NCA Development in Uganda: Achievements, Challenges, Lessons Learnt

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Presentation Outline

- Overview of Uganda's NCA program supported by the World Bank – WAVES partnership

- Achievements of the program

- Lessons learnt

- Potential policy uses

- Way forward

Uganda NCA Overview

WAVES Program October 2018 - October 2020

The **objective** the Uganda NCA Program

- To mainstream natural capital into development policy dialogue and planning in Uganda by integrating a set of accounts to inform the National Development Plan (NDP3) and other national and sectoral policies

- To increase understanding on the real contribution of natural assets and the ecosystem services to the economy and the economy and its sectors affect this natural asset base

Moving Beyond GDP: Uganda Launches Natural Capital Accounting Program

By Benjamen Emuk
Posted on October 24, 2018

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Uganda NCA Overview

The program period is organized in three components

1. **Accounts development**
   - Land physical asset accounts
   - Forest and wood resources accounts
   - Initial ecosystem accounts

2. **Studies and issue papers**
   - Adjusted macro-economic indicators
   - Woodfuels assessment
   - Statistical and Economic Analysis of Tourism
   - NCA and NDP3 thematic paper

3. **Institutional engagement, capacity building and policy dialogue**
   - Trainings
   - Knowledge sharing
   - Inter-institutional dialogue
   - Communications

Program implementation arrangements

- Program implementation spearheaded by a Technical Working Group co-chaired by the Uganda Bureau of Statistics (UBOS), Ministry of Finance, Planning and Economic Development and the National Planning Authority.

- TWG brought together agencies that are data providers, data users and policy makers.

- The program's success was hinged on multiagency collaboration amongst key stakeholder institutions.
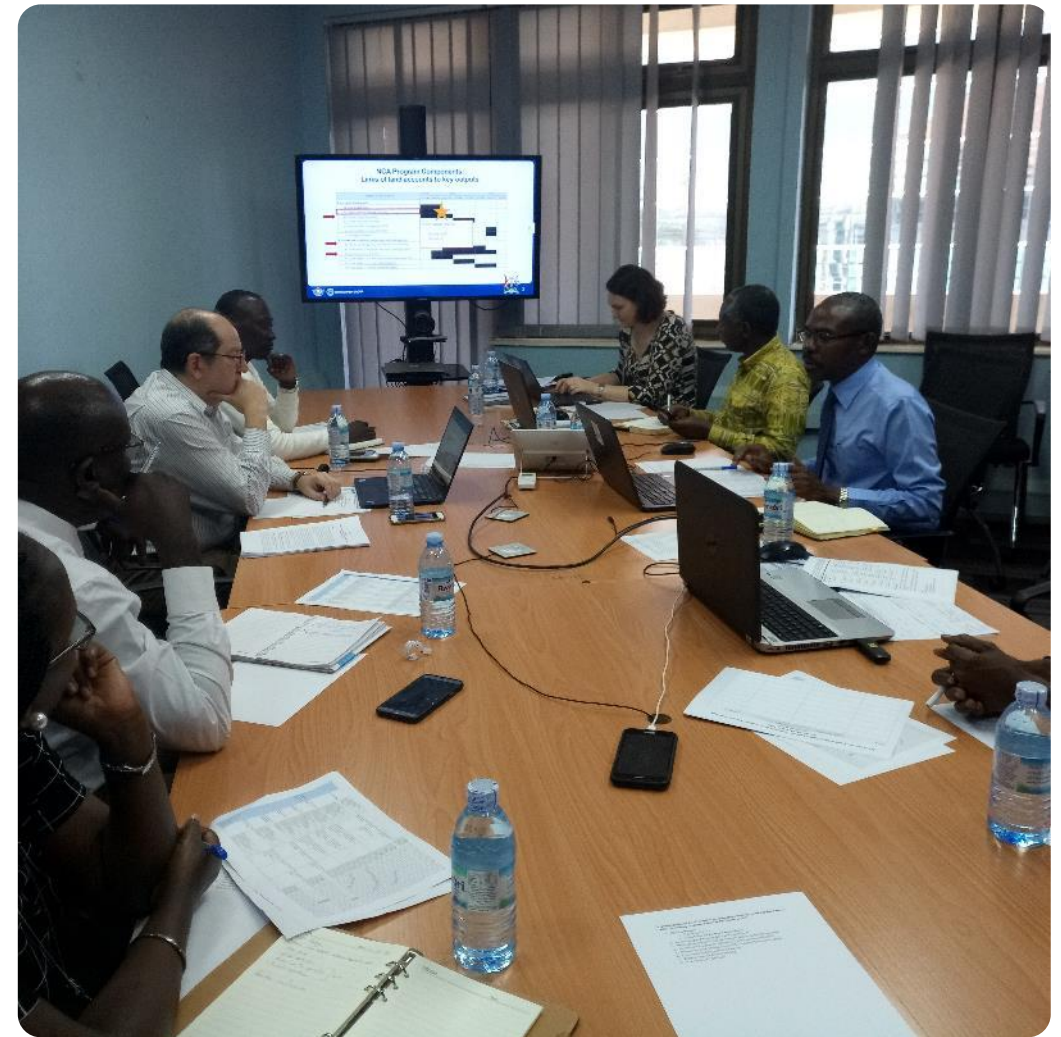
Led by the Technical Working Group **|** Chaired by MOFPED, NPA, and UBOS **|** Including: MWE, NFA, UWA

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Program Achievements

Component 1: Accounts Development

- Prepared and launched the land physical asset accounts report (2019) and brief detailing the physical changes of Uganda's land use and land cover over the period 1990 to 2015

- Completed the Wood Asset and Forest Resources Accounts report (2020) and brief

- Initiated the creation of ecosystem accounts outlined in the report 'Towards Ecosystem Accounts for Uganda' using available data

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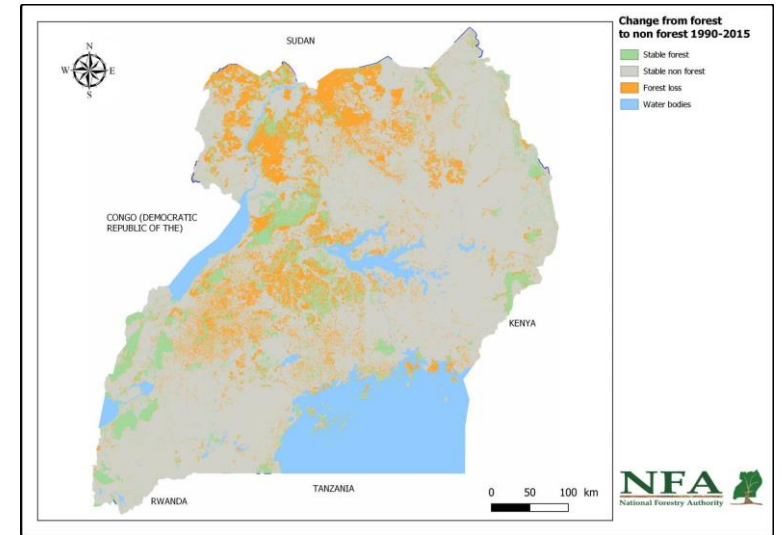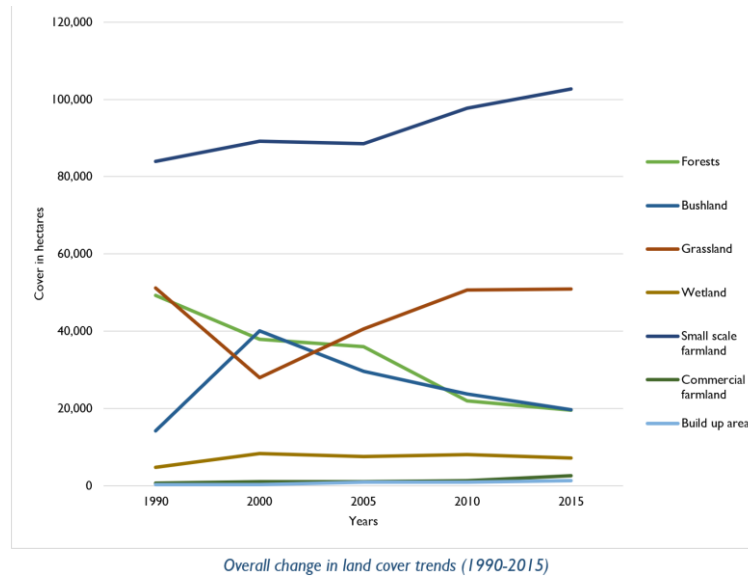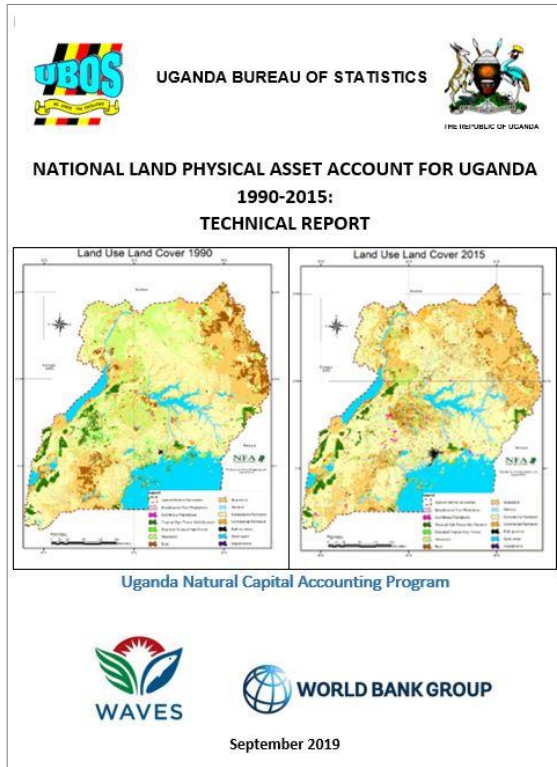
Land Physical Assets Accounts (2019)

- Show land use and land cover associated with human activity such as agriculture, settlement, industry and natural processes between 1990 to 2015.
- Maps and diagrams for 14 land cover classes – national, regions, districts, agroecological, water management and climatic zones.
- Land use for subsistence agriculture consistently increased.
- The most striking change - loss of forests and woodlands.

Forest Accounts (2020)

- Physical and monetary terms, cover area of forests and woodlands and also wood assets and selected wood products.

- While forest area in Uganda declined by 60% from 1990 to 2015, the total value of Ugandan forest land increased by 26.7% (due to increasing scarcity)

- Wood available for supply declined by 53% and wood supply deficit expanded by 22 times between 2000 and 2015.

- Annual national wood demand will double between 2015 and 2040, from 48 Mt to 105 Mt.

Physical and monetary. supply of wood products
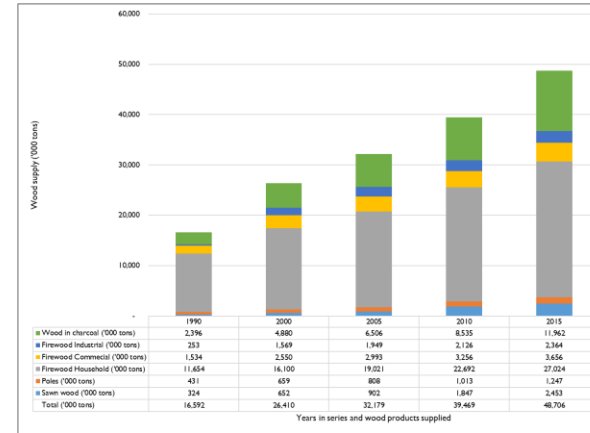
Wood stocks available for supply
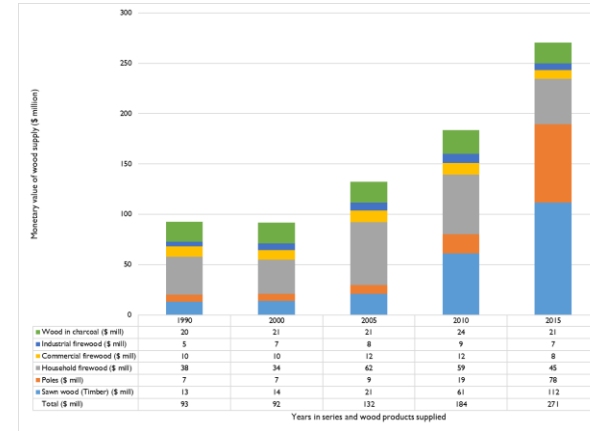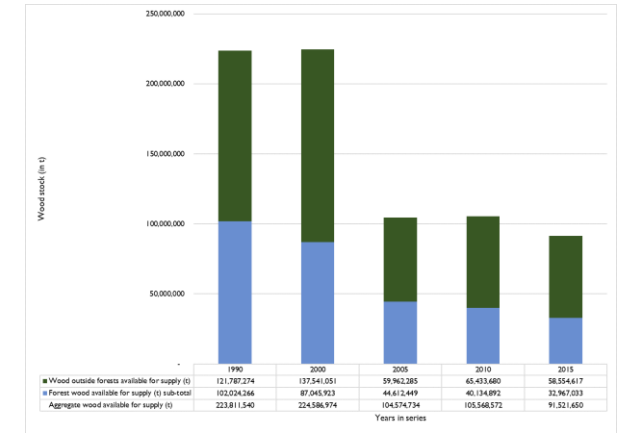
UGANDA WOOD ASSET AND FOREST RESOURCES ACCOUNTS

Uganda Natural Capital Accounting Program

WAVES   June 2020   WORLD BANK GROUP
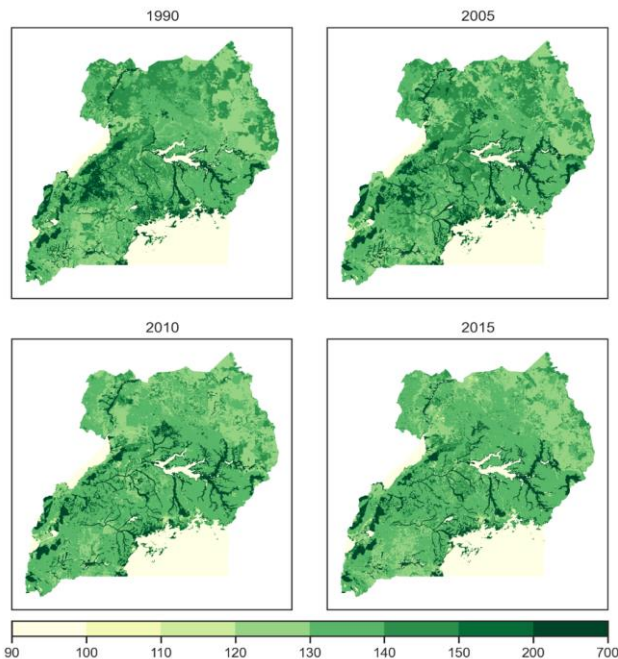
Carbon storage in Uganda, 1990, 2005, 2010 and 2015 (ton C/ha) by year.
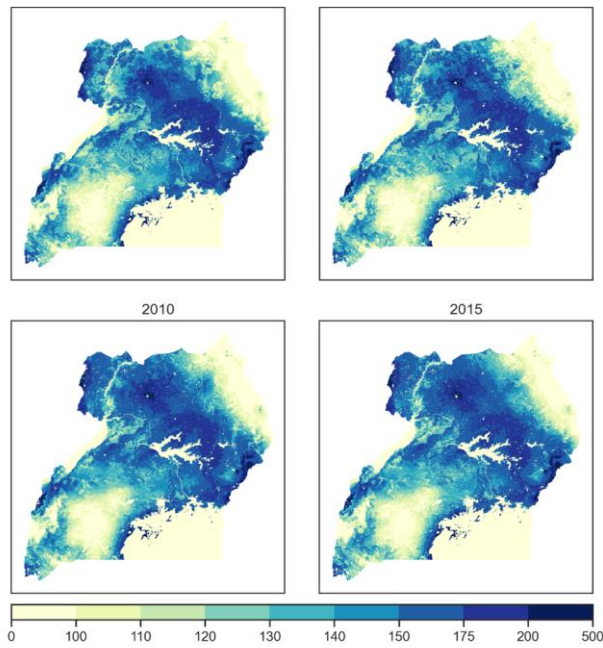
Annual water yield, Uganda, 1990, 2005, 2010 and 2015 (mm water per hectare per year).
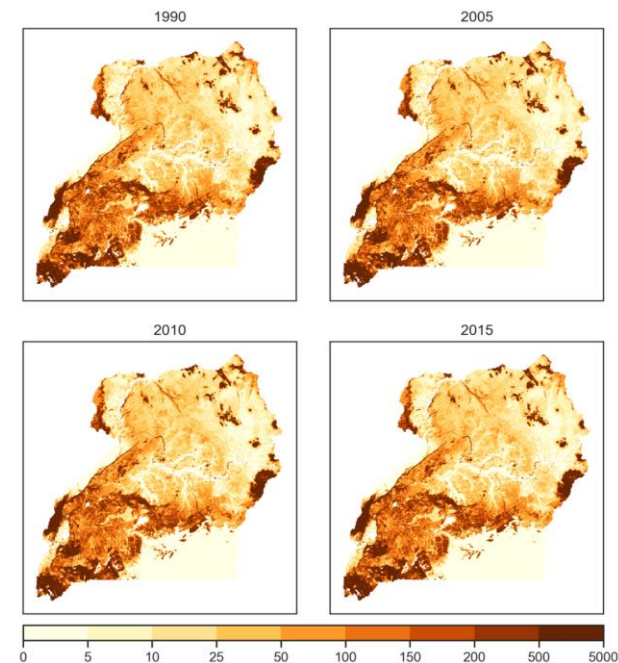
Sediment retention in Uganda, 1990, 2005, 2010 and 2015 (ton/ha/year).

Towards Ecosystem Accounts for Uganda

- The changes in these four physical flows measured were related to changes in land cover.

- Nationally there was an increase in the amount of carbon stored from 769 million tonnes in 1990 to 804 million in 2015

- Water yield also increased nationally.

Program Achievements

Component 2: Studies and activities to enhance accounts development

- Prepared and published an **issues paper on adjusted macro-economic indicators** showing the ANNI & ANS and their deviation from the GDP estimates because of natural resource depletion

- Prepared and published an issues paper on the **wood fuels** sector detailing use of wood fuel in Uganda and its impact on the country's wealth

Program Achievements

Component 2: Studies and activities to enhance accounts development

- Prepared and published an issue paper on **natural capital accounting and its link to National development planning with recommendations for NDP III**

- Supported the development of the **statistical and economic analysis of Uganda's tourism expenditure and motivational survey 2019**

- Currently preparing a **follow up report of the adjusted macro economic indicators** under the auspices of the Macro-economic Department – MFPED
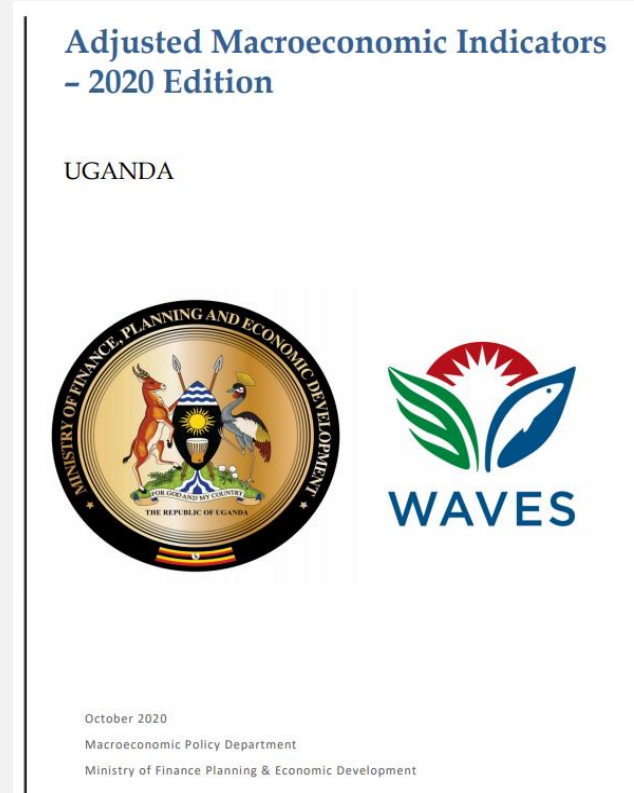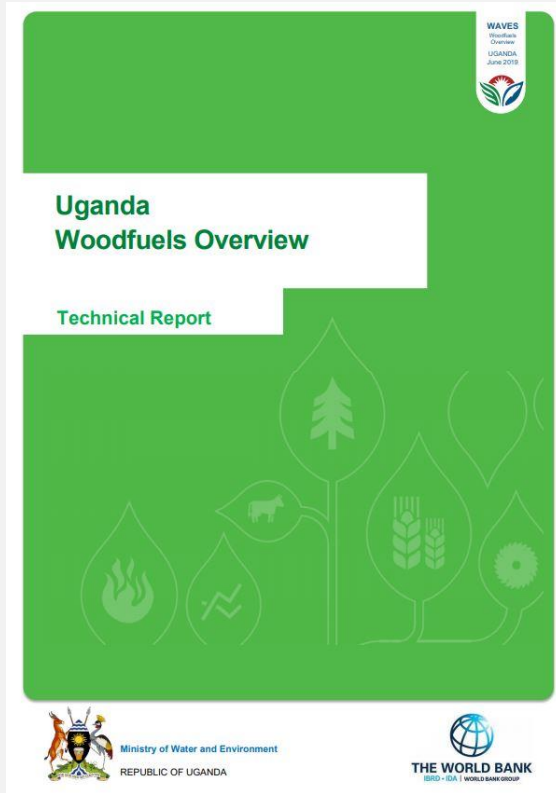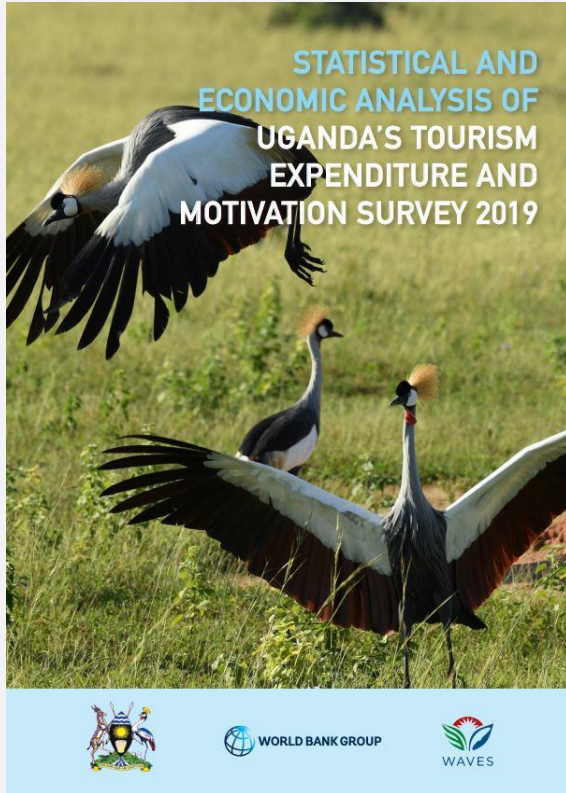
Other issue papers/sectoral deep dives

Natural Capital Wealth of Uganda

- Uganda's economy is highly dependent on natural capital for production and economic growth.

- Largest component in Uganda's total wealth is human capital, followed by natural capital.

- Since 2010, renewable natural capital is being depleted
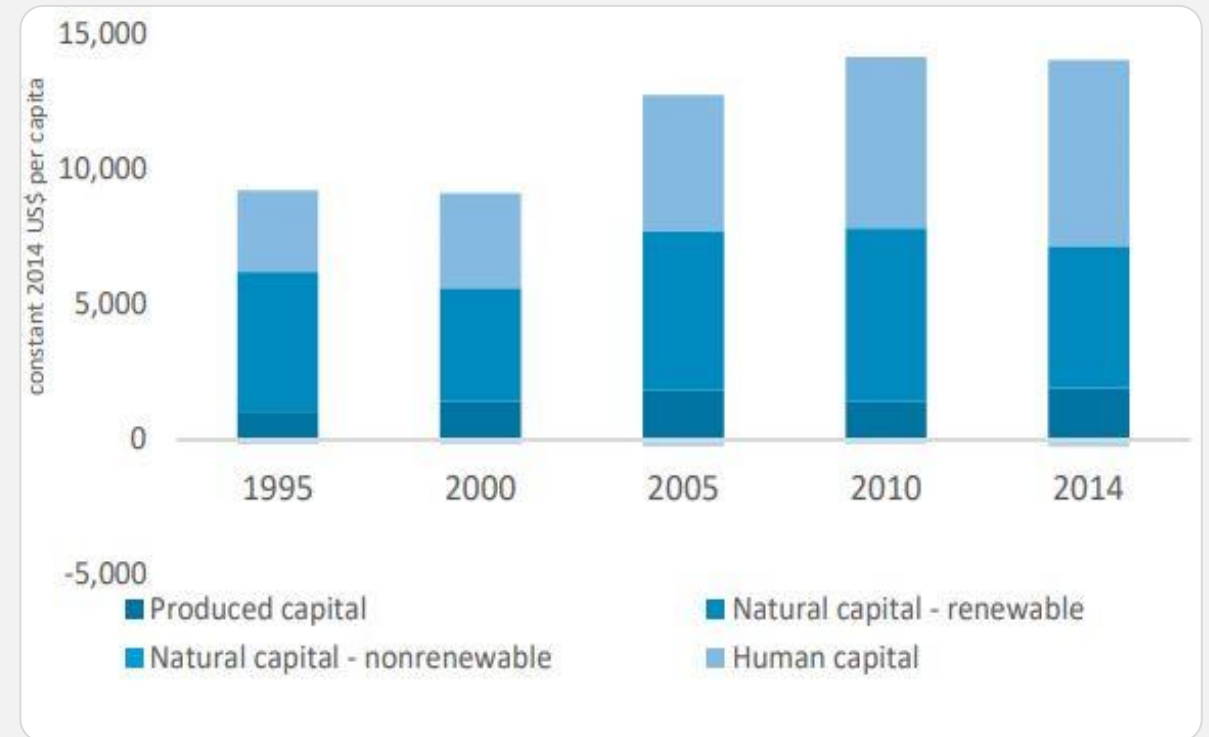
Issue Paper on Macroeconomic Indicators produced by MOFPED:

in 2019 with 2017 data (1st edition) / in 2020 with 2018 data (2nd edition)

Comparison of Gross National Savings and Adjusted Net Savings

- High GDP growth rates are expected in the production of agricultural commodities, minerals, oil and gas, as well as service delivery and tourism – all sectors that depend on the effective management of natural capital.

- **Adjusted Net National Income** measures the degree to which income is sustainable in the short term, while wealth indicates the prospects for maintaining that income in the long term.

- **Adjusted National Savings** provides the link between income and wealth.
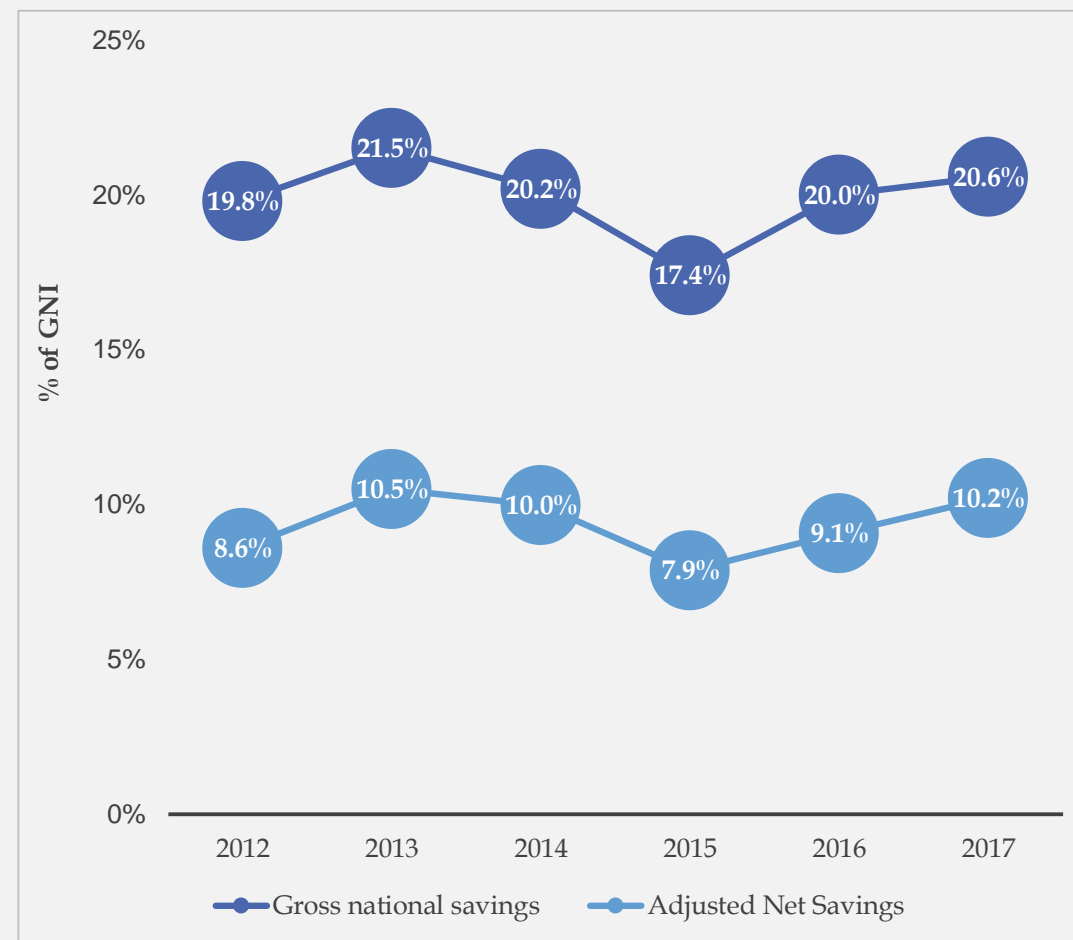
Program Achievements

Component 3: Knowledge and capacity building

- Publication of National Plan for Advancing Environmental Economic Accounting (2019)
- Continuous capacity building (specific trainings and learning by doing)
- Exposure to NCA international best practices (e.g. study tour to the Netherlands)
- Participation in global and regional Communities of Practice

Institutionalization
- Multi-agency TWG enhancing inter-agency collaboration
- NCA unit being established at UBOS

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Program Achievements

Component 3: Knowledge and capacity building

Communication
- Production of briefs for accounts and issue papers
- Public launches and multisectoral engagements

National Plan for Advancing Environmental Economic Accounting (2019)

- **Recognises that reporting on SDGs and other indicators requires cross-sectoral information,** generated from multiple data sources

- **Offers a roadmap to develop an NCA system**, using the SEEA, as the best way for Uganda to generate such information

- **Prioritises** water accounts, **forest accounts**, energy accounts, **land accounts**, air emission and **waste accounts, and ecosystems** extent and condition accounts

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Lessons Learnt

- NCA development requires partnerships at both national and international levels.

- Local capacity in NCA is important to support national institutions, especially UBOS.

- Policy entry points need to be identified and tapped to mainstream NCA in the development agenda.

- Moving forward, it is crucial to embed NCA in the machinery of government.

- There is a need to prioritize and address data gaps that are important for future NCA implementation.

- Inter-ministerial/agency collaboration is critical.

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Policy uses/evidence for policy decisions

NDP III anticipates the use of NCA to inform major cross-sectoral decisions

Promote natural resource accounting to improve the national income measurement through:

- Undertaking economic valuation of selected ecosystems and their services;

- Integrating natural capital and ecosystem service accounting into the system of national accounts; and

- Building sectoral, institutional and local government capacity in natural capital accounting

Going beyond Institutionalizing and expanding NCA to meet critical Ugandan needs for decision-making

- Using accounts for informing decisions and planning

- Implementing the NCA roadmap (the NP-AEEA) and keeping it under review

- Developing the coordination and technical roles of UBOS

- Developing the roles of other institutions to produce data, interpret and use accounts

- Generating improved data and filling data gaps

- Constructing new accounts to meet new demands

- Refining accounting and modelling methodologies

- Sustainably resourcing NCA

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Appreciation

We could not have done it alone!

Thanks to the World Bank team and the WAVES Program team.

A note of thanks to the **United Nations Statistics Division** (UNSD) and **UN Environment Programme World Conservation Monitoring Centre** (UNEP-WCMC).

Uganda is a proud member of the **Gaborone Declaration for Sustainability in Africa** (GDSA) and **Africa NCA Community of Practice**.

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THANK YOU