

**PROJECT INFORMATION DOCUMENT (PID)**  
**CONCEPT STAGE**

Report No.: 119833  
September 10, 2017

<b>Project Name</b>	UG - FCPF REDD Readiness (Additional REDD+ Readiness Preparation Support)
<b>Region</b>	AFR
<b>Country</b>	Republic of Uganda
<b>Sector(s)</b>	Forestry (100%)
<b>Theme(s)</b>	Climate change (100%)
<b>Project ID</b>	P124296
<b>Borrower(s)</b>	Ministry of Finance, Planning and Economic Development
<b>Implementing Agency</b>	Ministry of Water and Environment
<b>Environmental Category</b>	B (Partial Assessment)
<b>Date PID Prepared/Updated</b>	September 10, 2017
<b>Estimated Date of Board Approval</b>	n/a
<b>Concept Review Decision</b>	Proceed with Grant Agreement signature

## **I. Introduction and Context**

### **Country Context**

Uganda is a landlocked country with an estimated population of 34.9 million (UBOS National Household Survey, 2014). Growing at 3.03 per cent per year (averaged over the past decade) (UBOS, 2014), 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 it is predicted to double by 2050. Uganda's population is predominantly rural (approximately 82 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.

About 19.7 per cent of the population lives below the national poverty line (UBOS Statistical Abstract 2015), including 18 percent of the population classified as chronically poor. 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.

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 US\$4 billion annually – is attributable to the natural resources.

### **Sectoral and Institutional Context**

According to the National Biomass Study 2005 (NFA 2009), the total area of Uganda's forests as of

2005 was 3,594,550 ha, or 15 per cent of the total country's land area. Recent estimates put forest cover in 2015 at only 10 percent of the land area; of this, approximately 64 percent are forests within protected areas (National Parks, Wildlife Reserves, Central Forest Reserves (CFRs) and Local Forest Reserves (LFRs) and approximately 36 percent is forest on private land. Rates of deforestation remain very high, with estimated average annual deforestation rate reaching 4.14 percent in the 2010-2015 period. The majority of recent loss of forest cover has occurred on private lands outside the protected forest estate.

The legal framework for the sector 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 Act (2003), the Land Act (2001), the Local Government Act (1997), National Energy Policy (2002), National Environment Policy (1995), National Wetlands Policy (1994), Climate Change Policy (2012), the Renewable Energy Policy for Uganda (2007); and the Uganda Wildlife Policy (2003). The policy and law are reflected in the National Forest Plan (2011).

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 policy, sector coordination and support to districts; the National Forestry Authority (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 districts and manage LFRs. The Uganda Wildlife Authority (UWA) manages the forests in the National Parks and Wildlife Reserves.

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.

REDD+ is part of the national agenda in the forestry sector. The 2002 National Forestry Policy (NFP) and the 2011 National Forest Plan provide fundamental and holistic vision for the forest sector in Uganda. This foresees 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. It should also be noted that REDD+ is included as an integral part of the Climate Change Policy. REDD+ Strategy is a key analytical building block of Uganda's Intended Nationally Determined Contribution (INDC) and forestry is one of five key growth sectors as prioritized in the Second National Development Plan 2015-2020.

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.

## Relationship to CAS

Uganda's REDD+ Program supports the delivery of the Country Partnership Framework (CPF) for Uganda for FY2016 to FY2021, which recognizes the importance of sustainable natural resource management to supporting rural livelihoods and for addressing climate change priorities. The grant-supported activities contribute to the CPF Strategic Focus Area B: Raising Incomes in Rural Areas, more specifically under its objective of enhancing resilience of the poor and vulnerable. They also contribute to achievement of the World Bank Group's Twin Goals – to end extreme poverty and to promote shared prosperity with environmental, social, and fiscal sustainability, by addressing the problems of costs of natural resource degradation and the developmental threat of climate change.

## II. Proposed Development Objective(s)

### Proposed Development Objective(s)

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.

## III. Preliminary Description

### Concept Description

1. The grant will provide Additional Funding (AF) to the REDD+ Readiness Preparation Support in the amount of US\$3.75 million from the Forest Carbon Partnership Facility (FCPF) to the Republic of Uganda.
2. Uganda's Request for AF was approved in 2016 by the FCPF Participants' Committee (PC), the Governing Body of the FCPF. In accordance with the PC Resolution, the World Bank, as the Delivery Partner for Uganda, conducted its due diligence in order to provide the AF.
3. Drawing on an independent mid-term evaluation of the REDD+ process in January-February 2016, Uganda self-assessed its REDD+ Readiness progress and identified the remaining technical gaps *vis-à-vis* Uganda's roadmap for REDD+ Readiness (Readiness Preparation Proposal (R-PP)) and associated financial needs. The proposed additional activities seek to complete the REDD+ Readiness process within a two-and-a-half year period, with the Closing Date of December 31, 2019.
4. It should be noted that the activities to be financed by the FCPF in support of the REDD+ Readiness Program in Uganda do not include the implementation of REDD+ programs on the ground. The FCPF support is limited to analytical studies, capacity building, and consultation processes at the national and sub-national levels. Through the Readiness Program, the Government of Uganda (GoUG) is expected to identify priority investment needs to achieve the goals of REDD+. These investment needs will be financed by public and private donors and investors and the Government itself, and not by the FCPF Readiness Grant. The activities under the AF are technical assistance in nature and no on the on-ground implementation is planned or financed.

### **Component 1: Coordination and Monitoring of REDD+ Readiness Process (\$0.525 million, all from FCPF)**

5. The objective of this component is to continue supporting national level coordination and

---

<sup>1</sup> World Bank Group (2016). *Country Partnership Framework for the Republic of Uganda for the Period FY2016-FY2021*. (Report number 101173-UG, April 26, 2016)

monitoring of the REDD+ process. This support builds on structures and processes of the current REDD processes involving the REDD Secretariat and national REDD+ coordination, supervision and stakeholder participation. Uganda also intends to prepare its Readiness Package (R-Package) for submission to the FCPF PC in early 2018.

6. The FCPF grant will support goods, workshops, training, services, and operational costs for the following:

- *Provision of Technical Support to the REDD+ Secretariat.* This will include support from a part-time Lead Technical Advisor, a full-time Communications/Projects Officer (who will also be responsible for coordinating stakeholder engagement), and inputs from an International Consultant to provide targeted advice on ER Program design, including specific support on safeguards. This support will provide inputs and guidance to all aspects of the national REDD+ program.
- REDD+ Secretariat office and operational costs (including vehicle running costs).
- REDD+ representation in regional/international meetings and a South-South exchange event for learning and sharing experiences and lessons on REDD+ (potentially with Ghana as a country with the much-advanced REDD+ agenda).
- National level supervisions / coordination and harmonization processes (meetings of NCCAC, REDD+ Technical Committee, task forces, etc.);
- Preparation of the R-Package; and
- Revisions and update of the M&E Framework for REDD+ to include gender-related indicators (it is expected that this work will be led by the REDD+ Secretariat and the validation workshop for these updates will be combined with a self-assessment workshop for the R-Package).

## **Component 2: Stakeholder Engagement and Feedback in Readiness Process (\$0.1 million, all from FCPF)**

7. The objective of this component is to support ensuring broad stakeholder engagement – with particular focus on implementation of the Uganda REDD+ gender strategy. The support aims to implement key actions as identified in the Uganda REDD+ Gender Strategy (to be further reviewed prior to implementation) and foster gender integration in national REDD+ processes. The approach recognizes that any future REDD+ investments will need to explicitly acknowledge how gender-specific barriers are relevant to proposed investments and take appropriate steps to address this through the way they are designed and implemented.

1. It should be noted that stakeholder engagement is an integral element of the REDD+ process in Uganda and, as such, each activity supported by the FCPF grant will also integrate stakeholder engagement.

8. The FCPF grant will support goods, workshops, training, services, and operational costs to:
- Support implementation of key priority activities as identified in the Uganda REDD+ Gender Strategy; and
  - Support to capacity building and engagement of indigenous peoples in the Albertine region (which is considered as a possible jurisdiction for REDD+ implementation). Support to these forest dependent communities will enable their meaningful engagement in REDD+ and their informed participation.

## **Component 3: REDD+ Strategy and SESA (\$0.3 million, all from FCPF)**

9. The objective of this component is to continue supporting the National REDD+ Strategy process and environmental and social elements of it. The initial design of Uganda's National REDD+ Strategy and Implementation Plan and Strategic Environmental and Social Assessment (SESA) and ESMF was completed in June 2017. However, the National REDD+ Strategy is a living document and it is important that the lessons from the ongoing global, national and sub-national REDD+ processes (including development of the ER Programs) feed into the REDD+ Strategy and the safeguards instruments.

10. Parties to the UNFCCC have agreed that seven safeguards should be promoted and supported when undertaking REDD+ activities. These safeguards were agreed at the UNFCCC Conference of Parties (COP) in Cancun in December 2010 and are known as the 'Cancun safeguards.' To help Uganda comply with this agreement, this component will also support development of the Safeguards Information System for Uganda REDD+ as an integral component of the REDD+ strategy.

11. The FCPF grant will support goods, workshops, training, services, and operational costs for:

- Revising and updating key Readiness documents (Uganda's REDD+ Strategy and Implementation Plan; finalizing safeguards instruments), and
- The design and establishment of the Safeguards Information System.

#### **Component 4: REDD+ Implementation Framework (ER Programs) (\$0.95 million, all from FCPF)**

12. By end of June 2017, Uganda's REDD+ Strategy and Implementation Plan will define various strategies and country-appropriate options for reducing emissions from deforestation and forest degradation, sustainable forest management, and enhancement of carbon stock. The National REDD+ Strategy proposes that sub-national ER Programs be pursued as different approaches would be required for tackling deforestation and degradation in different parts of the country.

13. The objective of this component is to support identification and design of options for the Emission Reductions Programs (ER Programs) nested in the National REDD+ Strategy. In this regard, the FCPF grant will support identification of design options for two or three landscape level ER-Programs in selected landscapes. Priority consideration will be given to the ER Programs within the Albertine Rift and Mt. Elgon ecosystems. These landscapes are also target areas for the proposed landscape operations under the FIP and PPCR. The design options for ER Program packages will include documentation covering implementation, financing, and safeguards aspects.

14. The FCPF grant will support goods, workshops, travel, training, services, and operational costs for two such ER Program options (it is expected that preparation of design options for the ER Programs will be contracted-out).

15. Uganda does not have a committed buyer for the ERs under these potential ER Programs – thus, development of short idea notes will be a first step (to be followed by a complete program development, all part of the same assignment), and the Government of Uganda will be able to use these to seek potential buyers (including under the emerging REDD+ financing window of the Green Climate Fund).

#### **Component 5: National Reference Scenario and Inventory of Forest Resources (\$1.4 million, all from FCPF)**

16. The ongoing REDD+ preparation grant supported the development of the first reference scenario (Forest Reference Emissions Level (FREL)). Uganda made its first submission of its national FREL to UNFCCC in January 2017 and will submit revisions based on updates and improvements going forwards. The FREL provides an important part of the National Forest Monitoring System (NFSM), initial design of which is currently under development with support from the UN REDD Programme (under activities undertaken by the FAO).

17. The objective of this component is to refine the National Reference Scenario / FREL – most notably by undertaking analysis to better determine forest degradation levels as well as establish and institutionalize the NFMS as approved by the national REDD+ structures. It is expected that the FAO will be engaged to support the GoU in the implementation of activities under this component, under a Technical Assistance framework agreement (this mechanism has operated effectively under the original grant).

18. A first round of grant support from ADC and technical inputs from FAO succeeding on providing a robust platform for the NFMS and its Monitoring, Reporting and Verification (MRV) functions, further support is now required to expand geographical coverage and to generate the additional data to enable Uganda’s MRV system to deliver to UNFCCC Tier 2 reporting level.

19. The FCPF grant will support goods, workshops, training, services, and operational costs to:

- Improve estimations of emissions from forest degradation. These are currently poorly understood and yet could comprise one of the largest sources of national GHG emissions. Uganda is currently considering the use of RADAR technology, although other options will be explored (including a system piloted by Ghana which is reportedly less costly to operate).
- Implement the 2018 National Forest Inventory to update forest inventory and quantify biomass and stock estimates for trees outside “forests”. This work will include updating the database of inventory data and training the National Forestry Authority (NFA) and the Uganda Wildlife Authority staff (and others) in forest inventory and data analysis. Inventory work will be at the national level but with a particular focus on the landscapes / areas proposed for the ER-Programs. It is expected that the National Forest Inventory work will be undertaken by the NFA through a Memorandum of Understanding with the FSSD.
- Institutionalize the MRV system and its deployment at regional/zonal level – as per the approved design.
- A specific activity will pilot community-led monitoring and integrating community-based data into national MRV systems. This will include ground truthing of forest inventory land cover changes. It will explore existing community monitoring practices in Uganda, and how these could be beneficial in support of forest co-management, monitoring, benefit sharing and the design of landscape programs.

#### IV. Safeguard Policies that Might Apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	X		
Natural Habitats OP/BP 4.04	X		
Forests OP/BP 4.36	X		
Pest Management OP 4.09			X
Physical Cultural Resources OP/BP 4.11			X
Indigenous Peoples OP/BP 4.10	X		
Involuntary Resettlement OP/BP 4.12	X		
Safety of Dams OP/BP 4.37		X	
Projects on International Waterways OP/BP 7.50		X	
Projects in Disputed Areas OP/BP 7.60		X	

## V. Financing (in USD Million)

Total Project Cost:	3.75	Total Bank Financing:	3.75
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			0.00
Readiness Fund of the Forest Carbon Partnership Facility			3.75
Total			3.75

## VI. Contact point

### World Bank

Contact: Mr. Ross Hughes  
Title: Senior Natural Resources Management Specialist  
Tel: +258-21-482-364  
Email: rhughes@worldbank.org

### Borrower/Client/Recipient

Contact: Mr. Keith Muhakanizi  
Title: Permanent Secretary/Secretary to the Treasury, Ministry of Finance, Planning and Economic Development  
Tel: +256-414-707000  
Email: finance@finance.go.ug

### Implementing Agencies

Contact: Mr. Alfred Okot Okidi  
Title: Permanent Secretary  
Tel: +256 414 505 942  
Email: alfred.okidi@mwe.go.ug

## VII. For more information contact:

The InfoShop  
The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 458-4500  
Fax: (202) 522-1500  
Web: <http://www.worldbank.org/infoshop>