions from deforestation and forest degradation, concerns are raised over how the REDD+ mechanism would work at the country level. Mechanisms to ensure communities are positively included in REDD+ may need to be strengthened. REDD+ is intersectoral by nature, and intersectoral coordination may pose a challenge to project implementation. Also, stakeholder expectations for potential REDD+ benefits may be unrealistically high.

**Mitigation measures** include (i) conducting a SESA that would identify social (and environmental) risks arising from the National REDD+ Strategy; (ii) identification, through a

consultative process, of mechanisms to ensure transparent benefit sharing, including with the affected communities; (iii) implementing activities specifically targeting enhanced understanding of REDD+ and stakeholder benefits, roles, and responsibilities through communication and outreach; (iii) enhancing structures for stakeholder participation; (iv) recruitment of a Communications Expert for the REDD+ Secretariat; (v) support to operation of the National Technical Committee as a multi-stakeholder intersectoral mechanism for REDD+; and (vi) creation of the dedicated website for publishing up-to-date information on REDD+.

**b. Governance.** Weak governance is an important risk in the forestry sector, with low capacity, poor accountability, and political interference identified as key factors. Access to information on forestry resources remains low. The ongoing activities aimed at enhancing sector governance include recent establishment of the Environment and Natural Resources Good Governance Working Group and ongoing work on the Environment and Natural Resources Sector Good Governance Action Plan.

*Mitigation measures* include: (i) strengthening capacity of the implementing institutions; (ii) creation of the forestry resources inventory as a transparent and open tool for providing forestry related data; and (iii) ongoing dialogue with the civil society to enhance demand-driven governance.

**c. Fraud and Corruption.** Uganda faces high level of corruption across sectors. Mismanagement of REDD+ funds is a major risk for a national REDD+ system, which could lead to failure of the process.

*Mitigation measures* include: i) conducting an assessment of REDD+ funds management options based on international benchmarks and past national experiences as a part of project activities working out the benefit sharing arrangements; ii) communicating effectively to the government that without a transparent fund management structure the government is unlikely to receive funds; iii) articulating this message with other donors so that all partners present the same ‘story line’; iv) engage civil society organizations to closely follow the REDD+ process, including funds management; and v) close monitoring of Bank-managed funds by the Bank fiduciary team.

**d. Safeguards.** REDD+ implementation presents social and environmental risks. Policies that promote conservation without due regard to local populations’ rights to natural resources may lead to restrictions to sources of livelihood. Other potential risk are related to the issue of land tenure, users land rights as well as customary ownership of land as it relates to carbon rights and ownership, and how the distribution of potential benefits will be made equitably. Furthermore, land acquisition relating to implementation of REDD+ strategies might pose huge risks in terms of resettlement of local forest communities. Case in point is the recent / ongoing evictions of encroachers and squatters in wetlands and forest areas. All these risks would have significant implications for REDD+ Strategy development. Current in-country capacity for addressing, in particular, social safeguards is limited, and, therefore, there is a risk that not all safeguards issues maybe be properly addressed.

**Mitigation measures** include: (i) conducting a SESA to identify social and environmental risks and potential impacts (both negative and positive) from the National REDD+ Strategy and ensure that these are included in the final draft Strategy; (ii) addressing capacity gaps for implementation of SESA to ensure that social and environmental risks are properly addressed and in a timely manner; (iii) grant supported work on the grievance redress mechanism; and (iv) close supervision of the SESA process by the National Technical Committee and the Bank safeguards specialists.

e. **Sustainability.** Achieving REDD+ readiness will take more resources than the current FCPF grant. Hence, there is a risk that REDD+ Readiness will not be achieved if the country is not able to leverage additional resources to complete the process. Additionally, while the position of the REDD+ National Focal Point is well anchored within existing Government of Uganda structures (the role is carried out by the Assistant Commissioner of the Department) and some of the FSSD staff are dedicated to the REDD+ Secretariat part-time, the full time positions in the REDD+ Secretariat are proposed to be fully funded by the FCPF grant.

**Mitigation measures** include: (i) the FCPF will finance priority activities to allow the REDD+ readiness process to move forward and allow time for the country to leverage additional resources; (ii) the REDD+ National Focal Point is preparing a resource mobilization plan that identifies potential funding sources for the REDD+ process and proposed approaches to tap into those sources; (iii) the project team will support the REDD+ National Focal Point's efforts in leveraging additional REDD+ resources, including from the GoU and other Development Partners (DPs); (iv) the REDD+ National Focal Point will lobby for inclusion of additional funding for REDD+ in the budget for FY 2013-2014 and MTEF; (v) at its 10<sup>th</sup> meeting, the FCPF PC allowed countries to request additional \$5 million in grant resources should they demonstrate substantial progress in REDD+ Readiness once 50 percent of grant resources are spent – this could certainly be an additional source of funds for REDD+ Readiness in Uganda that will help ensure continuity of the REDD+ process.

## **B. Implementing Agency Assessment**

41. The institutional arrangements take into account the fact that the REDD+ Strategy will be a national product that shall be developed through a government led process. The principal GoU counterpart is the FSSD of the MoWE. MoWE and FSSD have experience with implementation of development partner financed projects. The FSSD had just finished implementing a \$60 million Farm Income Enhancement and Forest Conservation Project funded by the African Development Bank (in December 2012). The MoWE is implementing a \$135 million IDA funded Water Management and Development Project.

42. The day-to-day project management and implementation will be supported by the REDD+ Secretariat. The REDD+ Secretariat will be composed of the GoU civil servants who are assigned to REDD+ Secretariat as part of their mandate and consultants recruited to support the REDD+ process. The GoU civil servants in the REDD+ Secretariat are: (i) National REDD+ Focal Point (substantive Assistant Commissioner of the FSSD, 50 percent of whose time is dedicated to REDD+ mandate), (ii) Alternate National REDD+ Focal Point (substantive Climate

Change Coordinator of the NFA, 40 percent of whose time is dedicated to REDD+ mandate); (iii) three officers from the FSSD (one Senior Forest Officer – 35 percent commitment; one Senior Forest Officer – 25 percent commitment; and one Forest Officer – 20 percent commitment). Additionally, the following consultants will form part of the REDD+ Secretariat: (i) Technical Advisor/Coordinator (expected to work 100 days per year over a three-year implementation period), and (ii) a full time Communications / Project Officer.

43. The overall technical oversight to ensure timely progress and completion of activities shall be a responsibility of the National Technical Committee. All consultants and implementers will be contracted by the REDD+ Secretariat and will report to the National Technical Committee. The responsibility for policy related guidance shall rest with the Climate Change Policy Committee. Detailed implementation arrangements are described in Annex VIII.

### **C. Project Stakeholder Assessment**

44. During R-PP implementation, stakeholders shall continue to participate and input into finalization of Uganda REDD+ Strategy and national preparedness for REDD+. The government of Uganda has acknowledged the important role relevant stakeholders play in ensuring the effective delivery of REDD+ readiness in an inclusive and participatory manner. As such, the R-PP formulation process emphasized multi-stakeholder consultation and participation that aimed at sensitizing various stakeholders and promoting understanding of REDD+ and its concepts; soliciting the views of the key stakeholders, especially those of forest dependent people & forest dwellers, local and national level CSOs engaged in natural resources management and environmental governance; and capturing presumed expectations and anticipated roles and responsibilities in the REDD+ process.

45. To ensure the inclusion of key stakeholders, Uganda first conducted a detailed stakeholder analysis and mapping exercise (as part of the R-PP, see Annex 3) to identify which stakeholders are likely to be affected by REDD+, both positively and negatively. Multi-stakeholder national country wide workshops were held bringing together subsection of stakeholders including sectors engaged in land use at national and local government level, private sector, CSOs, international donors, and local community representatives to discuss issues pertinent to the R-PP preparation, including exploration of both underlying drivers of deforestation, potential social and environment issues, and also lessons from existing degradation and deforestation strategies. The stakeholders targeted for the sensitizations both at national and regional levels included the following categories: a) R-PP Steering Committee; b) REDD+ Working Group; c) Nation-wide Multi-stakeholder forums; d) Focus groups representing forest-dependent communities, NGOs, and CBOs; e) Protected Areas agencies; f) youth representatives, women representatives; g) special groups (consisting of timber dealer, charcoal producers); and h) representatives of forest resource user groups or associations, private sector, academia, and community opinion leaders. In addition, forest dependent groups, such as the Benet and Batwa, or Pygmies, were consulted separately. The Consultation and Participation Plan was developed as part of the R-PP. It may be reviewed and updated to ensure that all relevant stakeholders are brought on board, as well as that it remains relevant considering the changing dynamics.

46. The early information sharing and dialogue process was guided by an Outreach and Participation Plan developed at the onset of the process (as part of the R-PP, see Annex 3). Furthermore, extended consultations (with the support of the Norwegian Government) were carried out targeting forest dependent groups in South-Western Uganda. This process was coordinated by MoWE and overseen by REDD+ Working Group (RWG) through a Consultations' Methodology developed by RWG at the onset of R-PP (see Annex 3 and 4). Stakeholder consultations were facilitated by the R-PP Secretariat as well as Environmental Alert, IUCN, and CARE International and other regional / local CSOs. The countrywide consultations covered the following regions of Uganda:

**Table 4: Coverage of Stakeholder Consultations per Region**

<b>Region and Area of Focus</b>	<b>Lead</b>
a) National	R-PP
b) Regional (Eastern, Northern , Western, Central)	Secretariat
c) Special Groups (Charcoal, firewood, pole, dealers, etc)	
d) Forest Dependent People (Nakapiripirit, Moroto, Kotido and Abim districts of Karamoja	
Forest Dependent People (Batwa / Pygmies), South West and West	
Forest Dependent People (Benet) Mt Elgon area	IUCN
Community level Stakeholders (South-western, Central, Eastern, Northern, North-west,	Environmental Alert <sup>8</sup>
National (Policy, Development Partners)	IUCN
Media and Publicity	Media Trust

#### **IV. Overall Risk Ratings**

47. The overall risk rating for the project is High.

48. The REDD+ Readiness process presents a high level of risk, as it depends directly on a series of institutional changes and a conducive governance environment. A successful REDD+ mechanism involves important changes to the existing institutional framework and touches on sensitive issues, such as land tenure rights and revenue distribution across government and non-government levels. In addition, the program has high visibility internationally, due to the high stakes of REDD+ for various stakeholders (including vulnerable forest-dependent communities). Stakeholder expectations for receipt of large near term payments for REDD+ are high and may not be realistic.

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<sup>8</sup> Environmental Alert sub-contracted the following institutions to facilitate Consultations: Care and Water Governance Institute – South-Western Uganda; Eco-Trust – Western Uganda; Tree Talk– Northern Uganda; ACODE – Eastern Uganda; Tobari / IPACC – Karamoja /KADP / ECO; NAPE/REDD-Net/BUC/ODO – Central Uganda.

**V. Proposed Team Composition and Resources, including Technical Assistance Provided by Bank Staff to Date**

49. The Bank has mobilized specific technical expertise to respond to Uganda’s needs. Specialists in difference area have provided feedback during the R-PP formulation process. The Bank team participated in the first meeting of the REDD+ Working Group (which is now replaced by the National Technical Committee) and introduced the main principles of REDD+ and R-PP formulation to the WG. The Bank team was actively consulted throughout the R-PP formulation process and provided feedback on final draft R-PP prior to its submission to the FCPF FMT. The Bank has been a member of the REDD+ National Steering Committee since its inception. The Consultations and Participation Plan, which was an additional document requested by the June 2011 FCPF PC (Oslo) also benefited from the Bank team’s feedback.

50. The team composition for the REDD+ Readiness Preparation Stage includes:

<b>Name</b>	<b>Title</b>	<b>Unit</b>
Martin Fodor	Senior Environment Specialist, TTL	AFTN3
Neeta Hooda	Senior Carbon Finance Specialist	CPFCF
Haddy J. Sey	Senior Social Development Specialist	CPFCF
Kennan Rapp	Senior Social Development Specialist	CPF CF
Paul Asiimwe	Forestry and Climate Change Consultant	AFTN1
Lesya Verheijen	Operations Officer – Consultant	AFTN3
Victor Bundi Mosoti	Counsel	LEGEN
Edwin Moguche	Financial Management Specialist	AFTFM
Grace Munanura	Senior Procurement Specialist	AFTPC
Herbert Oule	Environmental Safeguards Specialist	AFTN3
Constance Ouma	Social Safeguards Specialist	AFMUG
Nicholas Meithaki Soikan	Social Safeguards Consultant	AFTN1
Harriet Kiwanuka	Program Assistant	AFMUG
Yesmeana Butler	Program Assistant	AFTN3

**VI. Assessment Summary**

**A. Technical**

51. The GOU had prepared an inception note prioritizing R-PP activities to be funded by the FCPF. The activities to be financed by the FCPF have been selected after technical discussions with the Government of Uganda based on this inception note. The drafting process of the

Readiness Preparation Proposal (R-PP) was led by the Steering Committee, a platform for multiple stakeholders including inter-ministerial representatives and various governmental and non-governmental research institutions providing technical assistance and support. Activities selected followed the guidelines, standards, and technical criteria established by the FCPF, with regard to the recommendations that emerged from numerous consultations and assessments. The selection process took into consideration (i) how critical they are to getting Uganda REDD+ ready; (ii) the potential to raise financing for other activities elsewhere; and (iii) their usefulness to the forest sector management regardless REDD+ success (no-regrets options) – all this within the limits of available financing. The selection of activities also considered the technical and financial needs of the country, and the likelihood of support from other partners and Government of Uganda.

## B. Financial Management

52. The proposed activities under the Grant will be implemented by the MoWE. The FCPF has dual objectives of building capacity for REDD+ (the “readiness mechanism”) and testing a program of performance-based incentive payments in some pilot countries (the “carbon fund mechanism”).

53. The objective of the assessment was to determine whether (a) the MoWE has adequate financial management arrangements to ensure the funds will be used for the purposes intended in an efficient and economical manner; (b) the project’s financial reports will be prepared in an accurate, reliable and timely manner; and (c) the project assets will be protected. The assessment complied with the Financial Management Manual for World Bank-Financed Investment Operations that became effective on March 1, 2010 and AFTFM Financial Management Assessment and Risk Rating Principles.

54. The result of the assessment shows that the overall risk rating of the MoWE is **Moderate** which satisfies the Bank’s minimum requirements under OP/BP10.02 and therefore is adequate to provide, with reasonable assurance, accurate and timely information on the status of the project required by World Bank. Below are the details of the assessment:

<i>Risk</i>	<i>Risk Rating</i>	<i>Risk Mitigating Measures Incorporated into Project Design</i>	<i>Risk rating after mitigation</i>
<b>Budgeting:</b> Some project elements may be under costed due to frequent price escalations. Budget overruns. Failure by the implementing entities to monitor the budgets.	M	Project budget plans to be prepared in realistic and sufficient detail which will be used as a management tool. Close monitoring of variances between budgeted and actual expenditure. Budget revision and approval process to be set and adhered to.	L

<b>Risk</b>	<b>Risk Rating</b>	<b>Risk Mitigating Measures Incorporated into Project Design</b>	<b>Risk rating after mitigation</b>
<p><b>Accounting:</b>  Deviations in the implementation of financial management procedures. Failure to account for the funds advanced. Failure to maintain proper books of accounts. Inadequate staffing in the finance and accounting department. Transfer of staff knowledgeable of WB operations and guidelines as well as MoWE operations. Ineligible expenditures arising from failure to account for funds advanced.</p>	S	<p>More staff designated to the project to be engaged at the ministry. Project accountants to monitor the utilization of funds at the implementation level. Training of finance staff in WB operations and guidelines. Use of Navision accounting package to capture data and generate reports in a timely manner.</p>	S
<p><b>Internal Control:</b>  Weak internal controls. Poor monitoring of the project implementation. Failure by the internal audit department to carry out its oversight function. Inability to follow up reported internal control weaknesses.</p>	S	<p>Use qualified and experienced internal auditors who will review the internal control environment at all implementation levels. The general internal control environment will also be monitored by individual heads of departments. Follow up of audit issues to be on the score card of internal audit department.</p>	M
<p><b>Funds Flow:</b>  Delayed release of funds to project.</p>	M	<p>Timely accountabilities and financial reports from the implementing entities to trigger off release of funds. Close monitoring of release of funds by the head offices. Funds to be released on the basis of reports received.</p>	L
<p><b>Financial Reporting:</b>  Financial Information may be late and unreliable for purposes of preparation of required reports.</p>	S	<p>The ministry will produce unaudited Interim Financial Reports (IFRs) in format and content acceptable to the Bank. The ministry will ensure adherence to reporting deadlines. Capacity building of finance staff at all levels of reporting</p>	M

<b>Risk</b>	<b>Risk Rating</b>	<b>Risk Mitigating Measures Incorporated into Project Design</b>	<b>Risk rating after mitigation</b>
<b>Auditing:</b> Late submission of reports, no implementation of audit recommendations as well as qualified audit reports. No follow up on action taken to address audit findings.	S	The Auditor General is primarily responsible for auditing all government programs and projects. TORs to be satisfactory to the Bank. TOR to include technical audit and detailed internal control review and testing. Early engagement/ appointment of auditors. Submission of action plans for follow up of audit recommendations. Follow up of action taken by internal audit. Capacity building of audit staff at all levels.	M
<b>Overall control Risk</b>	<b>S</b>		<b>M</b>
<b>Overall Risk Rating</b>	<b>S</b>		<b>M</b>

H – High      S – Substantial      M – Modest      L – Low

55. **The overall residual risk** is expected to be **Moderate** upon the successful implementation of the mitigating measures in the risk assessment and mitigation table above. These risks will be reviewed and measured (assessed) during each supervision mission and will be recalibrated with a view of getting a revised rating.

56. **Budgeting arrangements:** Planning and budgeting procedures are documented in the financial management manuals of the government and were found to be adequate. There is also a planning unit that is responsible for budgeting in the ministry. All other departments are involved in the budgeting process. The capacity of the accounting staff to fulfill budgeting needs of the project is adequate.

57. **Accounting arrangements:** MoWE will maintain similar books of accounts to those for other IDA funded projects. The books of accounts to be maintained specifically for TF should thus be set up and should include: a Cash Book, ledgers, journal vouchers, fixed asset register, and a contracts register.

58. MoWE has an accounting unit that is headed by a Principal Accountant who will be responsible for maintaining the books of accounts and records of the TF. The Principal Accountant will head a team of a senior accountant, accountants and accounts assistants in the department. An accountant will be designated to handle this TF.

59. **Internal Controls:** The existing Financial Management Manual (FMM) in MoWE is the Government's Treasury Accounting Instructions 2003 which is used alongside the Public

Finance and Accountability Act 2003 and Financial Regulations 2003. These have in built controls that manage the finance and accounting activities.

60. The procedures used by the ministry to maintain its records will include the requirement for cross references to supporting documentation in the Interim Financial reports (IFRs), supporting schedules in order to facilitate the inspection of these schedules and improve the maintenance of the project's records.

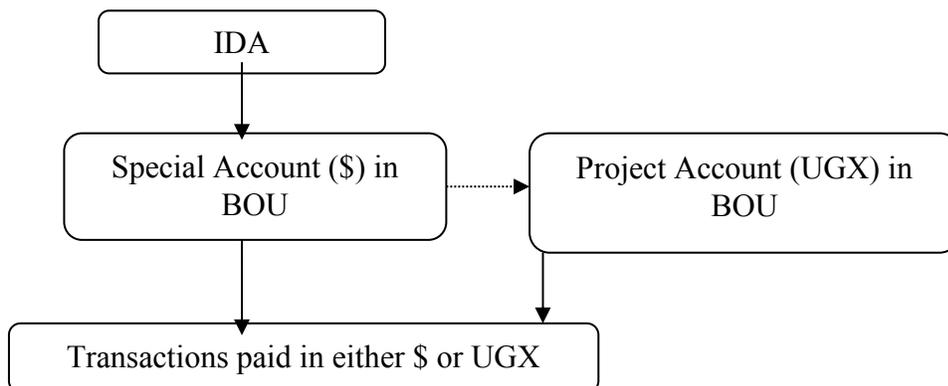
61. **Internal audit arrangements:** The MoWE has an internal audit department that is staffed with qualified and experienced personnel. The department is headed by a senior officer who reports to the commissioner internal audit at the ministry of finance. The internal audit arrangements are satisfactory, and the internal audit unit will be engaged in reviewing the operations of the project.

62. **Funds flow arrangements: Designated (Special) Account** – The MoWE will establish a US dollar denominated Designated (Special) Accounts for the TF. The Designated (Special) Account will receive dollar deposits/transfers from the Bank. These funds will be used to meet US dollar payments, as well as making transfers to the local currency project account for meeting the Uganda shilling (UGX) payments.

63. **Project Bank Account** – The MoWE will open and operate local currency Project Bank Account that will form a primary source of financing for project activities.

64. The MoWE will respectively be fully responsible for the management of the accounts, including signatories.

### FUNDS FLOW CHART



65. **Disbursement arrangements:** World Bank will make an initial advance disbursement from the proceeds of the grant by depositing into the respective Designated (Special) Accounts.

Actual expenditure will be reimbursed through submission of Withdrawal Applications together with Interim Financial Reports (IFRs), as applicable.

66. **Financial reporting arrangements:** Unaudited Interim Financial Reports (IFRs) will be produced quarterly following the calendar year quarterly periods such that the Bank can monitor the progress of the project. The IFRs will be sent to IDA within 45 days after the end of the quarter. The IFR will have the following contents:

- a) Sources and Uses of Funds;
- b) Uses of Funds by Project Activity/Component;
- c) Designated Account Activity Statement.

67. **External audit arrangements:** The external audit of the project will be carried out by the Auditor General. The audits must be done in accordance with International Standards on Auditing. The audit report of the project is expected to be submitted to IDA within 6 months after the end of the financial year. The terms of reference for the external audit of the financial statements of the project should be agreed with the Bank within six months after the effectiveness of the *financing agreement*.

68. **Supervision:** A supervision mission will be conducted at least once a year based on the risk assessment of the project. The mission’s objectives will include that of ensuring that strong financial management systems are maintained for the project throughout its life. A review will be carried out regularly to ensure that expenditures incurred by the project remain eligible for funding. The Implementation Status Report (ISR) will include a financial management rating for the project that will be arrived at by the Country Financial Management Specialist after an appropriate review.

69. **Financial Management Action Plan:** Finally, the action plan below indicates the actions to be taken for the project to strengthen its financial management system and the dates that they are due to be completed by.

	<b>Action</b>	<b>Date due by</b>	<b>Responsible</b>
1	Communicating the details of the bank accounts and account signatories to IDA.	Before Disbursement.	MOWE
2	Agreement of terms of reference for external auditor and ensuring that an external auditor for the project has been appointed.	Six months after the effectiveness of the financing agreement.	MOWE and IDA

70. **Conclusion:** A description of the project’s financial management arrangements above indicates that although they satisfy the Bank’s minimum requirements under OP/BP10.02, there remain actions to be undertaken for the system to be adequate to provide, with reasonable assurance, accurate and timely information on the status of the project as required by the IDA. The recommended actions are detailed in the Financial Management Action Plan above.

## **C. Procurement**

71. A procurement capacity assessment for MOWE was carried out on September 25, 2012.

### ***Accountability for Procurement decisions and Staffing***

72. MOWE has a Procurement and Disposal Unit (PDU) and Contracts Committee in place. The PDU is headed by a Principal Procurement Officer who is supported by a Senior Procurement Officer, 2 Procurement officers and 4 Assistant Procurement Officers. The PDU uses the National procurement procedures and conducted approximately \$ 40 million worth of procurement contracts in the last Financial year 2010/11 funded by the Government of Uganda and development partners through the Joint Partnership Fund, a basket fund with contributions from DANIDA, Kfw, Austria Development Agency (ADA), AfDB, EU.

73. The PDU is currently implementing 2 construction contracts for Bududa and Mirima Gravity scheme programs worth approximately \$ 20 million financed by AFDB. The AFDB project also has a few ongoing consultancy contracts being implemented by the PDU using the AFDB Guidelines on selection of Consultants.

74. The Contracts Committee is responsible for oversight of the procurement function in MoWE and reviews and approves the key stages of the procurement process.

75. MoWE has an Accounting Officer who is the Permanent Secretary. The PDU reports to the Accounting Officer.

76. The National procurement procedures (PPDA) have clear regulations and guidelines in procurement which will apply to this Grant for the procurement of Goods. Selection of Consultants under the project will follow the World Bank Procurement Guidelines on selection and employment of Consultants January 2011.

77. The capacity and experience of the PDU staff is sufficient in procurement of goods and works under PPDA guidelines, however the PDU staff have no experience in the selection of Consultants using the WB guidelines.

### ***User Department***

78. The Forestry Sector Support Department in MoWE will be the technical department responsible for implementation of the proposed FCPF project. The department has previously implemented a large project funded by AFDB and currently has 8 technical staff. The technical staff members have limited experience in implementation of sizeable consultancy contracts.

### ***Record keeping and Document Management System***

79. From the procurement records reviewed during the capacity assessment, it was established that the procedures followed in the preparation of documents, management of bidding process, and bid evaluation in MoWE, are generally compliant with the PPDA Act, but the record keeping is incomplete for most of the procurement files. From the sample files assessed, documentation relating to contract management was not available in the Procurement unit. Some of the contract management documentation was in the Finance department attached to payments. There is also inadequate space for storage of procurement files as well as well as seating space for procurement staff.

80. The key issues and risks concerning procurement for implementation of the project in MoWE include: (i) lack of proficiency of the PDU staff in WB financed procurement management particularly selection of consultants; (ii) limited technical capacity to prepare ToRs, participate in evaluation and contract management, and (iii) poor record keeping and lack of storage for procurement records.

81. The mitigation measures which have been agreed to mitigate the risks are: (i) PDU Staff to receive procurement support from the Country Office Procurement Team when implementing the consultancy contracts, (ii) recruitment of a Technical Advisor to provide technical support and build capacity of the user department during implementation of the project, (iii) Establishing an acceptable record keeping system, and provision of additional space for procurement files and seating space for PDU staff by effectiveness of the Grant Agreement.

82. In view of the few contracts to be implemented, the procurement risk rating is Moderate.

### **Prior Review Thresholds**

83. The prior review thresholds are as follows:

#### *Procurement of Goods and Works*

Expenditure Category	Contract Value (Threshold) USD	Procurement Method	Contracts Subject to Prior Review
1. Works	$\geq 5,000,000$	ICB	All Contracts
	$< 5,000,000$	NCB	Selected Contracts as indicated on Procurement Plan
	$< 100,000$	Shopping	None
2. Goods	$\geq 500,000$	ICB	All Contracts
	$< 500,000$	NCB	Selected Contracts as indicated on Procurement Plan
	$< 50,000$	Shopping	None

## II. Selection of Consultants

Expenditure Category	Contract Value (Threshold) USD	Selection Method	Contracts Subject to Prior Review
(a) Firms	$\geq 200,000$	QCBS, QBS, FBS, LCS	All contracts
	$< 200,000$	CQS, LCS, QBS, FBS	Selected Contracts as indicated on Procurement Plan
	$> 5,000$	SSS	All contracts
(b) Individual	$\geq 100,000$	IC	All contracts
		SSS	All contracts

### Frequency of Procurement Supervision

84. In addition to the prior review supervision to be carried out from Bank offices, the Bank task team will conduct annual supervision missions, at least one of which shall include carrying out a post review of procurement actions.

### Procurement Plan

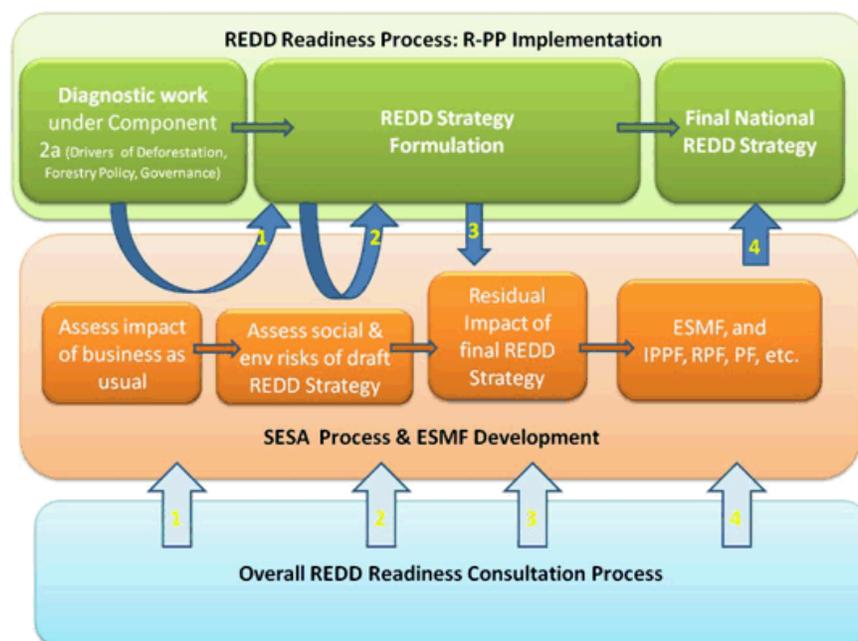
85. A procurement plan was prepared during the preparation mission and is hereby attached as Annex VI.

## D. Social and Environmental (including Consultation, Participation, Disclosure and Safeguards)

### D.1. Social (including Safeguards)

86. The FCPF Readiness Preparation grant must comply with World Bank safeguard policies regarding the management of environmental and social impacts. This grant will, in part, support the country's activities to identify the potential risks associated with REDD+ and mitigation options. In order to do this, the FCPF is using a Strategic Environmental and Social Assessment (SESA) to integrate key environmental and social considerations into REDD+ Readiness by combining analytical and participatory approaches.

87. The SESA allows: (i) social and environmental considerations to be integrated into the REDD+ Readiness process, in particular into the national REDD+ strategy; (ii) stakeholder participation in identifying and prioritizing key issues, assessment of policy, institutional, and capacity gaps to manage these priorities and recommendations, and disclosure of findings; and (iii) the preparation of an ESMF to be put in place to manage environmental and social risks and to mitigate potential adverse impacts related to future investments and carbon finance transactions in the context of the future implementation of REDD+. SESA has been identified as the most appropriate instrument to ensure a proper consideration of social dimensions in the REDD+ process, in line with the international best practices (including the World Bank policies).



88. The FCPF grant will finance the preparation of a SESA of the national REDD+ process. The upstream analyses will include assessing the social and environmental concerns associated with the drivers of deforestation and forest degradation and the proposed strategic options. The SESA will also analyze the institutional framework, policy, and enabling environment required to address the social and environmental considerations in REDD+.

89. The SESA process has to take into consideration that men and women's knowledge of and management strategies for forests are directly related to their use and dependence on forest resources. Poor rural women, for example, are dependent on forest resources for extraction consumption and sale of fuel wood and other Non-Timber Forest Products (NTFP), which provide crucial livelihoods opportunities. Any REDD+ strategic options have to take into consideration the gender dimension. Mitigation measures must be put in place to ensure that the institutional frameworks and policies for REDD+ equally benefit both men and women, especially in the areas of land tenure and security.

90. SESA addresses the key environmental and social issues associated with the analysis and preparation of REDD+ strategy options as well as REDD+ projects, activities (including investments), policies, and regulations. In this manner, SESA can ensure compliance with the World Bank environmental and social safeguards. The SESA process requires that the selection of REDD+ strategy options takes into account the country's institutional and capacity constraints for managing environmental and social risks as well as the potential environmental and social impacts associated with these strategy options. Any identified gaps in managing these risks and potential impacts in relation to relevant World Bank safeguard policies should be identified along with the strategy options to feed into the preparation of the ESMF.

91. SESA will include an ESMF and other safeguards instruments as a distinct output, which provides a framework for managing and mitigating social and environmental risks associated

with REDD+ investments and transactions. Development of the ESMF will ensure compliance of proposed REDD+ activities with the Bank Safeguard Policies - most notably OP 4.01 on Environmental Assessment, OP 4.04 on Natural Habitats, OP 4.36 on Forests, OP 4.10 on Indigenous Peoples, and OP 4.12 on Involuntary Resettlement. This ESMF will pay particular attention to the “Do No Harm” and “Do Good” principles in safeguards policies related to the restriction of access or use of resources or resettlement (OP 4.12). The framework will identify ways to maximise benefits with regard to social, cultural, and economic well-being of particularly forest dependent peoples and other vulnerable and marginalised groups within these populations; and prevent or mitigate any negative impacts on the forest biodiversity and wider ecosystem. The ESMF will also pay particular attention to integrating the gender dimension of REDD+ in ensuring that any social mitigation actions will have gender differential positive impacts.

92. It is acknowledged that the national institutional capacity to address SESA is weak. However the government plans to draw lessons from the recently concluded SESA for the water sector, as well as regional SEA and SESA experiences and built it into the SESA process. The SESA / Consultation and Participation Task Force will be established under the auspices of the National Technical Committee to coordinate the development of the SESA/ESMF. This body would ensure that institutional and capacity gaps for managing social risks are fully assessed. They will work very closely with the REDD+ Secretariat, National Technical Committee, as well as the International Consultant to be hired for the SESA process.

## **D.2. Environmental (including Safeguards)**

93. While the overall environmental impact of the REDD+ process is expected to be strongly positive, the Grant will fund the preparation of a SESA to ensure that the design of the REDD+ process adhere to the requirements of World Bank safeguard policies. In particular, the SESA will develop an ESMF, which will include application of the requirements of the Bank’s policies on Environmental Assessment (OP 4.01), Natural Habitats (OP 4.04) and Forests (OP 4.36). The SESA process will take an integrative approach to environmental and social aspects.

## **D.3. Consultation, Participation and Disclosure**

### **i. Experience to Date**

94. **Consultation and Participation Plan:** Going forward, Uganda has designed an impressively robust, inclusive, elaborated Consultation and Participation (C&P) Plan, which includes communication and awareness plan as well as feedback grievance and redress plan to be discussed below. Uganda R-PP implementation envisages continuous consultations and outreach with stakeholders. The overall objective of the C&P plan, therefore, is to provide a framework that ensures ownership, transparency, and dissemination of the R-PP by the government and relevant stakeholders, and to ensure the inclusiveness of effective and informed consultation and participation by relevant stakeholders in the process of preparing a National REDD+ Strategy.

95. Furthermore, the C&P plan has made commendable efforts in identifying the various institutions, structures that exist at national and local level to be utilized during the implementation phase as the basis for enhancing stakeholder engagement. Some of these structures include the: Parliamentary Forum on Climate Change, forest stakeholder forums at national and regional levels; traditional and cultural forums, gender-based associations, community forest committees, traditional leaders' associations, etc. Uganda is committed to strengthen the structures, including community based organizations, establish feedback loop of consultation and decision making and will put in place participatory monitoring and evaluation to ensure transparent and accountable REDD+ processes, as well as the development of effective strategies and accountable institutions with the right policy and enabling environment that will make REDD+ work for the poor and marginalized.

96. It is worth noting that the status of women and the level of gender inequality at national and local levels affect the degree to which REDD+ programs include or exclude women in their decision-making, consultations, design, and benefit sharing mechanisms. Therefore, Uganda will pay particular attention to address the gender dimension of REDD+ and ensure the active inclusion of women, men, and youth into the design and implementation of REDD+ related activities that would impact on their lives. A thorough gender analysis will be conducted during the C&P planning and implementation phase in order to help Uganda put in place measures that address gender dimension of REDD+ in policy, institutional set up, as well as activities that ultimately produce multiple benefits to these stakeholder groups.

#### **i. Next Steps**

97. **The Consultation and Participation Management/Process Arrangements.** This C&P plan proposes the creation of a SESA / C&P Taskforce as one of the themes to support the REDD+ Secretariat in coordinating the implementation of the plan within the institutional structure provided in the R-PP to coordinate the development of the REDD+ Strategy (it already provides the framework within which the C & P plan will be implemented). Specifically, the SESA / C&P Taskforce will support the technical coordination of the implementation of the C&P plan; as well as the SESA, ensuring that consultation and participation in Uganda's SESA process of gender and marginalized groups are considered and integrated in the REDD+ strategy options and REDD+ readiness in general. Furthermore, the Task force will help identify organizations to be contracted to undertake various activities relating to C&P.

98. The FCPF Grant will be used to implement some aspects of the C&P plan. Activities to be funded and implemented includes, gap analysis of the stakeholders to be targeted for the C&P; strengthen and enhancing the capacities of identified structures to be used to enhance participation and stakeholder engagement; the development of communication material/tools identified in the communication plan; as well as consultations on specific activities to be implemented using FCPF resources. The content of the consultations will include: drivers and underlying causes of deforestation and forest degradation; REDD+ strategy options; social and environmental impacts; reference levels; benefit sharing and governance; feedback, grievance, and redress mechanisms.

99. **Communication Plan.** Uganda has developed a comprehensive communication plan outlining how communication and outreach will be implemented during the implementation phase of REDD+ readiness. The aim of the communication plan is to raise the level of awareness of the stakeholders of the opportunities and risks associated with REDD+, and to make sure that the key stakeholders understand and participate in the design of REDD+ strategies that would be beneficial especially to the poor, marginalized and vulnerable groups. The plan outlines the different material and tools to be used for outreach, and the channels of communication to be used. The plan is also cognizant of using culturally appropriate medium of communications and outreach for forest dependent communities. The government of Uganda plans to outsource the development of the communication materials to CSOs with comparative advantage in this field.

100. The SESA / C&P working group will determine the materials and communication strategy with the help of the SESA facilitator contracted using the grant. The C&P Plan will be reviewed and approved by the National REDD+ Technical Committee, to ensure that the targeted stakeholders are reached in an effective and efficient means. Materials used during outreach will be designed to suit all relevant stakeholders including through use of local language where necessary. Key messages will be approved by the SESA and C&P task force, and pre-tested with the target stakeholders including with the forest dependent communities.

101. **Feedback Grievance and Redress Mechanisms.** There is recognition in Uganda that REDD+ has the potential to create significant negative impacts which may result in conflict. Therefore, Uganda aims to put in place an effective and efficient feedback grievance and redress mechanism to help manage and resolve conflict as they arise. These systems will be put in place both at national and local level to enable easy accessibility and usage of these structures. Uganda has conducted a preliminary assessment- scoping out the various grievance structures that exist in the country including the purpose and usage of those structures. The assessment includes the local level institutions such as traditional and customary structures, religious structures, and community based structures. During implementation phase of REDD+ readiness, Uganda will conduct an analysis of the various structures, identifying gaps and resources (human, administrative, financial technical capacity, etc.) needed for the effective functioning of these structures.

#### **D.4. Safeguards Policies Triggered**

102. The main safeguards instrument to be applied is SESA. SESA includes as part of the SESA process the preparation of an ESMF. The ESMF may evolve and be updated over time when new REDD+ strategy options, projects or activities (including investments) and/or policies or regulations are identified during the implementation of REDD+. The SESA addresses the key environmental and social issues associated with the preparation of REDD+ strategy options as well as REDD+ projects, activities (including investments), policies, and regulations. In this manner SESA can ensure compliance with World Bank environmental and social safeguards policies.

103. The SESA process requires that the selection of REDD+ strategy options should take into account the country's institutional and capacity constraints for managing environmental and

social risks, as well as the potential environmental and social impacts associated with these strategy options. Any identified gaps to manage these risks and potential impacts in relation to relevant World Bank safeguard policies should be identified along with the strategy options to feed into the preparation of the ESMF. The ESMF should provide a framework to manage and mitigate the potential environmental and social impacts related to specific projects and activities (including investments and carbon finance transactions, in the context of the future implementation of REDD+).

<b>Safeguard Policies Triggered (<i>please explain why</i>)</b>	<b>Yes</b>	<b>No</b>	<b>TBD</b>
<b>Environmental Assessment (OP/BP 4.01)</b>	<b>X</b>		
<p>The Readiness preparation stage is meant primarily for technical assistance and capacity building activities. The grant will not finance any implementation of REDD+ activities on the ground (investments, pilot activities). In order to identify risks and potential consequences, both positive and negative, from the implementation of the National REDD+ Strategy, the country will carry out a Strategic Environmental and Social Assessment that should ensure: (i) the integration of social and environmental considerations into the final REDD+ Strategy; (ii) a participatory process for the preparation of the national REDD+ Strategy; and (iii) the preparation of an Environment and Social Management Framework (ESMF) to support the country in managing and mitigating potential future negative consequences and enhancing opportunities from the implementation of the REDD+ Strategy.</p> <p>The Strategic Environmental and Social Assessment (SESA), to be carried out under the Project, will help ensure compliance with the Bank's safeguards policies. It will serve to identify, avoid, and mitigate the potential negative environmental and social impacts associated with the final REDD+ Strategy. It will also serve to identify and promote potentially positive impacts and benefit sharing opportunities in connection with the Strategy. The SESA will influence the final national REDD+ Strategy, by ensuring that the consideration of social and environmental risks and potential impacts is a factor in its preparation. It will also provide guidance and key elements for the preparation of the ESMF.</p> <p>The future investments and carbon finance transactions will require specific environmental and social assessments (ESAs) but these will benefit from the strategy context created by the SESA and ESMF. The ESMF will include standing methods and procedures, along with appropriate institutional arrangements for screening, reviewing, implementing, and monitoring specific ESAs to prevent adverse impacts, as well as cumulative impacts.</p>			
<b>Natural Habitats (OP/BP 4.04)</b>	<b>X</b>		
<p>The application of this policy seeks to ensure that all options proposed in the national REDD+ Strategy take into account the conservation of biodiversity, as well as the numerous environmental services and products that natural habitats provide to human society. Overall, REDD+ activities are expected to have significant positive impacts on natural habitats, as the country puts in place an effective strategy to reduce loss of natural forests. The SESA will address issues related natural habitats and potential impacts of the national REDD+ Strategy, which will later be included in the ESMF.</p>			
<b>Forests (OP/BP 4.36)</b>	<b>X</b>		
<p>Overall, REDD+ activities are expected to have significant positive impacts on forests, in that the main goal of the program is to reduce deforestation and forest degradation, while contributing to the well-being of forest-dependent communities. Potential impact of the National REDD+</p>			

<b>Safeguard Policies Triggered (please explain why)</b>	<b>Yes</b>	<b>No</b>	<b>TBD</b>
Strategy on natural forests will be assessed through the SESA and included in the ESMF. SESA and associated ESMF will reflect the requirements of the Bank's Operational Policy regarding forest management.			
<b>Pest Management (OP 4.09)</b>			<b>X</b>
This policy could be triggered depending on the final scope of the National REDD+ Strategy. Agricultural intensification and reforestation activities, for instance, could trigger this policy, depending on the methods employed by concrete activities on the ground to manage pests. The SESA will address critical issues related to pest management, as necessary.			
<b>Physical Cultural Resources (OP/BP 4.11)</b>			<b>X</b>
Some of the future project activities may affect physical cultural resources. Further investigation is needed to determine if this policy would be triggered or not. The SESA process will determine the existence of culturally and socially sensitive sites that have significance to local forest dependent communities. This policy, therefore, could be triggered, based on the SESA outcomes.			
<b>Indigenous Peoples (OP/BP 4.10)</b>			<b>X</b>
REDD+ activities might trigger the Indigenous People Policy in situations involving the issue of IPs living in protected areas, loss of livelihood pertaining to REDD+ strategies, access and rights to land, user rights, land tenure to include customary land disputes, carbon rights, benefit sharing. Through the SESA any issues relating to social impacts of REDD+ (that would impact on IPs and other vulnerable groups) such as but not limited to: land tenure, benefit sharing, livelihoods and implementation of REDD+ strategies will be identified, and an Indigenous Peoples Policy Framework may be prepared as needed. The Batwa and Benet occupy forest ecosystems of South West and Mount Elgon. Groups that may be considered indigenous could be identified through the SESA process. Some groups of the Karamojong are pastoralist, and the Uganda R-PP identifies livestock rearing as one of the drivers of deforestation. In this regard, therefore, pastoralist groups could be affected by REDD+ activities.			
<b>Involuntary Resettlement (OP/BP 4.12)</b>			<b>X</b>
REDD+ activities might trigger Involuntary Resettlement in situations involving involuntary restrictions of access to legally designated parks, land acquisition, protected areas, or forest management / reforestation areas. The policy aims to avoid involuntary resettlement to the extent feasible, or to minimize and mitigate its adverse social and economic impacts in cases where resettlement or other involuntary restrictions cannot be avoided. Through the SESA process, any issues related to land acquisition or involuntary resettlement will be identified, and a Resettlement Policy Framework and/or Process Framework may be prepared as needed. To help identify and mitigate restriction of access to natural resources in protected areas, a Process Framework may be prepared.			
<b>Safety of Dams (OP/BP 4.37)</b>		<b>X</b>	
The REDD+ activities do not involve the construction of new or use of existing dams.			
<b>Projects on International Waterways (OP/BP 7.50)</b>		<b>X</b>	
The REDD+ activities do not involve international waterways.			
<b>Projects in Disputed Areas (OP/BP 7.60)</b>		<b>X</b>	
<b>Piloting the Use of Borrower Systems to Address Environmental and Social Safeguard Issues in Bank-Supported Projects (OP/BP 4.00)</b>		<b>X</b>	

### Preparation Schedule and Resource Estimate

Preparation Schedule				
	Dates			
Milestone	Basic	Forecast	Actual	
AIS Release	From system	<i>From system</i>	<i>From system</i>	
Concept Review	From system	<i>From system</i>	<i>From system</i>	
Readiness Preparation GFR approved	From system	<i>From system</i>	<i>From system</i>	
Readiness Preparation Grant signed	From system	<i>From system</i>	<i>From system</i>	
Sector Unit Estimate of Resources Required from Preparation through Approval				
Source of Funds	Identification and Preparation Expenses to Date (\$)	Estimate of Resource Requirements (\$)		
		Fixed	Variable	
Bank Budget	From system			
Trust Funds	From system			
Team Composition				
Name	Title	**Role	Unit	UPI
<i>From system</i>	<i>From system</i>		<i>From system</i>	<i>From system</i>
<i>From system</i>	<i>From system</i>		<i>From system</i>	<i>From system</i>
<i>From system</i>	<i>From system</i>		<i>From system</i>	<i>From system</i>
<i>From system</i>	<i>From system</i>		<i>From system</i>	<i>From system</i>

(Template Version November 22, 2010)

### **Annex III**

#### **Uganda R-PP (attached separately)**

The R-PP can be found on <http://www.forestcarbonpartnership.org/uganda>

The link to the May 2011 R-PP document is as follows:

[http://www.forestcarbonpartnership.org/sites/forestcarbonpartnership.org/files/Documents/PDF/Jun2011/Uganda%20Revised%20RPP%20May%2031,%20%202011\\_0.pdf](http://www.forestcarbonpartnership.org/sites/forestcarbonpartnership.org/files/Documents/PDF/Jun2011/Uganda%20Revised%20RPP%20May%2031,%20%202011_0.pdf)

## Annex IV

### Detailed Project Budget

		Total	FCPF	GoU	Year 1	FCPF	GoU	Year 2	FCPF	GoU	Year 3	FCPF	GoU
<b>Component 1: Support the Coordination and Monitoring of REDD+ Readiness Process</b>													
<b>1.1. Coordination Capacity of REDD+ Readiness Process</b>													
	Technical Advisor 100 days per year, \$300 per day	90,000	90,000	0	30,000	30,000	0	30,000	30,000	0	30,000	30,000	0
	Communications/Project Officer 12 months per Year, \$1,500 pm	54,000	54,000	0	18,000	18,000	0	18,000	18,000	0	18,000	18,000	0
	Commissioner for Forestry (10% staff time, gross; 36 months, USD 80 P.M)	2,880	0	2,880	960		960	960		960	960		960
	NFP (50% of staff time, 36 months, \$ 300 Pm)	10,800	0	10,800	3,600		3,600	3,600		3,600	3,600		3,600
	Alternate NFP (40% of staff time) 36 months, \$ 500 Pm	18,000	0	18,000	6,000		6,000	6,000		6,000	6,000		6,000
	REDD+ Secretariat - SFO 1 (35% staff time) 36 months, \$ 139 Pm	5,031	0	5,031	1,677		1,677	1,677		1,677	1,677		1,677
	REDD+ Secretariat - SFO 2 (35% staff time) 36 months, \$ 139 Pm	5,031	0	5,031	1,677		1,677	1,677		1,677	1,677		1,677
	REDD+ Secretariat - FO (20% staff time)	2,298	0	2,298	766		766	766		766	766		766

36 months, \$ 63.9 Pm	0		0	0			0			0		
Driver for project vehicle	6,400	0	6,400	1,600	0	1,600	2,400	0	2,400	2,400	0	2,400
32 months, \$200 pm												
Meeting Costs CCPC (staff timeX15 peopleX3 meetings: each \$ 340/meeting)	15,000	0	15,000	5,000	0	5,000	5,000	0	5,000	5,000	0	5,000
Meeting Costs NTC	30,000	30,000	0	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0
Cost for Task Forces (SESA, Policy, Reference Level) (\$5000 per task force)	45,000	45,000	0	15,000	15,000	0	15,000	15,000	0	15,000	15,000	0
Additional GoU staff time (general administration support for Secretaries and admin assistant; 2 people; \$70\$/month)	5,031		5,031	1,677		1,677	1,677		1,677	1,677		1,677
Operational Costs REDD+ Secret. incl. stationery, etc.	30,000	30,000	0	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0
Fuel & maintenance (1 vehicle)	30,000	30,000	0	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0
Purchase of 1 vehicle	50,000	50,000	0	50,000	50,000	0						
Taxes on 1 vehicle (60% of import value for import tax+registration fees)	30,000	0	30,000	30,000		30,000						
Insurance for 1 vehicle	3,450	0	3,450	1,150	0	1,150	1,150	0	1,150	1,150	0	1,150
Office space and utilities (Office space: TC=12 Sq.meters + CO = 10 Sq.meters @ \$30/month; Utilities: Water & Electricity combined at \$30/month)	24,900	0	24,900	8,300	0	8,300	8,300	0	8,300	8,300	0	8,300
Computers (3 units, \$1,000 each)	3,000	3,000	0	3,000	3,000	0						

	Photocopier, 1 unit	6,000	6,000	0	6,000	6,000	0						
	Printer, 1 unit	1,000	1,000	0	1,000	1,000	0						
	Regional Meetings	15,000	15,000	0	5,000	5,000	0	5,000	5,000	0	5,000	5,000	0
	2pax, 2 events per year, \$2,500 each	0			0			0			0		
	International meetings	15,000	15,000	0	5,000	5,000	0	5,000	5,000	0	5,000	5,000	0
	1 pax, 1 event py, \$5,000 each	0			0			0			0		
	Capacity building for other sectors (Use of office facilities during and after training)	63,900	45,000	18,900	21,300	15,000	6,300	21,300	15,000	6,300	21,300	15,000	6,300
	5 small trainings py, \$4,700 each	0			0			0			0		
<b>Subtotal for 1.1</b>		<b>561,721</b>											
<b>1.2. Monitoring and Reporting Readiness Process</b>													
	Preparation of an M&E Framework (GoU: Staff time (for 4 people X2 days @ )of PQAD and OPM staff support to development of M&E (4X2X\$250/day); Use of Gou M&E software and systems =\$8,000:	22,000	12,000	10,000	22,000	12,000	10,000	0			0		
		0			0			0			0		
	Mid-Term Assessment (Staff time support/participation in mid-term evaluation: 20 days @\$250; Transport+travel for Staff during evaluation = \$15,000)	44,000	24,000	20,000	0			44,000	24,000	20,000	0		
		0			0			0			0		
	Final Assessment (Staff time support/participation in mid- term evaluation: 20 days @\$250; Transport+travel for	44,000	24,000	20,000	0			0			44,000	24,000	20,000
		0			0			0			0		

	Staff during evaluation = \$15,000)												
					0			0			0		
<b>Subtotal for 1.2.</b>	<b>110,000</b>												
<b>Subtotal for Component 1</b>		<b>671,721</b>	<b>474,000</b>	<b>197,721</b>	<b>268,707</b>	<b>190,000</b>	<b>78,707</b>	<b>201,507</b>	<b>142,000</b>	<b>59,507</b>	<b>201,507</b>	<b>142,000</b>	<b>59,507</b>
<b>Component 2: Enhancing Stakeholder Engagement and Feedback in Readiness Process</b>													
<b>2.1. Strengthening participatory structures, and conducting capacity building trainings to enhance stakeholder engagement at national and subnational levels</b>													
	Consultancy (1 contract for 2.1+2.2)	<b>235,000</b>	<b>235,000</b>	<b>0</b>	120,000	120,000	0	50,000	50,000	0	65,000	65,000	0
<b>2.2. Development of communication materials / tools for all components</b>													
	Consultancy (1 contract for 2.1+2.2)	<b>150,000</b>	<b>150,000</b>	<b>0</b>	65,000	65,000	0	65,000	65,000	0	20,000	20,000	0
<b>2.3. Strengthening National Feedback and Grievance Redress Mechanism for REDD+</b>													
	Consultancy (Value of GoJ data and information that will be utilized during the undertaking; estimated at \$40,000)	<b>240,000</b>	<b>200,000</b>	<b>40,000</b>				120,000	100,000	20,000	120,000	100,000	20,000
<b>Subtotal for Component 2</b>		<b>625,000</b>	<b>585,000</b>	<b>40,000</b>	<b>185,000</b>	<b>185,000</b>	<b>0</b>	<b>235,000</b>	<b>215,000</b>	<b>20,000</b>	<b>205,000</b>	<b>185,000</b>	<b>20,000</b>
<b>Component 3: SESA and Strategy Options</b>													
<i>Contract 1 - Strategy Options (+consultations) 3.1+3.2+3.5+3.11</i>													
<i>Contract 2 - SESA (+consultations) 3.6+3.9+3.10</i>													

3.1. Undertaking of a comprehensive and complete assessment of the potential strategic options proposed in the R-PP (including, as necessary, collection and analysis of relevant additional information required) as a basis for prioritising the Strategy Options for addressing the Drivers of REDD-plus	100,000	100,000	0	50,000	50,000	0	50,000	50,000	0	0	0	0
3.2 GoU data provided in-kind on REDD-Plus assessment of priorities, trends and issues (Value of GoU data and information that will be utilized during the undertaking; estimated at \$20,000)	20,000		20,000	20,000	0	20,000	0	0	0	0	0	0
3.3. Comprehensive assessment of prioritised REDD-plus strategic options for their feasibility: (i) from a socio-economic, political and institutional perspective; (ii) costs and benefits in relation to people's livelihoods and biodiversity; (iii) governance; (iv) national development policies and strategies; and (v) risks associated with the specific strategy options (identified through SESA) and ways to manage and mitigate them	100,000	100,000		50,000	50,000		50,000	50,000			0	
3.4. GoU data provided in-kind on assessment of forestry related social and environmental issues and trends (Value of GoU data and information that will be utilized during the undertaking; estimated at \$70,000)	70,000		70,000	70,000	0	70,000	0	0	0	0	0	0
3.5. Consultations on Strategy Options	165,000	165,000	0	75,000	75,000	0	75,000	75,000	0	15,000	15,000	0
3.7. Documentation of findings, dissemination and integration with SESA findings	10,000	10,000		0	0	0	5,000	5,000	0	5,000	5,000	0

3.8. Comprehensive assessment of environmental and social (E&S) considerations (risks and opportunities) associated with the prioritized REDD-plus Strategy options; including assessment of the necessary policy, legal, institutional arrangements for integration of environmental and social considerations into the national REDD-plus Readiness processes.	90,000	90,000	0	0	0	0	90,000	90,000	0	0	0	0
3.10. Consultations on SESA and ESMF	125,000	125,000	0	0	0	0	100,000	100,000	0	25,000	25,000	0
3.11. Preparation of Draft ESMF	20,000	20,000	0	0	0	0	20,000	20,000	0	0	0	0
3.12. Documenting and disseminating SESA process in Uganda	10,000	10,000	0	0	0	0	5,000	5,000	0	5,000	5,000	0
3.13. Preparation of Draft REDD+ Strategy consolidating findings of SESA and analysis of REDD+ Strategy Options	60,000	60,000	0	0	0	0	0	0	0	60,000	60,000	0
3.14. Disclosure, dissemination, feedback and national validation of draft REDD+ Strategy	50,000	50,000	0	0	0	0	0	0	0	50,000	50,000	0
<b>Subtotal for Component 3</b>	<b>820,000</b>	<b>730,000</b>	<b>90,000</b>	<b>265,000</b>	<b>175,000</b>	<b>90,000</b>	<b>395,000</b>	<b>395,000</b>	<b>0</b>	<b>160,000</b>	<b>160,000</b>	<b>0</b>
<b>Component 4. Institutional Framework</b>												
4.1. Review and assessment of existing benefit sharing arrangements and recommendations of options for benefit sharing for REDD+	230,000	230,000	0	0	0	0	230,000	230,000	0	0	0	0
4.2 Preparation of (a nationally acceptable, and internationally peer reviewed) interim Guidelines, Standards and Modalities for the Design and implementation for subnational, and, or demonstration REDD-plus Activities	60,000	60,000		60,000	60,000		0					

4.3. Consultations and Peer Review on the Developed interim Guidelines, Standards and Modalities for the Design and implementation for subnational, and, or demonstration REDD-plus Activities	60,000	60,000		60,000	60,000		0					
4.4. Review and documentation of existing REDD+ demonstration activities and develop a monitoring framework for future projects	5,000	5,000		5,000	5,000		0					
<b>Subtotal for Component 4</b>	<b>355,000</b>	<b>355,000</b>	<b>0</b>	<b>125,000</b>	<b>125,000</b>	<b>0</b>	<b>230,000</b>	<b>230,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Component 5. National Reference Scenario</b>												
<i>Contracts (5.2+5.3+5.4+5.9+5.11)</i>												
5.1. Strengthening Capacity of Relevant Technical Staff	70,000	70,000	0	30,000	30,000	0	20,000	20,000	0	20,000	20,000	0
5.2. Design a plan that includes steps, definitions, scope of activities, reference time period for analysis, scale of analysis and their associated relevant data needed for REDD-plus Reference Levels (REL/RLs) Development and targeted uncertainty levels, required to produce (an agreed quality) estimates of historical emission & removals	30,000	165,000	0	30,000	30,000	0	0	0	0	0	0	0
5.3. Compile, assess suitability of existing historical data for use in REL/RLs Development; identify the gaps; supervise collection of relevant data for REDD-plus REL/RLs Development (including supervising the inventory); and undertake a robust analysis of the compiled activity data and emission/removal factors	135,000			100,000	100,000		35,000	35,000		0		
5.4. Develop tools and use the tools for linking and harmonizing various national databases	40,000	40,000	0	20,000	20,000	0	10,000	10,000	0	10,000	10,000	0

5.5. G.o.U data provided in kind on Historical data (activity and emission/removal factors) for use in REL/RLs Development (i.e. existing data)(Value of GoU data and information that will be utilized during the undertaking; estimated at \$100,000)	100,000	0	100,000	100,000	0	100,000	0	0	0	0	0	0
5.6. Purchase of Remote sensing data	250,000	250,000	0	250,000	250,000	0	0	0	0	0	0	0
5.8. Operations Costs during Inventory Work (Field allowances, transport, casual labour, data handling and consumables)	245,000	245,000	0	45,000	45,000	0	200,000	200,000	0	0	0	0
5.9. Purchase of Equipment (Hard and Software) for Remote Sensing processing , storage and archiving; and Tools and Equipment for Field Inventory work	65,000	65,000	0	65,000	65,000	0	0	0	0	0	0	0
5.10. Develop/Establish/Construct Uganda's REL/RLs; (including a detailed consideration of national circumstances) through a robust assessment of historical emissions estimate for REDD-plus obtained by combining (and projecting for future trends), the activity data and emission/removal factors	135,000	135,000	0	0	0	0	35,000	35,000	0	100,000	100,000	0
5.11. Consultations and Peer Review on the Developed REL/RLs	50,000	50,000	0	0	0	0	25,000	25,000	0	25,000	25,000	0
5.12. Design and apply a tool for Integrating REL/RL for REDD-plus into the National Strategies, National Greenhouse Gas Inventories & the National Communication Process	20,000	20,000	0	0	0	0	0	0	0	20,000	20,000	0
<b>Subtotal for Component 5</b>	<b>1,140,000</b>	<b>1,040,000</b>	<b>100,000</b>	<b>640,000</b>	<b>540,000</b>	<b>100,000</b>	<b>325,000</b>	<b>325,000</b>	<b>0</b>	<b>175,000</b>	<b>175,000</b>	<b>0</b>
Carbon offset	50,000	50,000	0	50,000	50,000	0	0	0	0	0	0	0
<b>TOTAL FOR PROJECT</b>	<b>3,661,721</b>	<b>3,234,000</b>	<b>427,721</b>	<b>1,533,707</b>	<b>1,265,000</b>	<b>268,707</b>	<b>1,386,507</b>	<b>1,307,000</b>	<b>79,507</b>	<b>741,507</b>	<b>662,000</b>	<b>79,507</b>
<b>Contingency</b>	<b>400,000</b>	<b>400,000</b>	<b>0</b>									
<b>TOTAL INCLUDING CONTINGENCY</b>	<b>4,061,721</b>	<b>3,634,000</b>	<b>427,721</b>									

**Annex V**  
**Terms of Reference**  
**For the Strategic Environmental and Social Assessment**

**Introduction**

Uganda continues to face challenges related to deforestation and loss of forest resources from various drivers of deforestation and forest degradation. Forest resources continue to be under a variety of threats including overharvesting of forest resources, agricultural expansion into forested lands, conversion of forest lands into human settlements and industrial developments, and increased demand for forest products for energy use.

Efforts to address these challenges have involved regulating use of forest produce, forest conservation awareness campaigns, strengthening law enforcement and strict forest protection measure.

The Government of Uganda is developing a National REDD-Plus Strategy as a long-term measure for tackling deforestation and forest degradation, ensuring sustainable forest management, and enhancing carbon stocks and forest biodiversity conservation. The intended REDD-Plus Strategy options may cause social and environmental effects on forest-dependent communities and the communities' over-all.

It is against this background that a Strategic Environmental and Social Assessment (SESA) is seen as an important component in the preparation of the national REDD-Plus Strategy for Uganda. SESA is a tool that seeks to integrate social and environmental considerations into the REDD-Plus policy-making process, leading to sustainable REDD-Plus policies and programs. Uganda has detailed Environmental Policies and Regulations, which guide the conduct of assessments of likely impacts and conducting environmental audits. The development of SESA will be informed by an analysis of these policies and regulations and assessment of the REDD-Plus Strategy options against relevant World Bank safeguard policies.

**1. Objective of conducting a SESA**

Therefore, the objective of conducting a SESA of REDD-Plus Strategy options is to ensure a comprehensive and participatory assessment of likely Environmental and Social issues and integrate environmental and social considerations into Uganda's REDD-Plus Strategy in a manner consistent with Uganda's environmental laws and regulations as well as the World Bank's environmental and social safeguard policies including REDD+ safeguard (under the UNFCCC, CBD and other relevant convention).

**2. Links between the SESA and the REDD+ Strategy**

The SESA will contribute towards the REDD-Plus Readiness process in Uganda by assessing how REDD-Plus Strategy options address environmental and social priorities associated with

current patterns of land use and forest management. In addition, SESA will assess inter-sectoral linkages within the land-use planning process and, trade-offs and opportunity costs involved with different land uses. SESA will assess the application of environmental and ecosystems valuation that also includes taking into account intangible factors in the valuation of forests and forest resources.

Gaps identified through these assessments will lead to strengthening the REDD-Plus Strategy options. For any outstanding potential social and environment issues, the SESA will develop an Environmental and Social Management Framework (ESMF) that will outline the procedures to be followed for managing potential environmental and social impacts of specific REDD options during the implementation of the REDD-Plus Strategy for Uganda.

### **3. SESA Approach for Uganda**

The Government of Uganda plans to put in place a SESA taskforce under National REDD+ Technical Committee to oversee the SESA implementation process. An international-level expertise will be required to facilitate the SESA Taskforce to carry out the SESA for Uganda's REDD-Plus Strategy options. The Uganda R-PP identifies the following candidate REDD-Plus Options that will be refined during the implementation of R-PP (2013-2015).

- a. Strategic Option #1: Strategies for addressing deforestation and forest degradation caused by agricultural encroachment on forested lands.
- b. Strategic Option #2: Addressing unsustainable impact of charcoal production and utilization.
- c. Strategic Option #3: Addressing impact of firewood harvesting and utilization on forestry resources in Uganda.
- d. Strategic Option #4: Strategies for addressing impacts of unsustainable timber harvesting.
- e. Strategic Option #5: Strategies for addressing impact of livestock development and grazing on forestry resources.
- f. Strategic Option #6: Strategies for securing the plight of forest dependent people during REDD+ -Plus implementation in Uganda.
- g. Strategic Option #7: Strategies for reducing risks of mitigation measures against deforestation and forest degradation on to forest dependent people.
- h. Strategic Option #8: Develop and pilot test processes for stakeholder engagement in implementing REDD -Plus Strategies.
- i. Strategic Option #9: Design and apply MRV for Uganda.
- j. Strategic Option #10: Integrate MRV into existing M&E systems and practices.
- k. Strategic Option #11: Develop and apply measures for minimizing Carbon leakages.
- l. Strategic Option 12: Design and institutionalize a carbon Registry for Uganda.
- m. Strategic Option #13: Strengthen Legal, Policy and Institutional frameworks for REDD-Plus and regulating Carbon market in Uganda in place.
- n. Strategic Option #14: Build capacity for REDD-Plus Strategy implementation.

The conducting of SESA for Uganda's REDD-Plus Strategy options will involve analysis of REDD-Plus Options as well as consultations with key stakeholders and interest groups, including forest-dependent groups (indigenous peoples, forest dwellers and communities living adjacent to

the forests. It will give special consideration to livelihoods, land rights (including those of forest-dependent people), biodiversity and cultural heritage and equitable distribution of benefits, gender and special protection of vulnerable groups in society, capacity development, and governance.

The following are steps and approaches envisaged under the SESA implementation process:

### **Step #1: Scoping**

This step will encompass Stakeholder gap analysis. It builds on the consultations carried out during the R-PP formulation. The SESA process will conduct a stakeholder gap analysis to identify any relevant stakeholders that might not have been considered during the R-PP formulation phase. Important among them would be community-level representatives, forest dependent Indigenous Peoples, traditional leaders, associations of tree growers, the private sector, firewood and charcoal producers, women's organizations and forest concessionaires.

The SESA Consultant shall assist the SESA Task force to prepare a comprehensive set of consultation and participation activities for the SESA (draft SESA Work plan and budget). This undertaking will seek to coordinate with the Policy Taskforce which will be in charge of preparing the REDD+ strategy options in order to avoid duplications and ensure consistency of timelines in particular for consultation activities.

The output of this step is a draft SESA process work plan and budget for Uganda.

### **Step #2: Launching the SESA Work plan**

The SESA Consultant together with the SESA / C&P Taskforce will present the draft SESA work plan and budget to a broader stakeholder validation in a national workshop in order to define the legitimacy of the work plan and all subsequent stakeholder consultation and participation processes. Views, comments and consensus from the validation workshop shall be integrated into the draft work plan before preparing final SESA work plan which shall be publicly disclosed through appropriate means or platforms.

The output of this step is a validated SESA work plan and budget for Uganda REDD+ options.

### **Step #3: Identification of key environmental and social issues**

This step aims at generating primary data on key environmental and social issues in forestry sector in Uganda to inform the selection of environmental and social priorities, using a variety of analytical tools. The SESA Consultant will facilitate the SESA / C&P Taskforce to design standard tools including spatial analysis, case studies and participatory rural appraisal methods for application in selected communities. Spatial analysis will be applied in mapping and for overlaying different sets of information to identify critical areas of concentration of environmental and social issues. Case studies will be used to show opportunity costs of different land uses including environmental and ecosystems valuation. Case studies will also help to dig deeper into key issues, inter-sectoral linkages and potential trade-offs in key areas. Participatory rural appraisal will be the main vehicle for identifying key environmental and social issues at the community level.

Building on the evidence and results of the above analyses, the SESA Consultant together with the Task force will produce a scoping report of key environmental and social issues in forests areas in Uganda. The scoping report will, among others:

- a. Identify environmental and social hotspots and discuss their main characteristics.
- b. Discuss key forest areas land use trade-offs by analyzing the opportunity cost of conserving forests versus developing these areas into alternative land uses such as housing/settlement, industrial estates, agriculture, among others.
- c. Analyze critical institutional, legal, regulatory, policy and capacity gaps underlying the key environmental and social issues identified.

#### **Step #4: Selection of environmental and social priorities**

The scoping report will be used during consultations with key stakeholders at multiple levels, who will engage in the selection of environmental and social priorities. The most appropriate medium of communication and outreach will be applied so as to ensure effective participation. In addition, institutional stakeholders identified in Step #1 (SESA Stakeholders) will review and prioritize environmental and social issues through culturally sensitive means of consultation.

The SESA Consultant together will facilitate the Taskforce to synthesize outputs from the SESA Stakeholders and prepare a report on selected environmental and social issues. This report will be subjected to discussion at a national workshop in order to reach a consensus on common set of priorities. The final report after the workshop will be published and publicly disclosed through appropriate means.

The output of this step is the Report on priority environmental and social issues.

#### **Step #5: Assessment of candidate REDD-Plus Strategy options**

The SESA Consultant together will facilitate the Taskforce to assess the extent to which candidate REDD+ Strategy options address the previously defined environmental and social priorities and take into account in their formulation the opportunity cost of forests. REDD-Plus Strategy options will be assessed against Uganda's legal and policy provisions as well as the World Bank safeguards. Based on this assessment, REDD-Plus Strategy Options will be improved and recommended to the National REDD+ Technical Committee for further action.

The output of this step is draft report on REDD-Plus Strategy Options.

#### **Step #6: Validation of REDD-Plus Strategy Options**

The SESA Taskforce and National Technical Committee will present the draft REDD-Plus Strategy options to a national validation workshop. Participants to the validation workshop will be selected from stakeholder defined in SESA work plan developed in step #1.

#### **Step #7: Risk management/Environmental and Social Management Framework (ESMF)**

The SESA process shall conclude with the formulation of an Environmental and Social Management Framework (ESMF) to address outstanding issues or risks during implementation of the REDD-Plus Strategy. The SESA consultant together with the SESA Taskforce will prepare the ESMF. The

ESMF shall be subjected to a series of validation processes by stakeholders at national and community levels in selected locations.

### **Step 8: SESA Road Map and Estimated Budget**

The SESA Consultant together with the SESA Taskforce will prepare a detailed SESA implementation plan, schedule and budget for the ESMF to be approved alongside the REDD-Plus Strategy for Uganda.

### **4. Tasks of the SESA Consultant**

Reporting to the National REDD-Plus Technical Committee on technical issues and national REDD-Plus Focal Point on contractual matters, the SESA Consultant shall facilitate the SESA Taskforce by carrying out the following tasks:

- a. Generating information through consultations with the REDD-Plus Focal Point, SESA Taskforce and other stakeholders and develop SESA process work plan and budget. The work plan shall provide details on the SESA approach and methodology, timing/roadmap, and processes for communicating, validating and providing feedback during the SESA process.
- b. Organizing and facilitating countrywide consultations in accordance with the scope of the approved SESA work plan.
- c. Collecting, analyzing and disseminating primary data, including mapping of social, economic and environmental issues pertaining to the drivers of deforestation in the country, as a way to inform the development of SESA.
- d. Assessing the environmental and social sustainability aspects of proposed REDD-Plus Strategy options, and providing feedback to the Taskforce.
- e. Developing an ESMF to address any residual risks that are not addressed via the SESA process.
- f. Facilitating forums convened to review and approve/endorse SESA and the ESMF.

### **5. Qualifications**

The SESA process is expected to be facilitated by an international level expert working with a Team of experts in the following fields: Natural resources/forestry management, social development, environmental assessment, stakeholder engagement and GIS, among others. The following field of technical expertise and working experiences are required:

**Policy Analyst /Planner (Team Leader)** should have proven experience in leading sector or national reviews or assessments of public policies or development strategies. At least 15 years of experience, of which 10 years are relevant experience in developing countries, is required. This expert should have at least 2 years of experience in East African countries. Experience in Uganda is desirable. S/he must have academic training in natural resources

management, environmental or social sciences. Experience in SEA or SESA is desirable. Working Knowledge of World Bank safeguards is a must.

**Natural Resource/Forestry Specialist** should have at least 10 years of experience in forest management, including timber and non timber projects. At least two years of experience in forestry projects in Uganda is required. Knowledge on the legal, policy and institutional framework of natural resources and sustainable development in Uganda is desirable.

**Social Development Specialist** should have at least 10 years of working experience on forest communities and indigenous peoples. Familiarity with social issues associated with forests in Africa and the World Bank social safeguard policies is required. At least three years of experience in East Africa is required including experience in applying participatory rural appraisal. Knowledge of Uganda social and economic issues and trends is desirable.

**Stakeholder Engagement Specialist** should have at least 10 years of experience in participatory planning and engagement with a wide spectrum of stakeholders at the national, regional and local levels. Experiences in forestry related and land use management aspects in Uganda are required. Ability to communicate in major local languages is desirable.

**Environmental Specialist** should have at least 10 years of experience in environmental assessment in developing countries. Familiarity with environmental issues associated with forestry resources in Uganda and the World Bank environmental safeguard policies is required. Experience in environmental valuation is desirable.

**Mapping Specialist** should be able to cover all mapping requirements of the SESA. Experience of at least 5 years and proven experience on mapping and GIS techniques is required.

All members of the team should be fluent in English. Use of local languages is desirable among the team, especially for the Social Development and Stakeholder Engagement experts. Specific technical inputs on legal, infrastructure development projects, gender and environmental and natural resources valuation should be provided by the Consultant as needed. International expertise with proven experience in applying World Bank safeguard policies is a must for the Team Leader.

**Table 1: Proposed main activities and deliverables as part of SESA Road Map for Uganda**

Code	Activities	Institution / Organization Responsible	Time	Result Indicator (Deliverable)	Estimated Budget <sup>9</sup> ('000 \$)	Key intersections and comments
<b>1</b>	<b>Start-up SESA</b>					
1.1	Refinement of ToR	MWE (The National (REDD+ Focal Point))	February 2013	Annex ToR in the Assessment Note	Not Applicable (NA)	The national REDD+ working group can use the ToRs to place an advertisement for a SESA coordinator
1.2	Hiring of Consultants					A consortium of local and international consultants

<sup>9</sup> Full budget will be discussed and agreed later when actual contracting has been done.

						is recommended
1.2.1	Request for Proposals	MWE (The National (REDD+ Focal Point))	April 2013	Public bid issued	x	Ensure consistency of timing and deliverables with the RFP for the REDD+ readiness package
1.2.2	Short listing and bid evaluation	MWE (The National (REDD+ Focal Point))	May 2013	Evaluation report	x	SESA / C&P task force that includes representatives of MOWE and civil society will be involved in this activity
1.2.3	Awarding of contract	MWE (The National (REDD+ Focal Point))	May 2013	Signed consultancy contract	NA	Civil society through National REDD+ Technical Committee will advise task force and Min. of Water and Environment
<b>1.3</b>	<b>SESA consultation &amp; participation plan</b>					
1.3.1	Gap assessment of stakeholder analysis	Consultant	June – July 2013	Inception Report submitted to Min. of Water and Environment for review and clearance	x	SESA C&P activities should be compatible with existing C&P master plan and coordinated with consultation activities for the REDD+ strategy. The SESA task force would be responsible for ensuring this coordination takes place.
1.3.2	Refinement of SESA consultation & participation (C&P) activities and formulation of SESA work plan	<b>Consultant and SESA Team</b>				
<b>1.4</b>	<b>Validation of SESA Work Plan</b>					
1.4.1	Organization of National Workshop	<b>Min. of Water and environment , Consultant and SESA Team</b>	September – October 2013	Invitation and agenda issued	x	- Includes participation of relevant institutional stakeholders and community-level representatives of bodies such as district and local level forest associations, community based forest management committees, and sub districts and parishes
1.4.2	National workshop and reporting			Workshop report		
1.4.3	Finalization of SESA Work Plan			<b>Consultant and SESA Team</b>	Final SESA Work Plan that includes C&P SESA activities and activities to be coordinated with the REDD+ strategy options team	

1.4.4	Disclosure of SESA Work Plan	<b>Min. of Water and Environment</b>		- Plan published in relevant websites - Radio announcement (or other channels deemed appropriate) of Plan summary	x	Communication of the Plan at the local level will be coordinated with the communication team of the REDD+ readiness process
<b>1.5</b>	<b>Scoping of Key E&amp;S issues</b>					
1.5.1	Gathering and technical validation of available spatial data on - environment and, - social issues	<b>Consultant and SESA Team</b>	November 2013 – February 2014	Progress report	x	
1.5.2	Spatial mapping of - forest, biodiversity hotspots, river basins, main infrastructure projects - forest dependent communities, activities undertaken in forest areas, use and access rights to forest and land			A GIS data base and progress report that includes maps and key environmental and social issues	X	- Key intersection point with preparation of reference scenario - Update of data on forests canopy mapping will be undertaken through a separate contract  -Include community based participatory mapping as needed
1.5.3	Case and valuation studies in selected forest areas			Case studies reports		
1.5.3	Report on key environmental and social issues			Report submitted	x	
<b>1.6</b>	<b>Prioritization of E&amp;S issues</b>					
1.6.1	Review and prioritization by selected communities in critical areas	<b>Consultant and SESA Team / Min. of Water and Environment</b>	February 2014	Community consultation report	x	- Key intersection point to coordinate consultations with the REDD+
1.6.2	Regional validation by		February 2014	Regional validation	x	Likely to be

	community representatives			report		workshops	strategy options
1.6.3	Review and prioritization by institutional stakeholders		February 2014	Institutional consultation report	x	Likely to be focus groups	
1.6.4	Institutional stakeholders workshop			Institutional prioritization report	x		
1.6.4	Report on E&S priorities	<b>Consultant and SESA Team</b>	March 2014	SESA Prioritization report	x		
<b>1.7 Assessment</b>							
1.7.1	Gap analysis of REDD+ candidate strategy options vis-à-vis E&S priorities	<b>Consultant and SESA Team / Min. of water and Environment</b>	March 2014	Progress report	x		
1.7.2	Refinement of REDD+ candidate strategy options						SESA task force/consultants coordinate with REDD+ strategy consultants
1.7.3	Assessment of other E&S risks associated with refined candidate strategy options						X
1.7.4	Assessment report on candidate REDD+ strategy options	Consultant and Taskforce responsible for REDD+ Strategy	April 2014	REDD+ Strategy options	NA	- Report and consultation to be carried out by REDD+ strategy consultants	
1.7.5	Stakeholder validation of REDD+ strategy options						
<b>1.8 Environmental and Social Management Framework</b>							
1.8.1	WB Safeguards Policies Triggered R-PP level	WB	May 2014	Updated Integrated Safeguards Data Sheet (ISDS)	NA		
1.8.2	Preparation, disclosure and refinement of ToR	Min. of Water and Environment	May 2014	ToR	NA		
1.8.3	Draft ESMF	<b>Consultant and SESA Team</b>	June 2014		x		

<b>1.8.4</b>	Task force/consultation of Initial Draft ESMF	<b>Consultant and SESA Team</b>	June 2014	Draft ESMF report and consultation report	X	- Key intersection to coordinate with consultations to validate final REDD+ Strategy - Includes consultation with selected local communities, IPs at the regional and national levels
<b>1.8.5</b>	Final Draft ESMF	<b>Consultant and SESA Team</b>	July 2014	Final draft ESMF	x	- Input to REDD+ Package
<b>1.8.6</b>	SESA report	<b>Consultant and SESA Team</b>	July 2014	SESA Report	x	- Integrates all previous reports including Final Draft ESMF
<b>1.8.7</b>	Disclosure of ESMF	Min. of Water and Environment / Bank (Info shop)	August 2014	Publication in relevant websites, and WB Infoshop	x	Executive summaries sent to districts, sub-districts and parish levels

**Annex VI  
Procurement Plan**

Name and contact information of the grant recipient responsible for procurement: Margaret Mwebesa, Forestry Sector Support Department and Gillian Amongin, PDU, Ministry of Water and Environment  
Name of Grant and Grant Number: Uganda FCPF REDD+ Readiness P124296

Proc.	Description	Planned/Actual	Cost	Procurement Method	Start date of procurement/selection process	Contract signing Date	Completion date	Confirmation of compliance with proc. procedures
G	Vehicle – station wagon	Planned	50,000	Shopping	21/05/13	30/08/2013	30/07/13	Post
		Actual						
ICS	Supply of Office Equipment – Lot 1: Computers (3), Lot 2: Photocopier (1), Lot 3: Printer (1)	Planned	10,000	Shopping	18/05/13	15/07/2013	30/04/2013	Post
		Actual						
G	Office Stationery and Consumables	Planned	30,000	Shopping	18/05/13	15/06/2013	20/03/13	Post
		Actual						
G	Remote sensing data	Planned	250,000	ICB	14/05/2013	20/09/2013	20/09/2013	Prior
		Actual						
<b>G</b>	<b>Tools for inventory work</b>	<b>Planned</b>	<b>65,000</b>		<b>04/06/2013</b>	<b>20/09/2013</b>	<b>20/07/2013</b>	<b>Post</b>
	Tent (one man)		2,222	Shopping				
	Tent (2 man)		10,556	Shopping				
	Camp bed		444	Shopping				
	Camp Matress		222	Shopping				
	Camp Table		148	Shopping				
	Camp Chairs		556	Shopping				
	Ice Chests		741	Shopping				

Proc.	Description	Planned/Actual	Cost	Procurement Method	Start date of procurement/selection process	Contract signing Date	Completion date	Confirmation of compliance with proc. procedures
	Solar System		1,481	Shopping				
	Helmets		1,333	Shopping				
	Jungle boots		1,333	Shopping				
	Rain Suit/ wear		556	Shopping				
	Binoculars		556	Shopping				
	Precision Lensatic compass		1,759	Shopping				
	Precision Prismatic compass		1,759	Shopping				
	Relascope(Metric)		5,185	Shopping				
	Diameter tape (160cm)		1,667	Shopping				
	Diameter tape (320cm)		2,222	Shopping				
	Diameter tape refill (160cm)		296	Shopping				
	Diameter tape refill (320cm)		444	Shopping				
	Distance tape (50m)		3,704	Shopping				
	Distance tape (30m)		1,481	Shopping				
	Caliper (65cm)		1,704	Shopping				
	Caliper (102cm)		2,222	Shopping				
	Caliper (127cm)		2,500	Shopping				
	Sunto hypsometer		4,444	Shopping				
	Briefcase (aluminum)		593	Shopping				
	Clip board(aluminum)		185	Shopping				
	Flagging tape(yellow)		1,111	Shopping				
	Flagging tape(Red)		1,111	Shopping				
	Mathematical Set		22	Shopping				
	Box files		89	Shopping				
	Digital Camera		352	Shopping				
	Water proof paper (A4)		463	Shopping				
	Hoes		54	Shopping				

Proc.	Description	Planned/Actual	Cost	Procurement Method	Start date of procurement/selection process	Contract signing Date	Completion date	Confirmation of compliance with proc. procedures
	Machetes		163	Shopping				
	Pick axe		44	Shopping				
	Spades		37	Shopping				
	Two man Cross-cut saw		148	Shopping				
	Bow saw		19	Shopping				
	Power Saw (95cc German)		1,332	Shopping				
	Hummer		19	Shopping				
	Global Positioning System (GPS)		9,259	Shopping				
	Plant Press		463	Shopping				
		Actual						
G	Carbon offset	Planned	50,000	Shopping	30/05/2013	30/08/2013	30/12/2013	Post
	Individual Consultants i. Technical Advisor	Planned	90,000	ICI	7/05/2013	15/06/2013	15/06/2016	Prior
		Actual						
	Individual Consultants ii. Communications/Project Officer	Planned	54,000	ICS	7/05/2013	15/06/2013	15/06/2016	Prior
		Actual						
C	SESA (including SESA consultations)	Planned	245,000	QCBS	30/05/2013	30/10/2013	30/03/2014	Prior
		Actual						
C	Analysis of REDD+ options + draft strategy (including consultations)	Planned	425,000	QCBS	30/05/2013	30/11/2013	28/02/2014	Prior
		Actual						
C	Benefit sharing mechanism (including consultations)	Planned	230,000	CQS	15/04/2013	15/06/2013	15/07/2013	Prior

Proc.	Description	Planned/Actual	Cost	Procurement Method	Start date of procurement/selection process	Contract signing Date	Completion date	Confirmation of compliance with proc. procedures
		Actual						
C	Grievance Redress Mechanism (including consultations)	Planned	200,000	CQS	15/03/2013	15/05/2013	15/07/2013	Prior
		Actual						
C	Enhancing Stakeholder Engagement	Planned	385,000	QCBS	30/05/2013	30/09/2013	30/07/2013	Prior
		Actual						
C	M&E Framework Preparation	Planned	12,000	ICS	28/05/2013	30/06/2013	30/09/2013	Post
		Actual						
	Mid-term Project Assessment		24,000	ICS	28/07/2014	30/10/2014	30/12/2014	Post
		Actual						
	Final Project Review		24,000	ICS	28/11/2015	30/01/2016	30/04/2016	Post
		Actual						
C	Development of Guidelines for REDD+ Pilots	Planned	120,000	CQS	30/05/2013	30/05/2013	30/08/2013	Prior
		Actual						
C	Database of REDD+ activities and pilots	Planned	5,000	ICS	04/05/2013	15/06/2013	15/07/2013	Post
		Actual						
C	Supervision of Inventory Work; and Development of Reference Scenario	Planned	360,000	QCBS	04/05/2013	30/09/2013	30/09/2014	Prior
		Actual						
	Operations Costs during Inventory Work (Transport, semi-technicians for inventory work, data handling and	Planned	183,769	QCBS	15/05/2013	15/08/2013	15/05/2014	Prior

Proc.	Description	Planned/Actual	Cost	Procurement Method	Start date of procurement/selection process	Contract signing Date	Completion date	Confirmation of compliance with proc. procedures
	consumables)							
	Field Technicians		37,333	Shopping/Framework Contracts				
	Data Technicians		18,667	Shopping/Framework Contracts				
	Transport		89,600	Shopping/Framework Contracts				
	Markers		356	Shopping				
	Pens		95	Shopping				
	Pencils		71	Shopping				
	Notebooks		356	Shopping				
	Sharpening files		640	Shopping				
	Oil Paint (Red)		3,556	Shopping				
	Oil Paint (Red)		3,556	Shopping				
	Oil Paint (Yellow)		3,556	Shopping				
	Oil Paint (Blue)		3,556	Shopping				
	Oil Paint (White)		3,556	Shopping				
	Nylon rope		830	Shopping				
	Kerosene		178	Shopping				
	Medication		1,778	Shopping				
	Air time		3,556	Shopping				
	Sisal roll		89	Shopping				
	Polythene sheets		4,148	Shopping				
	Other		1,185	Shopping				
	Flagging tapes		4,741	Shopping				
	Other		2,370	Shopping				
		Actual						

## Annex VII. Comparison of Readiness Grant Activities and R-PP Components

The table below shows the proposed Readiness Grant activities vis a vis the overall R-PP.

R-PP Component	R-PP Budget	FCPF Readiness Grant	GoU
<b>Component 1. Organize and Consult</b>			
1A. National Readiness Management Arrangements	195,000	414,000	148,000
1B. Information Sharing and Early Dialogue with Key Stakeholders	2,458,000	235,000	235,000
1C. Consultation and Participation Process	2,044,000	150,000 <sup>10</sup>	150,000
Conflict resolution and grievance management system	1,430,000	200,000	40,000
<b>Component 2. Prepare the REDD Strategy</b>	2,668,000	1,085,000	90,000
<b>Component 3. Develop a Reference Level</b>	665,000	1,040,000	100,000
<b>Component 4. Designing a Monitoring System</b>			
4A. Emissions and Removal	530,000	0	0
4B. Multiple benefits, other impacts and governance	530,000	0	0
<b>Component 5. Schedule and Budget</b>	-	-	-
<b>Component 6: Design a Program Monitoring and Evaluation Framework</b>	97,000	60,000	50,000
<b>Total</b>	10,617,000	3,184,000	813,000

<sup>10</sup> In addition, consultations on Strategy Options, SESA, and Reference Level are included under respective components.

## Annex VIII. Detailed Description of Components and Implementation Arrangements

### Implementation Arrangements

104. REDD+ management in Uganda will take place at three different levels, each of which has roles and responsibilities towards the Readiness process.

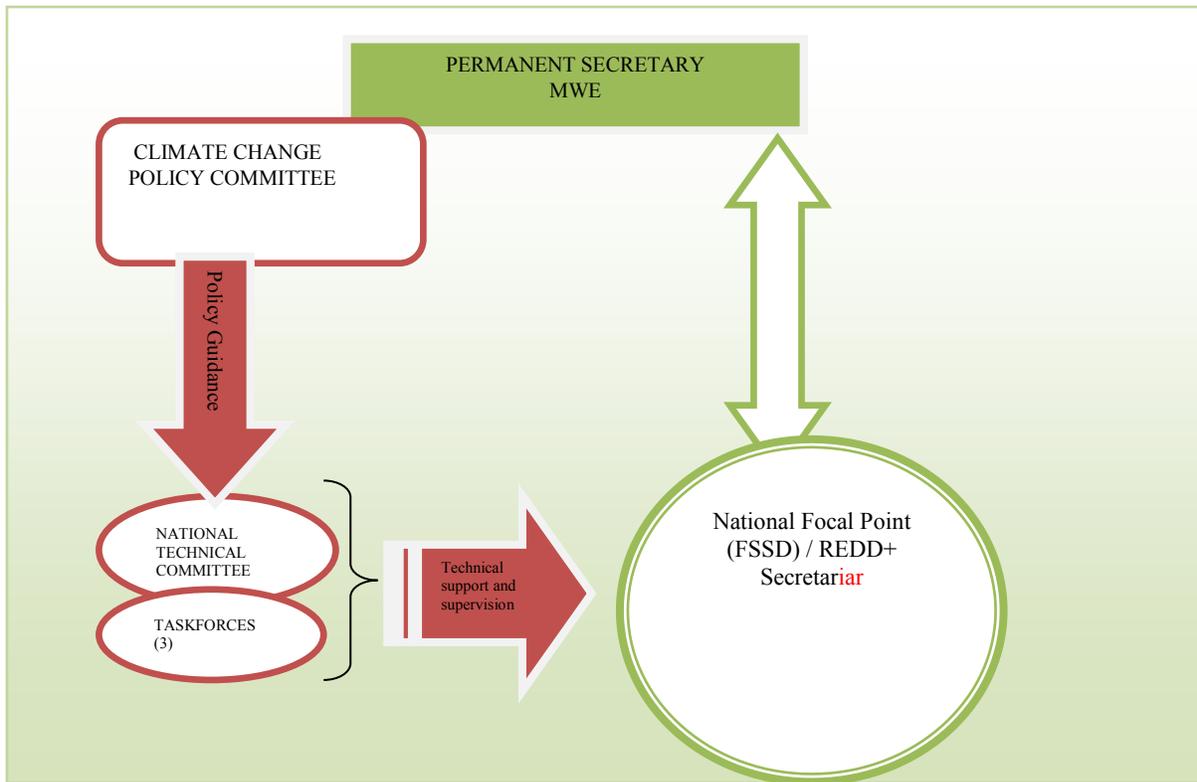
105. **Policy Formulation and Coordination:** Top policy guidance will be provided by the National Climate Change Policy Committee (CCPC) that provides policy formulation and coordination at the National Climate Change Policy Advisory level. It is a high-level policy coordination committee responsible for overall climate change policy in the country. The Committee serves to provide overall coordination needs and inter-sectoral leadership and is chaired by the Permanent Secretary of the Ministry of Water and Environment. Current composition of the CCPC shall be reviewed and additional members may be involved in order to strengthen its relevant to REDD+ processes in Uganda.

106. **Technical Oversight:** The overall technical oversight to ensure timely progress and completion of activities shall be a responsibility of the National Technical Committee. All consultants and implementers will be contracted by the REDD+ Secretariat and will report on substance to the National Technical Committee. The Committee is chaired by Director, DEA, MoWE. It shall inform and guide decisions on REDD+ activities/ program development in Uganda, including Preparation and Finalization of REDD+ Strategy. The task forces, established under the auspices of the National Technical Committee for specific tasks (i.e. (i) SESA; (ii) Policy; and (iii) Reference Level) drawn from specialized agencies will work with the consultants and experts to provide specialist inputs in respective technical work and ensure quality outputs.

107. **Implementation:** The overall fiduciary responsibility and managing contracts for FCPF supported REDD+ activities rests with the FSSD. FSSD hosts the REDD+ Secretariat.

108. The MoWe structures will provide links between the Policy and Coordination levels, as FSSD (MoWE) hosts the REDD+ Secretariat that serves as secretariat to the National Technical Committee chaired by DEA (MoWE), and the MoWE PS is a chair of the Climate Change Policy Committee.

### Box 1. Project Implementation Structure/Organogram



109. **Intersectoral Coordination.** Given the multisectorial nature of the drivers of forest degradation and deforestation, there is a strong emphasis on involvement of stakeholders from different sectors in the REDD+ process. This will be ensured at the *policy formulation and coordination* level as the CCPC is a multisectoral committee that includes representatives of the Ministry of Finance, Planning and Economic Development, Office of the Prime Minister, Ministry of Health, Ministry of Agriculture, Animal Industry and Fisheries, Ministry of Justice and Constitutional Affairs, Ministry of Energy and Mineral Development, Ministry of Works and Transport, National Planning Authority, Department of Meteorology. The CCPC will also provide oversight for REDD+ to help ensure that cross-sectoral synergies and / or contradictions are considered. At the *technical oversight* level, the NTC and its task forces will include representatives of all relevant sectors.

**Component 1: Coordination and Monitoring of REDD+ Readiness Process – \$672,000, including \$474,000 from FCPF** (Activities correspond with Component 1a and Component 6 of the R-PP)

Context

110. REDD+ management in Uganda will take place at three different levels, each of which has roles and responsibilities towards the Readiness process, as described above policy formulation and coordination (provided by CCPC); technical oversight (provided by the National Technical Committee); and implementation (provided by the REDD+ Secretariat hosted within the FSSD).

## **Sub-component 1.1: Coordination Capacity of REDD+ Readiness Process**

### Context

111. This sub-component will support national Readiness management arrangement activities (Component 1a of the R-PP).

### FCPF Support

112. The FCPF will support technical assistance, goods, workshops, training, services, and operational costs for the following:

- Operational expenditures to support the functions of the National Technical Committee and the three Task Forces, and the REDD+ Secretariat (meetings and dissemination of reports);
- Recruitment of Technical Advisor for the REDD+ Secretariat;
- Recruitment of Communication Specialist cum Programme officer to provide support on all communications aspect related to the REDD+ readiness and support project management and reporting;
- Capacity strengthening activities including trainings for the sectors and agencies involved in REDD+ coordination and implementation, participation in regional (2 per year) and international (1 per year) meetings;
- Equipment support, including procurement of 1 vehicle and some office equipment.

## **Sub-component 1.2: Monitoring and Reporting Readiness Process**

### Context

A Monitoring and Evaluation (M&E) Framework for overall reporting on the progress made on implementation of REDD+ readiness, including FCPF supported activities, will be prepared. Independent assessment of progress at mid-term and final stages of FCPF grant shall be carried out. The R-Package Assessment Framework will be applied as guidance when preparing the M&E framework and progress reports, in accordance with the process adopted through Resolution PC/12/2012/2

113.

### FCPF Support

114. FCPF grant will support cost of the consultancies for the initial M&E framework design, mid-term, and final evaluation.

### GOU Contribution

115. Additionally, under Component 1 the following will be covered through GoU contributions (in-kind and cash): staff time of the National Focal Point (NFP), Alternate NFP, and GoU staff in the REDD+ Secretariat, including one driver for project vehicle; use of office space and utilities; meetings costs for the Climate Change Policy Committee; and cost of driver, insurance, and taxes on the procured vehicle. GoU will also provide data for the M&E framework as in-kind contribution and contribute GOU staff time for the M&E work.

**Component 2: Stakeholder Engagement and Feedback in Readiness Process – \$625,000 including \$585,000 from FCPF** (Some of the Actions correspond with Component 1b and Component 1c of the R-PP)

116. Support for consultations on specific components such as REDD strategy development and SESA, Feedback and Grievance Redress mechanism, Benefit Sharing, National Interim Guidelines for REDD+ Demonstration Activities, and Reference Scenario development is provided through the FCPF grant. These consultations will be explicitly targeted under each activity, and the total budget allocation is reflected against each component in Table 2. Above includes the budget for overall consultations and support for the SESA / C&P taskforce under the National Technical Committee expected to coordinate the consultation process. The support for the following elements 2.1 to 2.3 below is additional to the budgetary allocation included for conducting consultations in each component.

**Sub-component 2.1: Participatory structures and capacity building to enhance stakeholder engagement**

Context

117. The importance of stakeholder engagement has been emphasized as critical to the success of REDD+ readiness in Uganda. In response, Uganda had developed a comprehensive and holistic plan for engaging the relevant stakeholders with an interest in REDD+ to include those who are most likely to be affected by this process.

118. It is recognized that the FCPF grant funding will not be sufficient to fund all activities anticipated under the Consultation and Participation Plan that the Government has developed. Rather adequate resources from the FCPF grant have been allocated to fund aspects of stakeholder engagement relating to the specific components being implemented under the grant.

FCPF Support

119. Under this subcomponent, strengthening participatory structures to enhance stakeholder engagement will be targeted. Uganda has identified several structures at national, district and local levels whose capacity will be built to make sure that they are engaged meaningfully. Some of these include but are not limited to: local and national structures, community based forest associations, religious institutions, women's and youth associations, national association of tree growers, etc. The resources shall be used to strengthen stakeholder structures specifically in prioritized areas/regions where Uganda expects REDD+ to be implemented.

## **Sub-component 2.2: Communication materials/tools**

### Context

120. Uganda's Consultation and Participation Plan is accompanied by a Communication Strategy to ensure the awareness and understanding of exactly what the country proposes to do in terms of REDD+ and also to solicit feedback from the different stakeholder in a manner that enhances the development of appropriate REDD+ strategies, as well as to put in place the right systems, institutions, and policies for the effective delivery of REDD+ Readiness.

### FCPF Support

121. FCPF grant will support development of a variety of communication materials / tools for all components supported by the Readiness grant and to suit different stakeholder groups. It is critical for Uganda to create the awareness needs for the smooth and successful implementation of REDD+ readiness. Some of these tools include the creation of a national REDD+ website within the Ministry of Water and Environment, to be populated by the REDD+ Secretariat - all relevant documents relating to REDD+ will be posted on this site; use of public media such as TV, national and FM radios; the development of policy briefs, newsletters, and brochures in local languages, the creation of local level facilitators; and the use of pictorials, and other social networks at the local levels. The communication materials are expected to serve a dual purpose of enhancing understanding but also for managing expectations from REDD+. Preparation of materials will be undertaken through a contract – it is expected that activities under Sub-Component 2.1. and Sub-Component 2.2. will be executed through one contract. The communication specialist being recruited by the FCPF grant will provide oversight for this work.

## **Sub-Component 2.3: National feedback and grievance redress mechanism for REDD+**

### Context

122. The complexity of REDD+ issues and diversity of stakeholder interests involved in REDD+ Readiness may lead to numerous questions, inquiries, and grievances about the REDD+ Readiness strategy or process. A national feedback and grievance redress mechanism which builds upon existing systems needs to be implemented and, if necessary, strengthened, as part of the country's REDD+ institutional arrangements. Such a mechanism needs to be available to REDD+ stakeholders from the earliest stages of R-PP implementation in order to facilitate handling of any request for feedback or complaint by any REDD+ Readiness stakeholders.

123. Uganda had undertaken a framework assessment of such existing feedback and grievance redress mechanisms and structures during the R-PP formulation. The assessment of existing grievance and conflict structures shows that there are several structures in place that could be used and built upon to service REDD+. They include: the review of local council courts, local magistrate courts, and national courts; the Uganda Human Rights Commission Office of the Inspectorate of Government; existing natural resources management institutions; as well as the International Conflict and Grievance Mechanism. After assessment validation, appropriate structures will be identified, to be further strengthened for feedback and redress on REDD+

related issues with particular attention to providing access to geographically, culturally or economically isolated or excluded groups.

### FCPF Support

124. Under this subcomponent, Uganda will build upon the framework assessment already undertaken by the Government of Uganda during the formulation phase and the SESA findings that identify the potential sensitive issues. FCPF grant will support Government of Uganda in the following:

- Assessing the capacity of existing institutions including customary methods to handle REDD+ related complaints and grievances;
- Validate which institutions will have a role in handling feedback and grievances on REDD+ ;
- Support appropriate mechanisms and developing the operating procedures that can be utilized by REDD+ program stakeholders during implementation;
- Trainings and other means of support strengthen capacity of appropriate agencies/staff that are tasked with receiving feedback and requests in order to improve consultation and participation processes during the preparation stage, for the duration of the FCPF Grant;
- Elaborating recommendations for designing an improved system.

125. This activity will be conducted in a phased approach once Uganda has identified the strategy options and the areas where REDD+ will be implemented. Consultations will be an integral part of this activity.

### GOU Contribution

126. Additionally, under Component 2.3. GoU in kind contribution will consist of provision of information and data for the Grievance Redress Mechanism work.

**Component 3: REDD+ Strategy and SESA – \$820,000, including \$730,000 from FCPF (Some of the Actions correspond with Component 2 of the R-PP)**

127. The two sub components that will be supported here are: Sub-Component 3.1. Strategic Environmental and Social Assessment (SESA) and draft Environmental and Social Management Framework (ESMF) and Sub-Component 3.2 Preparation and validation of a draft national REDD+ strategy document.

128. SESA, ESMF and REDD+ Strategy preparation are the interlinked and iterative activities - the findings from SESA will feed into the design of the REDD+ Strategy. Preparation of the ESMF depends on the finalized REDD+ Strategy Options. This coordination between the two activities will be ensured through the NTC. The consultants will report to the NTC during the work process, and all reports will be approved by the NTC as a first step.

### Context

129. The design of the National REDD+ Strategy will result from the analytical work to assess potential social and environmental risks and opportunities, cost benefit analysis, legal and institutional tenability, potential for scalability, and political economy of the proposed strategy options. The findings of the analysis for each of the aspects undertaken and the final draft strategy based on this analysis will be subject to feedback from relevant stakeholders / agencies, institutions, and groups involved. The FCPF will finance technical assistance, workshops, training, goods, and operational costs in order to support this process.

#### FCPF Support

130. Particularly, the FCPF will finance the following two interrelated subcomponents: Strategic Environmental and Social Assessment (SESA) and finalization of the REDD+ Strategy. The SESA will contribute to the REDD+ Readiness process in Uganda by assessing how REDD+ strategy options address environmental and social priorities associated with current patterns of land use and forest management. Gaps identified through this assessment would lead to adjustments in the REDD+ strategy options to close the gaps. Also, the SESA will provide an ESMF that will outline the procedures to be followed for managing potential environmental and social impacts of specific policies, actions and projects during the implementation of the REDD+ strategy that is finally selected.

131. The FCPF will support cost/benefit assessment, review of legal, policy and political economy for successful implementation of proposed REDD+ Strategy options. These assessments will collectively help to assess the viability of the options to determine their inclusion in the National REDD+ Strategy. The work will be conducted under the oversight of the National Technical Committee with support from the Technical Advisor housed in the REDD+ Secretariat and SESA and Policy Task Forces.

132. The process of finalizing the REDD+ Options for Uganda will involve the following activities to be funded under the FCPF grant:

- a) Assessment of REDD+ Strategy Options: Assessing potential strategic options proposed in the R-PP, including analysis of policy, legal, social, environmental, cost benefits, governance aspects, and other relevant aspects to refine and prioritize REDD+ strategies that are most likely to be successful, most cost effective, and have the highest potential for scaling-up. The FCPF will support a contract (\$435,000) for supporting the relevant analysis and consolidating the results as draft National REDD+ Strategy for Uganda.
- b) Presenting findings of assessment to CCPC for final validation and approval, consultations with other sectors at appropriate level for policy implications, other relevant stakeholders for soliciting timely feedback at every phase of work.
- c) Strategic Environmental and Social and Assessment: Evaluating social and environmental impacts of proposed strategies through a SESA process and preparation of the ESMF. The FCPF will support a contract ((\$245,000) for the implementation of the SESA, which will be complemented with consultation and participation activities as follows:

- Stakeholder gap analysis based on the analysis carried out during the formulation of the R-PP;
  - Comprehensive assessment of environmental and social considerations (risks and opportunities) associated with the prioritized REDD+ Strategy Options, including assessment of the necessary policy, legal, institutional arrangements for integration of environmental and social considerations into the national REDD+ Readiness processes;
  - Defining, in a consultative manner, the consultation and public participation activities of the SESA (considering the Consultation and Participation Plan prepared during the development of the R-PP and the work plan in the SESA ToRs (Annex VI));
  - Validation meeting/s of SESA Work Plan (it is important that stakeholders agree to the modalities of the process);
  - Implementation of the plan: conduct one-on-one interviews, meetings and focus groups at national, regional, and local levels to select and validate environmental and social priorities, validate the REDD+ strategy options, and consult the Environmental and Social Management Framework (ESMF)
- d) Finalizing, validating and disclosure of the REDD+ Strategy, for approval by the stakeholders.
- e) Preparing and consulting on the Environmental and Social Management Framework (ESMF)

#### GOU Contribution

133. Additionally, under Component 3 the following will be covered through GoU contributions (in-kind): data on REDD+ assessment of priorities, trends and issues; and data on assessment of forestry related social and environmental issues and trends.

**Component 4: REDD+ implementation framework – \$355,000, all from FCPF** (Some of the Actions correspond with Component 2 of the R-PP)

134. The following key areas will be supported with a view to initiating the work which can be advanced once other sources of funding have been identified.

- a) Review and assessment of existing benefit sharing arrangements and recommendations of options for benefit sharing for REDD+;
- b) Interim Guidelines for early implementation of pilot / demonstration activities;
- c) Review and documentation of existing REDD+ demonstration activities.

Activities under this Component will be funded only by FCPF (no GOU contribution).

## **Sub-Component 4.1: Review of benefit sharing arrangements**

### Context

135. It is critical to establish a system for ensuring an equitable and transparent flow of benefits from implementation of REDD+ strategy. Such a system will need to review existing mechanisms of benefit sharing in Uganda, their pros and cons and potential for adapting such a system for REDD+, including for the flow of carbon revenues and carbon rights. Given that REDD+ is cross-sectoral and the impacts on forests (positive and negative) can result from actions taken outside the forests, it is not easy in all cases to attribute the emissions reductions that are generated to actions undertaken. Such a system will, therefore, require a careful consideration of, among other issues, who the beneficiaries from REDD+ will be, the criteria for determination of beneficiaries, access to benefit sharing, and the implications arising from unclear land tenure.

### FCPF Support

136. The FCPF grant will support the following:

- Review and analysis of existing benefit sharing systems in country and in the region for use under REDD+;
- Formulation of recommendations on possible options for way forward to design/ adapt existing system for REDD+;
- Sub national/district level consultations on findings and consultations with relevant stakeholders to solicit feedback;
- Formulation of recommendations for follow up work, where necessary.

## **Sub-Component 4.2: Guidelines and standards for REDD+ pilots / demonstration activities**

### Context

137. One of the first steps in setting up an institutional framework for implementation of REDD+ would be national guidelines and/or standards that clearly set (to the extent possible at this stage of readiness) the parameters and eligibility criteria (social, environmental, scale, engagement of stakeholder, types of forests/ land uses, etc.) for potential REDD+ programs in the country. Given the state of forests in the country, the public and private ownership of forests, an equitable and transparent incentive structure will be required to ensure the success of REDD+. Uganda has begun preparing draft guidelines which could be tested with REDD+ pilots and eventually be adapted and validated to serve as the basis for managing the REDD+ programs at the national level. Such guidelines will need to be consistent with the international guidance emerging from the global negotiations on REDD+. Interim guidelines will help stakeholders advance thinking in practical terms on potential for REDD+ in Uganda and will ensure that REDD+ programs in the country are implemented based on agreed basic principles.

### FCPF Support

138. The Government of Uganda has initiated the preparation for guidelines for implementation of REDD+ programs with GoU funding. FCPF grant will support the following:

- Consultant services to prepare a zero draft drawing upon national and regional experience on this subject but relevant in Uganda's national context. Some other FCPF countries have experience which Uganda can draw upon. This will include review for consistency with national laws and emerging international guidance and gaps that should be addressed in the short term / long term;
- Testing application/ relevance of these guidelines / standards in ongoing REDD+ pilots;
- Consultations with relevant stakeholders;
- Documenting findings and recommending areas for improvement;
- Peer review of the guidelines (international);
- Validation of guidelines / standards at national level.

#### **Sub-Component 4.3: Review of Existing REDD+ Demonstration Activities / Pilots**

139. Additionally, the project will support a review of existing REDD+ demonstration activities / pilots in Uganda.

#### FCPF Support

140. The FCPF grant will finance a consultancy to carry out a review of existing demonstration activities /pilots in Uganda that use or intend to use the REDD+ methodology. This review will feed into the preparation of guidelines as per above and will, ultimately, help formulate the National Strategy.

**Component 5: National Reference Scenario and Inventory of Forest Resources – \$1,140,000, including \$1,040,000 from FCPF** (Some of the Actions correspond with Component 4 of the R-PP)

#### Context

141. Establishing a reference scenario for emissions from deforestation and/or forest degradation is one of the key pillars for a national REDD+ regime. A REDD+ reference scenario is defined in the R-PP as a combination of recent historical data on emissions from deforestation and/or forest degradation and other relevant land uses and estimations of future emissions and removals, to produce a national scenario over time of GHG emissions without additional REDD+ incentives. The reference scenario will be developed by combining emission factors with activity data in order to model quantity/location of forest change, as well as future emissions/removals over different time periods and under various socio-economic scenarios.

142. The development of Uganda Reference level shall include the following activities:

- a) Constituting a Reference level Taskforce which will be responsible for defining through a transparent process a realistic REDD+ reference level;
- b) Designing a methodology for developing the Reference levels aligned to the emerging guidance from UNFCCC and IPCC;

- c) Reviewing historical data available on land cover, drivers of deforestation and/or degradation and other REDD+ activities and identifying data gaps that need to be filled to estimate past and recent land use change and GHG emissions/removals from deforestation and/or forest degradation and any of the other REDD+ activities;
- d) Reviewing "national circumstances" to adjust the reference level;
- e) Assessing the institutional roles, mandates and capacities of both government and non-government institutions involved in this activity;
- f) Strengthening technical support required and levels of collaboration to develop the Reference Level;
- g) Conducting inventory of forests and mapping forest cover in Uganda, including procurement of relevant remote sensing data and equipment;
- h) Preliminary national or sub national Reference Level defined for Uganda;
- i) Defining mechanisms for integrating Reference levels with REDD strategy and national GHG inventory and reporting process;
- j) Defining linkages with the monitoring system design.

### FCPF Support

143. The FCPF will finance consultant services, as well as capacity building trainings, workshops and operational costs and relevant consultations to support the development of a reference scenario, including national forest cover mapping and inventory in priority areas. FCPF grant will support procurement of satellite imageries and required GIS equipment. This will be composed of the following activities:

- Forest cover mapping/ inventory in sample plots: To produce a vegetation cover map for all of Uganda. Uganda had completed its last inventory in 2005. A new inventory has since been due but due to lack of resources inventory process has not been started. It is not feasible to complete the inventory on all 5,000 sample plots in the time and resources provided. A judicious inventory plan will be prepared in consultation with the expert to ensure that work undertaken remains relevant for the reference scenario development. Ground truthing will be done, as a priority, in the potential REDD+ intervention areas, as defined by the REDD+ Strategy Options work. Consistency and/or improvement over inventory methods previously used will be ensured. It is expected that this activity will be undertaken by the NFA through a Memorandum of Understanding with FSSD. The process will be guided by the international consultant engaged for the Reference Scenario work;
- Deforestation and degradation: definition of deforestation and degradation; assessment of current activity data on deforestation and degradation;
- Assessment of national/ sub national approach to reference scenario development based on data availability, prioritization of areas for REDD+, and other relevant factors;
- Biomass: compile existing inventory data; evaluate and develop methodology to stratify and estimate carbon stocks; select IPCC Reporting Tier; and identify key carbon pools to include in the historic estimate of emissions/removals; publication of results of the biomass study on the Ministry of Water and Environment website;
- Predictive Spatial Modeling: collect additional spatial data to incorporate into scenario

modeling; determining relevant driver variables; developing reference scenarios and estimating emissions using spatial analysis software; and consider linkages with site-level initiatives;

- Costs of a task force that will work on a regular basis with the consultants and relevant trainings to ensure transfer of capacities to national institutions to manage the reference scenario data management, updates and reporting.

#### GOU Contribution

Additionally, under Component 5 the GoU will provide historical data on emissions / removal factors for use in establishment of Reference Levels and development of Reference Scenario as an in-kind contribution.