



The World Bank

Uganda Investing in Forests and Protected Areas for Climate-Smart Development Project (P170466)

Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 22-Jan-2020 | Report No: PIDA27685

**BASIC INFORMATION****A. Basic Project Data**

Country Uganda	Project ID P170466	Project Name Uganda Investing in Forests and Protected Areas for Climate-Smart Development Project	Parent Project ID (if any)
Region AFRICA	Estimated Appraisal Date 31-Jan-2020	Estimated Board Date 30-Apr-2020	Practice Area (Lead) Environment, Natural Resources & the Blue Economy
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance, Planning and Economic Development	Implementing Agency Ministry of Water and Environment	

Proposed Development Objective(s)

To improve sustainable management of forests and protected areas and increase benefits to communities from forests in target landscapes

Components

- Component 1. Improved Management of Protected Areas
- Component 2. Increased Revenues and Jobs from Forests and Wildlife Protected Areas
- Component 3. Improved Landscape Management in Refugee Hosting Areas
- Component 4. Project Management and Monitoring

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	180.00
Total Financing	180.00
of which IBRD/IDA	150.00
Financing Gap	0.00

DETAILS

**World Bank Group Financing**

International Development Association (IDA)	150.00
IDA Credit	80.00
IDA Grant	70.00

Non-World Bank Group Financing

Counterpart Funding	30.00
Borrower/Recipient	30.00

Environmental and Social Risk Classification

Moderate

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. Uganda is a low-income country in East Africa with a land area of 238,535 square kilometers and estimated population of 42.7 million people in 2018.¹ In 2018, Uganda's Gross Domestic Product (GDP) was US\$27.5 billion. Uganda's economy remains heavily reliant on renewable natural resources.
2. **Uganda's long-term development vision is enshrined in the country's Vision 2040 that seeks to transform Uganda to a modern and prosperous country.** The Government of Uganda (GoU) aims to drive economic development through the implementation of a series of six five-year National Development Plans (NDPs). NDP-III will start in 2020 - it is expected to include a strong focus on sustainable environmental management, jobs, and employment.
3. **Uganda has sustained steady economic growth over the last two decades.** Under the first two NDPs the economy expanded more than 2 times, from UGX64 trillion in FY 2010/11 to UGX128 trillion in FY2018/19 in nominal terms. Over the NDP 1 and NDP 2 period, the economy has remained relatively resilient in spite of a challenging global economic environment, geopolitical challenges, and the deepening impacts of climate change, as evidenced by the rebound in real GDP growth in FY2017/18 to 6.2 percent. GDP per capita has grown from US\$807 in FY2015/16 to US\$878 in FY 2018/19.

¹ <https://data.worldbank.org/country/uganda>, accessed on January 20, 2020.



4. **Poverty reduction has not yet achieved set targets.** The percentage of people living below the national poverty line (US\$1 per day) was 21.4 percent in FY2017/18 compared to the NDP 2 target of 14.2 percent. For the first time in more than a decade, there was a reversal in the poverty levels in 2017 largely due to droughts and crop failures. Average life expectancy is 63 years², and the fertility rate is among the highest in the world. Uganda ranked 127th out of 162 countries in the 2018 Gender Inequality Index.³ Prevalence rates of gender-based violence (GBV) in Uganda are high compared to both global and regional averages.⁴ The Government of Uganda recognizes GBV as a serious problem and approved a National Policy on the Elimination of GBV in October 2016.

5. **Poor and vulnerable people typically live in rural areas, have large families, and derive their income predominantly from farming, with high dependency on forests.** One in four rural Ugandans lives in poverty compared to just one in ten urban Ugandans. Rural poverty has become further entrenched as a disproportionate percentage of the population remains trapped in subsistence agriculture. A heavy reliance on rain-fed and subsistence agriculture continues to expose the economy to risks from adverse weather, and these risks are likely to grow under most scenarios for future climate change.⁵ Uganda is vulnerable to climate change, and its impacts are already being experienced in the region.⁶ Increased occurrences of drought conditions and reduced or more variable rainfall across much of the country will affect agriculture, livestock, and human health. Environmental degradation and climate change pose significant challenges to Uganda's economic growth and to livelihoods, especially those of the poorest and vulnerable groups, particularly women. Women in poverty are most reliant on natural resources for their livelihoods and have fewer resources to cope with and adapt to climate shocks and natural hazards. Furthermore, increased scarcity of wood fuels requires women to travel further distances to collect these supplies, which increases their risk of being exposed to GBV.

6. **Forests, wetlands, and protected areas are important for the development of rural areas, for mitigating impacts of climate change, and for building resilience of rural communities to climate change effects.** It is estimated that Uganda's natural capital contributed almost 40 percent to overall wealth in 2014, but forests and wetlands in particular are being lost and degraded rapidly. These resources provide wood fuel, timber, fish, and wetland products and also support tourism. Forests, wetlands, and protected areas (PAs) help reduce vulnerability to economic shocks and climate change, for example, by protecting water resources, slowing down soil degradation, and providing goods and services that support livelihoods and provide safety nets during extreme changes. Many PAs include important wetlands, including riverine wetlands in Katonga Wildlife Reserve (WR), which are considered of national importance, and others

² <https://data.worldbank.org/country/uganda>, accessed on January 20, 2020.

³ This index reflects gender-based inequalities in three dimensions – reproductive health, empowerment, and economic activity. http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/UGA.pdf. Accessed on January 20, 2020.

⁴ It is estimated that 51% of women in Uganda will experience violence in their lifetime. By comparison, the global average prevalence rates for violence against women (physical or sexual) ages 15–49 is estimated by the World Health Organization at 35.6 percent and the regional (Africa) average is 37.7 percent.

<http://www.noneinthree.org/uganda/policy-hub/>. Accessed on January 20, 2020.

⁵ World Bank. 2015. *Supporting Climate Resilient Growth. Uganda Strategic Climate Diagnostic*. Report Number ACS14399.

⁶ Ministry of Water and Environment. 2015. *Uganda's Intended Nationally Determined Contribution*.



protect wetlands of international importance, designated under the Ramsar Convention (see **Error! Reference source not found.**).

7. Uganda is the largest refugee-hosting country in Africa and the third largest worldwide. Due mainly to ongoing conflicts and instability in the Democratic Republic of the Congo and South Sudan, Uganda is hosting over 1.3 million refugees and asylum-seekers, close to 200,000 of whom arrived in the last year alone.⁷ Most refugee settlements are located in western and northern Uganda). The refugee presence has added to existing pressure on the environment, leading to an increase in the rate of degradation and tree loss, with accelerated land cover changes in bushland and woodland.⁸ A recent assessment⁹ has shown that the inflow of refugees in northwestern Uganda has exacerbated a range of ongoing environmental impacts and associated challenges, including land degradation and woodland loss, leading to inadequate access to energy for cooking and competition with local people for water and other natural resources. Although host communities were found to consume more wood fuel and other forest resources than refugees per household, the added demands from refugees have widened the gap between sustainable wood yields and the level of demand in refugee-hosting districts. In some cases, refugees have been settled very close to high-value PAs (central forest reserves [CFRs] and WRs), and the combined impacts of refugees and host communities on forest resources in these particular locations (such as Bugoma CFR, Katonga WR, and Ajai WR) are significant.

8. Uganda's policy toward refugees is unique in Africa. In accordance with the Refugee Act (2006) and Refugee Regulations (2010), the GoU has developed national frameworks with an inclusive approach, granting refugees freedom of movement and the right to work, establish business, and access public services such as education, on par with nationals. NDP2 provides for refugee management and protection as a priority in development planning. Refugee response is coordinated by the Office of the Prime Minister (OPM) and guided by the Comprehensive Refugee Response Framework, launched by the OPM and the United Nations High Commissioner for Refugees (UNHCR) in March 2017. To bridge between humanitarian and development approaches, the Refugee and Host Population Empowerment (ReHoPE) policy framework was launched in 2017 by the GoU in collaboration with United Nations agencies and the World Bank. It provides guidance for a comprehensive response to address refugees' and host communities' needs and to build the capacity of hosting districts in planning and providing services to refugee and host communities. ReHoPE encourages the GoU to address environmental degradation in refugee-hosting areas through improved natural resource management and energy access.

9. The World Bank Group, in consultation with the UNHCR, has confirmed that Uganda's protection framework is adequate.¹⁰ The UNHCR has provided the World Bank Group with a positive assessment of Uganda's protection framework. Uganda is party to the 1951 Convention and the 1967 Protocol Relating to the Status of Refugees. It has, however, made several reservations to the 1951 Convention, notably Article 7 (exemption from reciprocity), Article 8 (exemption from exceptional

⁷ <https://ugandarefugees.org/en/country/uga>. Data as of October 31, 2019.

⁸ World Bank and FAO (Food and Agriculture Organization of the United Nations). 2018. Rapid Diagnostic Assessment of Land and Other Natural Resource Degradation in Areas Impacted by the South Sudan Refugee Influx in Northern Uganda. FAO Technical Report, October 2018.

⁹ World Bank and FAO. 2018. Rapid Diagnostic Assessment of Land and other Natural Resource Degradation in Areas Impacted by the South Sudan Refugee Influx in Northern Uganda. FAO Technical Report, October 2018.

¹⁰ IDA18 Refugee Sub-window (RSW), Board consultation on eligibility, Africa, Middle East and North Africa, and South Asia (September 19, 2017).



measures), Article 9 (exemption on provisional measures), Article 13 (movable and immovable property), Article 15 (right of association), and Article 32 (expulsion) while expressly acknowledging the principle of non-refoulement. Uganda has also made a reservation to the right to wage-earning employment (Article 17), but the right to work is still provided under the 2006 Refugee Act. The refugee protection framework continues to be adequate, as per latest discussions with UNHCR.

10. Uganda's greenhouse gas (GHG) emissions grew 50 percent from 1990 to 2012 with a substantial contribution from the forest sector. Agriculture was the largest source of emissions at 48 percent, followed by land use change and forestry at 38 percent. Uganda's Nationally Determined Contribution submission to the United Nations Framework Convention on Climate Change proposes ambitious targets to reverse the loss and degradation of forests and wetlands to support their restoration. Better management of these resources could transform them from sources to sinks of GHG emissions.

Sectoral and Institutional Context

11. The Ministry of Water and Environment (MWE) has the mandate for forest sector policy and development and wetland resources. Under the MWE, the Forest Sector Support Department (FSSD) is responsible for formulating forest policies, legislation and standards, and the Wetlands Department is responsible for wetlands policy and regulation. The National Forestry Authority (NFA), within the MWE structure, manages Central Forest Reserves (CFRs). The Ministry of Tourism, Wildlife and Antiquities (MTWA) has a responsibility to sustain tourism, wildlife, and cultural heritage. The Uganda Wildlife Authority (UWA), within MTWA's structure, has responsibility for managing wildlife PAs in form of NPs and WRs, as well as for measures to combat illegal wildlife trade and manage human-wildlife conflicts. District Local Government (DLGs) through District Forest Services are also responsible for providing advisory services to the owners of private forests.¹¹

12. Participatory forest management approaches, including collaborative and community forest management, are provided for in the national policy framework. Such approaches have been effective in many countries, but in Uganda they have been adopted rather slowly. There is now nationwide interest in participatory forest management, driven by increasing scarcity of forest products and services, shortage of private land, desire to access land within forest reserves, and emerging realization of the benefits that participatory forest management can bring for local communities.¹²

13. The NFTPA (2003) sets out a legal framework for the establishment of Community Forests. However, the Regulations to enact the law have never been developed, and efforts by civil society organizations to develop Community Forests have been sporadic and have operated in a regulatory vacuum. The MWE developed guidelines for registration and management of community forests, which are used instead.

¹¹ Key legal and policy documents are the National Environment Act (2019), the National Forestry and Tree Planting Act (NFTPA) (2003), the National Forestry Policy (2001), the Wildlife Act (2019), the Local Government Act (1998), and the Land Act (1998).

¹² MWE (2019). *A Review of Collaborative Forest Management in Uganda*.



14. **Nature-based tourism has been identified as a key growth sector in the NDP-II¹³ and will also be prioritized in the next five-year plan (NDP-III).** Tourism foreign exchange earnings have been growing in recent years, generating US\$1.6 billion in 2018 (as compared to US\$1.45 billion in 2017) and providing 1.17 million jobs (eight percent of total employment). Travel and tourism are forecast to rise to eight percent of GDP by 2027.¹⁴ The forests and wildlife of the Albertine landscape are particularly important for tourism. The protected areas in this part of the country contain many globally-threatened species and populations, including those of Mountain Gorilla *Gorilla beringei beringei* (critically endangered) and Eastern Chimpanzee *Pan troglodytes schweinfurthii* (endangered).¹⁵ 41 endemic bird species occur in the Albertine Rift landscape, a quarter of which are classified as vulnerable. As a result, these protected areas attract more than 80 percent of the leisure tourists in Uganda for wildlife safaris, bird-watching tours, gorilla and chimpanzee tracking, and adventure tourism.

15. **Nature-based tourism generates significant revenues,** which benefit local communities through a benefit-sharing mechanism used by UWA (whereby UWA shares 20 percent of all gate fees collected with park-adjacent communities) and through job creation as well as a host of community-based tourism products and services. These revenues also fund the operational costs of NPs and WRs themselves and provide communities around protected areas with sources of alternative livelihoods.

16. **Underinvestment and lack of integrated tourism-related planning is a major constraint to fully realizing the economic potential of Uganda's natural endowments.** Opportunities to link wildlife attractions in protected areas to nearby cultural or community-based goods and service providers are missed, and tourism products and infrastructure within the PAs are limited and have not really changed for many years.

17. **The private sector plays an important role in tourism development and efforts are being made to leverage private sector investment, including through the 'Space for Giants' initiative.** This initiative is partnering with UWA, and MTWA to engage sustainable and responsible tourism operators in PAs. Under the initiative, nine new concessions were approved with new investments over US\$60 million. In addition, some of the NFA-managed CFRs have tourism potential especially those located along important tourism routes. So far, ecotourism has remained a largely untapped opportunity for NFA but there is a growing awareness within the organization that, with timber stocks falling, ecotourism represents a potentially significant source of revenue as well as an effective mechanism for preserving the many forests that are currently under severe threat posed by illegal activities. The NFA has developed a plan to further develop tourism within some of its key areas.¹⁶

18. **Establishment of timber plantations is important for providing sustainable wood sources and reducing pressures on natural forests.** The area under plantation forest in Uganda has increased from 32,225 ha in 1990 to an estimated 107,608 ha in 2015. Of these, 63 percent of the new plantations were

¹³ NDP-II 2015/16 – 2019/20. Available at <http://npa.go.ug/wp-content/uploads/NDPII-Final.pdf>

¹⁴ World Travel and Tourism Council (2017). *Travel & Tourism, Economic Impact 2017, Uganda*.

¹⁵ IUCN Red List of Threatened Species <https://www.iucnredlist.org/>. Accessed June 4, 2019.

¹⁶ National Forestry Authority (2019). *Development of Ecotourism in Central Forest Reserves*.



established in forest reserves and 27 percent on private land. NFA manages around 11 percent of these plantations, the private sector the balance. Around 60 percent of plantations are coniferous (mostly pines) and 40 percent are broadleaved (mostly eucalypts). The vast majority (about 70 percent) of the private sector plantations has benefited from grants and other incentives, mainly by the Sawlog Production Grant Scheme (SPGS).

19. Wood plays an important role in meeting primary energy demand in Uganda: Forests and woodlands are estimated to satisfy over 88 percent of Uganda's primary energy demand in 2019 through the provision of firewood and charcoal. Employment in the woodfuels sub-sector is substantial, estimated at 870,000 people on a full-time equivalent basis.¹⁷ Demand for woodfuels is expected to rise at 4.2 percent per annum in fuelwood equivalent¹⁸, due to population growth, rapid urbanization, and rising wealth.

20. Uganda has made big strides in addressing gender disparity in the forest sector through formulation of policies and laws promoting equitable participation of men and women in decision making. The Forestry Policy, Forestry Act and National Forestry Plan address gender and women's specific needs but are not backed by relevant legal provisions for ensuring effective implementation and enforcement.¹⁹ The application and implementation of gender provisions in these instruments is still weak, and cultural norms, beliefs, and practices continue to pose significant constraints to women's access and control over forest and tree resources.²⁰ This limits women's participation in decision making and benefit-sharing and undermines their investments in the sustainable management of forest and tree resources. There is a general recognition that equitable and inclusive participation of both men and women, boys and girls, and historically marginalized forest-dependent communities is critical for sustainable management of forests and tree resources. Refugees face similar gender constraints. The high proportion of women and girls within the refugee population is a key protection challenge. According to UNHCR, children make up 54 percent of all new arrivals, while women represent 23.5 percent and men 22.5 percent.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The Project Development Objective (PDO) is to improve sustainable management of forests and protected areas and increase benefits to communities from forests in target landscapes.²¹

¹⁷ Assumes full-time equivalent is 250 working days/yr.

¹⁸ Uganda Bureau of Statistics (2018). *2018 Statistical Abstract*. https://www.ubos.org/wp-content/uploads/publications/05_2019STATISTICAL_ABSTRACT_2018.pdf Accessed May 22, 2019.

¹⁹ Mukasa et al. (2012). *Gender and Forestry in Uganda: Policy, Legal and Institutional Frameworks*. Working paper no. 89. Bogor, Indonesia: CIFOR

²⁰ Mukasa et al. (2016). *Strengthening Women's tenure rights and participation in community forestry*. Infobrief, No. 155. Bogor, Indonesia: CIFOR.

²¹ Target landscapes include Albertine Rift, the refugee-hosting areas of West Nile Region, and Lawmo district.



Key Results

Measuring Improved Sustainable Management of Forests and Protected Areas

1. Management Effectiveness Tracking Tool (METT) score of target protected areas within targeted forest landscapes
2. Land area under sustainable landscape management practices (CRI²²), with sub-indicators:
 - a. Area under agroforestry systems - in refugee-hosting areas (ha)
 - b. Area under improved natural resource management (community forests registered and implementing activities under management plans) - in refugee-hosting areas (ha)
 - c. Area under plantations and re-afforestation (outside of gazetted areas) (ha)
 - d. Protected areas under effective management (with project support)

Measuring Increased Benefits to Communities from Forests²³

3. Visitors at National Parks and Central Forest Reserves in target areas (annually) (number)²⁴
4. People employed in production and processing of forest products (number), including female (number)
5. People that participated in consultations on use of forest resources in targeted landscapes, including female (number) and including refugees (number)²⁵
6. Refugee households benefitting from the woodfuel scheme for refugee settlements (number)

D. Project Description

Component 1. Improved management of protected areas (US\$47 million, including IDA credit US\$35 million, IDA grant US\$6 million, and IDA RSW grant US\$6 million)

21. **This component will provide support to NPs, WRs, and CFRs in the project area to strengthen their on-the-ground management.** Geographically, investments under this component will focus on NPs,

²² CRIs are Corporate Results Indicators. CRIs are required for all active and pipeline operations of more than US\$5 million for which one or more CRIs are relevant to the content of their interventions irrespective of the instrument. CRIs are aggregated to report World Bank and IDA results to internal and external stakeholders.

²³ While communities will be the primary beneficiaries of improved forest management, the project is also expected to generate economic and employment benefits for a wider group of stakeholders, economic benefits to businesses, and others and benefits to all stakeholders (local, regional and national level including communities, district forest offices, private sector, and national exchequer).

²⁴ A proxy indicator for measuring increased tourism-related benefits.

²⁵ A citizen engagement and gender indicator.



WRs, and CFRs selected on the basis of agreed selection criteria. Activities under this component will be implemented by UWA in NPs and WRs and NFA in CFRs.

Subcomponent 1.1. Improvement of infrastructure and equipment for the management of protected areas (US\$24 million, all IDA credit)

22. This subcomponent will provide investments and maintenance support costs for: (a) Grading and maintenance of tracks and trails, including climate-proofing, within protected areas to improve access for park management, (b) Boundary planning (including community consultations) and demarcation where needed /appropriate²⁶, (c) Infrastructure (such as fencing and walls to reduce human wildlife conflicts, staff accommodation and ranger posts); (d) Communications, field and office equipment, (e) Vehicles, and (f) support for the National Forest Monitoring System (NFMS) which was established with the support of the World Bank through the Forest Carbon Partnership Facility readiness mechanism (P124296 Uganda FCPF Readiness).

23. To address wildfire management and control of invasive plants, the project will support: (a) Consultancy services to support development of landscape-level strategies for fire management and eradication of invasive species, (b) Training in fire management, (c) Establishment and maintenance of fire breaks, (d) Equipment and construction of fire towers for fire detection and suppression, (e) community sensitization; response and monitoring, (f) introduction of appropriate modern approaches that could help introduce more efficient fire management practices at the landscape level. This will also include consideration of satellite-based monitoring systems. The invasive species strategy will recommend cost effective eradication techniques for specific sites and propose partnership with institutions experienced with invasive species removal. The project will finance removal of invasive species through community collaboration.

Subcomponent 1.2: Increasing the involvement of local communities in the management of forest and wildlife areas by increasing their access and benefits from these areas (US\$7 million, all IDA credit)

24. This subcomponent will support technical assistance packages and training aimed at developing the skills at community level to actively participate and benefit from the management of forest and wildlife resources, including to enhance their adaptive capacity. The technical assistance packages will include targeted support for women to empower them to participate and take leadership roles in natural resources management. At field level, support will be provided for community engagement in the management of forest resources within protected areas. This will include establishment of up to 75 new CRM groups, at least 28 new CFM groups, and support of livelihood activities within existing groups.

²⁶ Boundary demarcation will not be supported in the wildlife PAs (NPs and WRs) and in the following CFRs where complete boundary demarcation is currently ongoing with support from the United States Agency for International Development: Budongo, Bugoma, Buhunjiro, Echuya, Eria, Era, Itwara, Kalinzu, Kasyoha-Kitomi, Mpanga, Mt. Kei, Otzi East, and Otzi West.

**Subcomponent 1.3: Restoration of degraded natural forests and habitats in forest reserves (US\$4 million, all IDA credit)**

25. This subcomponent will target degraded areas in key CFRs, including areas where invasive species management (including operations supported under subcomponent 1.1) has led to the removal of vegetation. The project aims to restore up to 15,000 ha of forest. Restoration will be implemented through natural regeneration (based on enclosure of areas) and, where needed, enrichment planting, to enhance integrity of forests and their mitigation capacity, including through engaging and employing local communities.

Subcomponent 1.4. Increased forest protection in CFRs and WRs in close proximity to refugee settlements (US\$12 million, including US\$6 million IDA grant and US\$6 IDA RSW grant)

26. At a small number of locations in close proximity to refugee settlements (see Annex 3), the project will deploy additional resources to improve protected area management where there are site-specific threats to high value forest assets, either as a direct result of refugee incursion or indirectly by the added commercial demand for forest products arising from their presence. These resources will enable UWA and NFA to engage local communities in resource management efforts, including forest restoration, and strengthen enforcement efforts to better protect remaining natural forests in these protected areas. Project-supported activities will include: (a) community livelihood activities (such as beekeeping and wild mushroom growing); (b) removal of invasive species; (c) forest restoration; (d) improvements for basic protected area management (communication and other equipment, vehicles, ranger posts, essential infrastructure; (e) improvements for wildfire management (fire observation towers and equipment); and (f) boundary demarcation.

Component 2: Increased revenues and jobs from forests and wildlife protected areas (US\$40 million, all IDA credit)

27. This component will increase revenues and jobs from protected areas through targeted investments in tourism and productive forestry and will include the following sub-components:

Subcomponent 2.1. Investments in tourism (US\$16 million, all IDA credit)

28. **This subcomponent, implemented by UWA and NFA, will invest in tourism infrastructure and products in select NPs and CFRs in the project area.** Although the individual General Management Plans²⁷ of NPs and Forest Management Plans of CFRs already identify some investment priorities, the project will rely on a more informed and comprehensive process (by the marketing, planning, and product development specialists) to define and plan investments that can achieve the aim of adding value to the tourist experience and helping Uganda reach and sustain new and more diverse markets. Direct investments will fall in two broad categories: (a) tourist reception, information and interpretive facilities in identified protected areas and (b) infrastructure for new (or improving existing) tourist products and activities.

²⁷ General Management Plans are prepared for all UWA-managed protected areas such as NPs and WRs. Forest Management Plans are prepared for NFA-managed areas such as CFRs.

**Subcomponent 2.2 Investments in productive forestry (US\$24 million, all IDA credit)**

29. This subcomponent will be implemented by the MWE and will invest in plantation forestry and wood value chains with the aim of enabling plantation forestry to become a strong and self-sustaining economic sector in Uganda. To accomplish this, two types of investments will be made: (a) investments to further increase plantation area to reach a critical mass that can meet the demands of the local and regional market, and (b) investments to support processing and utilization of forest products to produce higher value wood products. This subcomponent will build on the successful model developed by the SPGS.

Component 3: Improved landscape management in refugee-hosting areas (US\$58 million, including IDA Grant US\$6 million, IDA RSW grant US\$52 million)

30. This component will improve landscape management in refugee-hosting areas by supporting forestry development and sustainable woodland management on both private and customary land to enhance the resilience of local communities and landscapes to climatic changes and to refugee-related environmental impacts. The activity package is informed by two analytical studies commissioned by the World Bank that show growing deficits of wood fuels around refugee settlements.²⁸ These studies identified priority interventions to improve environmental management, ensure access to woodfuel resources for the host and refugee communities, and contribute to building livelihood resilience.

Subcomponent 3.1: Increased tree cover on community and refugee-hosting areas (US\$44 million, including US\$6 million IDA grant and US\$38 IDA RSW grant)

31. This subcomponent will support residents of refugee-hosting areas to develop agroforestry systems, commercial woodlots and institutions for the sustainable management of natural woodlands. More specifically, the project will support:

- Development of intensive, mixed-use agroforestry systems on household plots, with a strong orientation toward multipurpose woody species for fruit, fodder, fencing, fuel, shade, and nitrogen-fixing, in intensive, multilayered systems suitable for small areas.
- Support for development of woodlots on private land to enhance the supply of timber, poles, fuel, and other plantation products.
- *Enhanced management and protection of natural forests outside protected areas*, though support to community forestry initiatives.
- The project will also *provide support for target DLG natural resource technical teams* through the provision of basic support packages of office equipment, motorbikes and operational costs, as well as capacity-building support.

²⁸ World Bank and FAO. 2018. *Rapid Assessment of Natural Resources Degradation in Areas Impacted by the South Sudan Refugee Influx in Northern Uganda*. Technical Report.

**Subcomponent 3.2: Supporting farm forestry for refugee fuel supply (US\$14 million, all from IDA RSW)**

32. The project will set up a program to purchase fuelwood from Ugandan landowners and supply it to persons with specific needs (PSNs)²⁹ within the refugee settlements in the project areas, as agreed with the OPM and UNHCR, and consistent with the Water and Environment Sector Refugee Response Plan. This will simultaneously stimulate farm forestry, provide an energy lifeline to the most vulnerable refugees to help them cope with increasing scarcity, and reduce pressure on natural woodlands. The program will be scaled to provide about 50 percent of the woodfuel needs of PSNs.

Component 4: Project management and monitoring (US\$5 million, all from IDA credit)

33. This component will support project management support activities to ensure cost-efficient, timely, and quality delivery of project activities and results, including monitoring and evaluation and project reporting. This will include support for fiduciary management aspects, including procurement and financial management, safeguards, social inclusion and gender competency development including a monitoring implementation of the gender action plan, and monitoring and evaluation.

Legal Operational Policies**Triggered?**

Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

34. Overall, the proposed project activities are expected to generate positive environmental and social impacts that will outweigh negative ones. Expected positive impacts include ecosystem services benefits; improved law enforcement; direct project benefits to local communities; creation of employment; reduced costs/risks in restoration of the protected areas; and reduced climate change effects on community livelihoods. The project will therefore contribute to reduced deforestation and forest degradation within target landscapes of Uganda through financing of a variety of planning, capacity building, as well as on-the-ground interventions, which will promote the conservation and sustainable use of forests in Uganda's in the region of operation. On the other hand, investments under Components 1, 2 and 3 are likely to generate negative environmental and social risks, albeit site-specific and temporary, that could arise from the proposed forest restoration and management activities, infrastructure development in and around protected areas, and livelihoods support activities. Such risks may include potential gender discrimination and marginalization of some vulnerable groups in the region; soil,

²⁹ UNHCR and OPM have well-defined criteria for identifying PSNs. The following are groups generally considered to have specific needs: girls and boys at risk, including unaccompanied and separated children, persons with serious health conditions, persons with special legal or physical protection needs, single women, women-headed households, older persons (persons over 60 years), persons with disabilities, and persons with a diverse sexual orientation or gender identity.



vegetation and fauna disturbance and degradation mainly during construction activities; waste generation (both solid and sewage); air pollution, as well as occupational health and safety issues to direct and indirect contracted workers. To address such risks, the borrower prepared an Environmental and Social Management Framework (ESMF) that contains a set of mitigation measures following ESF mitigation hierarchy for each anticipated impact in order to avoid, minimize or reduce the risks and mitigate effects of the anticipated impacts. The ESMF also includes framework of the borrower's capacity, roles and responsibilities in addressing the assessed social and environmental risks and impacts and presents sufficient guidance for the selection, preparation and implementation of project activities as well as budget to ensure its effective implementation. The likely risks and impacts will be further assessed in greater depth based on the site-specific details of project activities to be developed during project implementation.

E. Implementation

Institutional and Implementation Arrangements

35. **Implementation of the project activities will be led by MWE, NFA, and UWA, with involvement of MTWA in tourism related activities and OPM (and UNHCR) in activities in the refugee-hosting areas.** Implementation will be overseen by the Project Steering Committee, chaired by MWE and MTWA.

CONTACT POINT

World Bank

Nigel Ross Hughes
Sr Natural Resources Mgmt. Spec.

Nathalie Weier Johnson
Senior Environmental Specialist

Borrower/Client/Recipient

Ministry of Finance, Planning and Economic Development

Implementing Agencies

Ministry of Water and Environment
Margaret Athieno
Assistant Commissioner for Forests
margthieno@gmail.com

**FOR MORE INFORMATION CONTACT**

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):	Nigel Ross Hughes Nathalie Weier Johnson
----------------------	---

Approved By

Environmental and Social Standards Advisor:		
Practice Manager/Manager:		
Country Director:	Camille Lampart Nuamah	29-Jan-2020



Map of Project Area

