



# Project Information Document (PID)

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Concept Stage | Date Prepared/Updated: 19-Jun-2019 | Report No: PIDC27172

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

Country Uganda	Project ID P170466	Parent Project ID (if any)	Project Name Uganda Forests and Resilient Landscapes Project (P170466)
Region AFRICA	Estimated Appraisal Date Nov 18, 2019	Estimated Board Date Apr 30, 2020	Practice Area (Lead) Environment & Natural Resources
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance, Planning and Economic Development	Implementing Agency Ministry of Water and Environment, Uganda Wildlife Authority, National Forest Authority	

**Proposed Development Objective(s)**

To improve management of forests and protected areas and increase access to benefits in target landscapes

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

<b>Total Project Cost</b>	210.00
<b>Total Financing</b>	210.00
<b>of which IBRD/IDA</b>	150.00
<b>Financing Gap</b>	0.00

**DETAILS****World Bank Group Financing**

International Development Association (IDA)	150.00
IDA Credit	150.00

**Non-World Bank Group Financing**

Counterpart Funding	30.00
Borrower/Recipient	30.00



Trust Funds	30.00
Green Climate Fund	30.00

Environmental and Social Risk Classification

Substantial

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

## B. Introduction and Context

### Country Context

- Uganda has sustained steady economic growth over the last two decades and achieved real GDP growth of 6.4 percent during the first half of FY18/19.** Uganda’s wealth per capita expanded 52 percent from 1995 to 2014, similar to low-income countries worldwide and these high rates of growth enabled Uganda to halve its poverty rate between 1987 and 2010. However, these gains are not secure and given the very high population growth rate of over 3 percent per year, GDP growth will need to accelerate. A large proportion of the population is highly vulnerable to falling back into poverty. Forty three percent of Ugandans live in non-poor, but vulnerable, households defined as living below twice the poverty line. For every three Ugandans who get out of poverty, two fall back in, illustrating the fragility of the gains realized by the poorest households. Furthermore, progress on other dimensions of wellbeing is slow. Average life expectancy is 60 years, and the fertility rate is among the highest in the world at 5.5 children per woman in 2017.<sup>1</sup>

<sup>1</sup> World Bank data, accessed on June 6, 2019.



**2. Uganda faces a number of constraints that slow down its progress toward middle income status.**

Productivity is low, especially in the agriculture sector which employs the bulk of the workforce, and the fertility of agricultural land is declining in many areas. A look at how wealth changed in Uganda during this 20-year period shows that the country’s main engine of growth was human capital, similar to other sub-Saharan African countries and low-income countries worldwide. Human capital tripled within this time frame and is currently Uganda’s main asset of wealth (Figure 1) while natural capital, has been declining since around 2010.

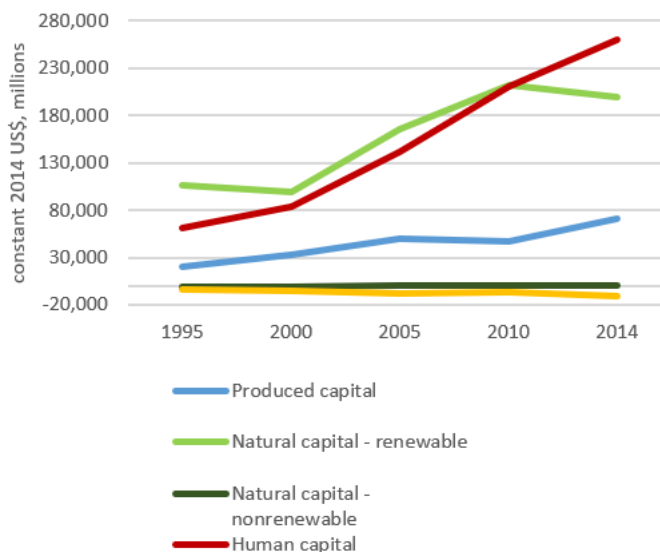


Figure 1: Changes in total wealth in Uganda 1995-2014  
Source: Lange, G., Q. Wodon, and K. Carey, eds. 2018. *The Changing Wealth of Nations 2018: Building a Sustainable Future*. Washington, DC: World Bank.  
<https://datacatalog.worldbank.org/dataset/wealth-accounting>

**3. Uganda is the largest refugee-hosting country in Africa and the third largest worldwide.**

Due to ongoing conflicts and instability in the Democratic Republic of the Congo (DRC) and South Sudan, Uganda is hosting approximately 1.2 million refugees and asylum-seekers, more than 350,000 of whom arrived in 2017 alone.<sup>2</sup> 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.<sup>3</sup> Supporting more sustainable use of those resources, especially forests and other woodlands, could help address environmental degradation and improve energy access.

**4. Poor and vulnerable people typically live in rural areas, have large families, and derive their income predominantly from farming.**

One in four rural Ugandans lives in poverty compared to just one in ten urban Ugandans. Fifty three percent of households in the bottom two quintiles depend on agricultural production for their main source of income. The 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.<sup>4</sup> Uganda is vulnerable to climate change, and the impacts of climate change are already being experienced in the region.<sup>5</sup> Increased occurrences of drought conditions and reduced / more variable rainfall across much of the country will impact agriculture, livestock and human health. This will especially be impactful for the northern and central zones and traditional ‘cattle corridor’ already at risk from increasing aridity. However, other areas are also expected to be impacted. For example, water scarcity and drought conditions are likely to become more pronounced in areas along Uganda’s western border with

<sup>2</sup> <https://ugandarefugees.org/en/country/uga>.

<sup>3</sup> 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.

<sup>4</sup> World Bank (2015). *Supporting Climate Resilient Growth. Uganda Strategic Climate Diagnostic*. June 2015. Report Number ACS14399.

<sup>5</sup> Ministry of Water and Environment, 2015. *Uganda’s Intended Nationally Determined Contribution*.

<https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Uganda%20First/INDC%20Uganda%20final%20%2014%20October%20%202015.pdf>



DR Congo, and in many areas, heavy rains, flooding, and soil erosion puts both urban and rural infrastructure at risk, particularly for poor and vulnerable groups.<sup>6</sup> Environmental degradation and climate change pose significant challenges to Uganda’s economic growth and to livelihoods, especially those of the poor.

5. **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 implementation of a series of six five-year National Development Plans (NDPs). The first NDP (NDP-I) covered the period 2010-2015 and sets-out the country’s medium-term strategic direction, development priorities, and implementation status. The second NDP (NDP-II) covers the period 2015-2020 and aims at propelling the country towards middle income status by 2020 through strengthening competitiveness for sustainable wealth creation, employment and inclusive growth. The NDP-II aims to achieve an average economic growth rate of 6.3 percent and reduce poverty levels to 14.2 percent.

Sectoral and Institutional Context

6. **Natural resource-based activities are an important contributor to Uganda’s economy.** It is estimated that Uganda’s natural capital contributed almost 40 percent to overall wealth in 2014, partly based on the functions of forests. The total economic value of forests to the national economy has been estimated at about 3.6 percent of GDP (excluding tourism). In addition, forests support the other natural resource-based activities through reducing vulnerability, slowing down soil degradation, and increasing resilience to climate change by providing environmental goods and services, incomes and other forest resource-based livelihoods, and safety nets during extreme changes.

7. **Provision of woodfuels and support of nature-based tourism are two of the most prominent economic values of forests<sup>7</sup>:**

- **Woodfuels:** Forests and woodlands are expected to satisfy over 88 percent of Uganda’s primary energy demand in 2019 through the provision of firewood and charcoal (Figure 2). Employment in the woodfuels sub-sector is substantial: estimated at 870,000 people on a full-time equivalent basis.<sup>8</sup>
- **Nature-based tourism:** Tourism is a key driver of economic growth, and the forests and wildlife of the Albertine Rift are particularly important for this sector. This includes many globally-threatened species and populations, including those of Mountain Gorilla *Gorilla beringei beringei* (critically endangered) and

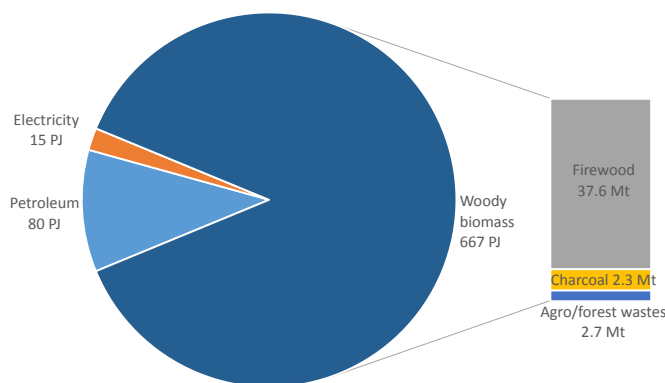


Figure 2: Primary energy demand in Uganda (2019)  
Source: Uganda Natural Capital Accounting, Woodfuels Sector Overview 2019.

<sup>6</sup> World Bank (2018). *Uganda Climate Risk and Adaptation Profile*. December 2018

<sup>7</sup> Lange, Glenn-Marie, Quentin Wodon, and Kevin Carey, eds. 2018. *The Changing Wealth of Nations 2018: Building a Sustainable Future*. Washington, DC: World Bank.

<sup>8</sup> Assumes full-time equivalent is 250 working days/yr.



Eastern Chimpanzee *P. troglodytes schweinfurthii* (endangered).<sup>9</sup> The National Parks attract leisure tourists for wildlife safaris, gorilla and chimpanzee tracking, and adventure tourism. Murchison Falls National Park (NP) and Queen Elizabeth NP, both in the Albert Nile Water Management Zone (WMZ), are the most visited parks in Uganda. Nature-based tourism generates significant revenues, some of which benefits local communities through benefit-sharing mechanisms used by the Uganda Wildlife Authority (UWA) and through job creation. These revenues are also vital for funding the operational costs of National Parks and Wildlife Reserves themselves. The GoU identified tourism as a key growth sector in the NDP-II<sup>10</sup>, and this sector will also be prioritized in the next five-year plan. Travel and tourism are forecast to rise to eight percent of GDP by 2027.<sup>11</sup> NPs under the management of UWA make a substantial contribution to Uganda’s tourism industry.

8. **Uganda has a well-developed policy and legal framework for the forest sector and for other related sectors, such as agriculture, water, energy, tourism, climate change, land, and gender.** Forest resources in Uganda are managed under a two-tier system distinguishing between government-managed areas (such as Central Forest Reserves (CFR), Local Forest Reserves (LFRs), and Wildlife Conservation Areas) and forests on communal and private land. The Ministry of Water and Environment (MWE) has the mandate for the management and development of forest resources. Under the MWE, the Forest Sector Support Department (FSSD) is responsible for formulating policies, legislation and standards and the National Forestry Authority (NFA) manages CFRs. The Ministry of Tourism, Wildlife and Antiquities (MTWA) has a responsibility to sustain tourism, wildlife, and cultural heritage, whereas UWA, within MTWA’s structure, has responsibility for managing protected areas such as National Parks and Wildlife Reserves, as well as for measures to combat illegal wildlife trade and manage human-wildlife conflicts. District Local Government (DLGs) manage LFRs through District Forestry Services and are also responsible for providing advisory services to the owners of private forests. The roles of these institutions are defined in a number of legal and policy instruments that include provisions relevant to forest and natural resources management.<sup>12</sup>

9. **Uganda’s GHG emissions grew 50 percent from 1990-2012 with a substantial contribution from the forest sector.** Uganda’s reporting to the UNFCCC indicates that agriculture was the largest source of emissions at 48 percent, followed by land use change and forestry at 38 percent (Figure 3). Annual emissions from deforestation are 8.255 million tCO<sub>2</sub>/year.<sup>13</sup> Emissions from degradation are harder to determine and work is ongoing to

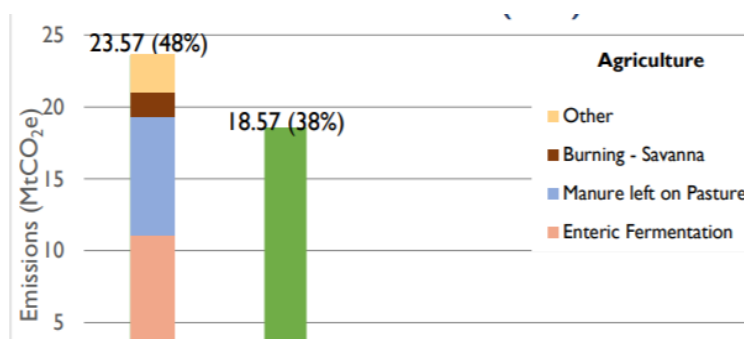


Figure 3: GHG emissions from forests and land use change as a share of national emissions (based on Uganda Second National Contribution submission to the UNFCCC (2014, based on the 2000 data).

<sup>9</sup> IUCN Red List of Threatened Species <https://www.iucnredlist.org/>. Accessed June 4, 2019.

<sup>10</sup> Second National Development Plan (NDP-II) 2015/16 – 2019/20. Available at <http://npa.go.ug/wp-content/uploads/NDP-II-Final.pdf>

<sup>11</sup> World Travel and Tourism Council, 2017. Travel & Tourism, Economic Impact 2017, Uganda.

<sup>12</sup> Key legal and policy documents are the National Environment Act (2019), the National Forestry and Tree Planting Act (2003), the National Forest Regulations (2014), the National Forestry Policy (2001), the Wildlife Act (2000) the Local Government Act (1998), and the Land Act (1998).

<sup>13</sup> [https://redd.unfccc.int/files/uganda\\_frl\\_final\\_2018\\_submitted.pdf](https://redd.unfccc.int/files/uganda_frl_final_2018_submitted.pdf)



quantify these accurately. Initial analysis<sup>14</sup> indicates these are in the region of 821,415 tCO<sub>2</sub>/year. Emissions from degradation are offset by ‘gains’ in the forest arising from conservation (estimated at 699,000 tCO<sub>2</sub>/year) and sustainable management of forest (at 225,219 tCO<sub>2</sub>/year). Uganda’s Nationally Determined Contribution (NDC) submission to the United Nations Framework Convention on Climate Change (UNFCCC) proposes ambitious targets to reverse forest loss and degradation through improved forest management and afforestation measures which, if implemented, would transform the forest sector from a source of net GHG emissions to a source of net GHG removals.

10. **Uganda is developing a national strategy for reducing emissions from deforestation and forest degradation (known as the National REDD+ Strategy).** This is designed to promote sustainable management of forests, protect and enhance carbon stocks and the conservation of biodiversity. It will also elaborate mechanisms for the sharing of revenues and co-benefits with local communities and state entities. Financing from future emission reductions payments at jurisdictional level is part of Uganda’s long-term vision for financing the sustainable management and conservation of remaining forests.

#### **Key issues in Uganda’s forest sector**

11. **Uganda’s forests are being lost and degraded at one of the highest rates in the world.** The total net loss of Uganda’s forests during the period 2000-2015 was estimated at 1.8 million ha, equivalent to an average annual loss rate of 4 percent. In the year 2000 forest covered 19.4 percent of the land area but this had reduced to 12 percent by 2015.<sup>15</sup> The draft National REDD+ Strategy identified wildfires as the biggest driver of deforestation and forest degradation followed by natural forest wood extraction for energy. Other drivers include round wood extraction for construction material, smallholder agricultural expansion, and large-scale commercial farmland expansion. The high human population growth is the overarching starting point and the main underlying cause of deforestation in Uganda.
12. **Implementation of the legal and policy framework has been weak.** This is largely because of inadequate institutional capacities, management systems, and cross-sector coordination. Consequently, forest laws are weakly and unevenly enforced. This threatens to undermine the basis of Uganda’s tourism industry - a growth sector that generates one of the largest shares of Uganda’s foreign exchange. There is a need to secure existing natural resources by reinforcing the management of protected areas.
13. **In spite of this, participatory forest management** (which has been demonstrated in other countries to improve forest management) **has been slow to take up.** However, a recent analysis showed that there is now nationwide interest in CFM arrangements, driven by increasing scarcity of forest products and services, shortage of private land, desire to access land within Forest Reserves, and emerging realization of benefits. This includes better access to and benefit from forest and wildlife protected areas for local communities through collaborative management arrangements.<sup>16</sup>

<sup>14</sup> [https://redd.unfccc.int/files/uganda\\_frel\\_final\\_version\\_16.01.pdf](https://redd.unfccc.int/files/uganda_frel_final_version_16.01.pdf)

<sup>15</sup> Ministry of Water and Environment (2018). *Proposed forest reference level for Uganda*. Republic of Uganda. February 2018.

<sup>16</sup> Uganda piloted CFM in Central Forest Reserves between 1998 and 2004, and developed similar pilots in some National Parks on resource use sharing with adjacent communities. The lessons from the CFM pilot informed the forest sector policy and legal reforms between 1999 and 2003, which culminated in the National Forestry Policy of 2001 and the Uganda National Forestry and Tree Planting Act (NFTPA) of 2003. These define Collaborative Forest Management as, “... a mutually beneficial arrangement in which a forest user group and a Responsible Body share roles, responsibilities, rights and returns (benefits) in a forest reserve or part of it”. In addition, the National Forestry Policy (2001) provides for mechanisms to work towards responsible forest management on customary land through registration and declaration of Community Forests (CFs), which puts the responsibility for the management,



14. **The potential for forest to become a strong productive economic sector is under-utilized.** Substantial potential exists for further growth of tourism and development of productive value chains for forest-products. The latter could be realized through a combination of activities aimed at both protecting natural forests and boosting sustainable forest production for construction timber, transmission poles, woodfuel, and high value wood products such as furniture. Appropriate public and private sector investments and incentives would need to be introduced to encourage the development of the forestry sector, in particular to reduce barriers to entry into the market for wood products and sustainably produced fuel.
15. **Demand for woodfuels is expected to rise at 4.2 percent per annum in fuelwood equivalent<sup>17</sup>,** due to population growth, rapid urbanization, and rising wealth. Urbanization in Africa is usually accompanied by a shift from fuelwood to charcoal as the main household fuel. At the same time, the majority of rural households use variants of the traditional 3-stone fire for cooking and heating, with detrimental impacts on health, hygiene, status, fuel efficiency and the workload of women and children. Through demand-driven approaches there are opportunities to promote improved appliances that promote healthier lifestyles, greater fuel economy, and higher social status, while creating employment in production, promotion, and distribution.
16. **Forests on private land are disappearing at an alarming rate, which puts increased pressure on forests that remain in National Parks and Forest Reserves.** Forests on private and community land have declined far more than those in State-managed protected areas (Figure 4). The forest cover on private land in 2015 was estimated at 64 percent (3.6 million ha) of the national forest cover, down from 70 percent (4.9 million ha) in 1990. The natural forests that remain on customary land are threatened by a lack of collective rights and benefits, with the result that the short-term economic rewards from unsustainable harvesting outweigh the incentive for long-term sustainable utilization. Yet the provision exists in Ugandan law (NFTPA, 2003) for such forests to be more sustainably managed under Community Forest provisions, which could improve prospects for conservation, restoration and productive use. While there have been numerous initiatives in Uganda to promote tree planting on private land, a disproportionate focus on target-driven seedling distribution has given insufficient consideration to the longer-term motivations of landowners with regard to tenure, rights, benefits and market potentials, resulting in low motivation of beneficiaries and poor survival rates. A more needs-responsive and self-reliant strategy could significantly improve landowner interest and outcomes.

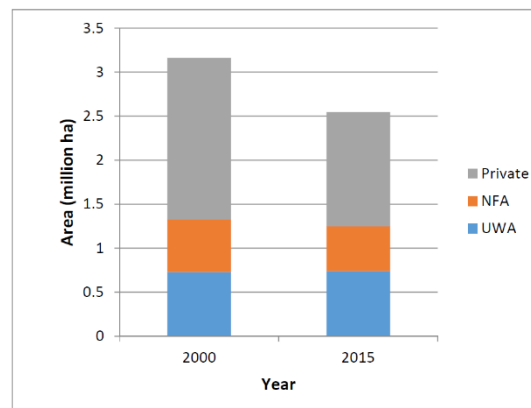


Figure 4: Changes in forest area by land category 2000-2015

Source: Uganda’s Forest Reference Emissions Level for REDD+, 2018

17. **Regional instability places additional pressure on Uganda’s natural resources.** A recent assessment<sup>18</sup> has shown that the influx of refugees in north-western Uganda has exacerbated a range of ongoing environmental impacts and

maintenance and control of the Community Forest with a designated body.

<sup>17</sup> Uganda Bureau of Statistics (2018). 2018 Statistical Abstract. [https://www.ubos.org/wp-content/uploads/publications/05\\_2019STATISTICAL\\_ABSTRACT\\_2018.pdf](https://www.ubos.org/wp-content/uploads/publications/05_2019STATISTICAL_ABSTRACT_2018.pdf) Accessed May 22, 2019.

<sup>18</sup> 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.





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 woodfuel and other forest resources than refugees, the added demands from refugees have widened the gap between sustainable wood yields and the level of demand in refugee-hosting districts. A similar finding is expected from an ongoing assessment in western Uganda. In some cases, refugees have been settled very close to high value protected areas (CFRs and Wildlife Reserves) and the impacts on forest resources in these particular locations are significant.

18.

Relationship to CPF

19. **The proposed project contributes to the World Bank Group's twin goals of ending extreme poverty and building shared prosperity in a sustainable manner.** The project is also closely aligned with the Uganda Country Partnership Framework (FY16-21). The project will support the development and implementation of resilient landscape programs for key catchments. The project area targets some of the poorest districts in Uganda, which are also some of those most affected by the refugee influx. Specifically, the project concept is aligned to support the Strategic Focus Area B which focuses on Raising Incomes in Rural Areas and seeks to strengthen natural resources management, build resilience with particular attention to the needs of women.

20. **The project is aligned with objectives of the IDA18 sub-window for refugees and host communities,** including (i) mitigating the shocks caused by an influx of refugees and creating social and economic development opportunities for refugees and host communities; (ii) facilitating sustainable solutions to protracted refugee situations including through the sustainable socio-economic inclusion of refugees in the host country; and (iii) strengthening preparedness for increased or potential new refugee flows.

21. **Uganda has also prepared the Forest Investment Program (FIP)<sup>19</sup> and the Strategic Program on Climate Resilience (SPCR)<sup>20</sup> - both supported by World Bank with financing from the Climate Investment Funds.** Both investment plans identify priorities for transformational investments with regards to building resilience to climate change, and, in the case of the FIP, also to mitigate GHG emissions from the forestry sector. Both the FIP and SPCR identify two forest landscape programs as priority investments that would deliver substantial benefits for protecting ecosystem services, supporting livelihoods, for mitigating GHG emissions and for building climate resilience. This concept note proposes support for one such program which will focus on the forest landscape of the Albertine Rift in Western Uganda and also forests and woodlands in West Nile where these are impacted by large populations of displaced people. The proposed Uganda Forests and Resilient Landscapes Project has been conceived in response to the Government's letter of request for World Bank support dated December 12, 2018.

22. **The proposed project will be complementary to the *Competitive and Enterprise Development Project (P169435)*** which has already invested in the construction of the Uganda Hotel and Tourism Training Institute as well as a number of vehicles and boats for tourism use, some of which have been made available for tourism destinations in the Albertine region of western Uganda. The proposed project would make additional investments to increase revenues

<sup>19</sup> [https://www.climateinvestmentfunds.org/sites/cif\\_enc/files/fip\\_18\\_7\\_investment\\_plan\\_for\\_uganda\\_final.pdf](https://www.climateinvestmentfunds.org/sites/cif_enc/files/fip_18_7_investment_plan_for_uganda_final.pdf).

<sup>20</sup> [https://www.climateinvestmentfunds.org/sites/cif\\_enc/files/ppcr\\_20\\_6\\_strategic\\_program\\_for\\_climate\\_resilience\\_for\\_uganda\\_final\\_2.pdf](https://www.climateinvestmentfunds.org/sites/cif_enc/files/ppcr_20_6_strategic_program_for_climate_resilience_for_uganda_final_2.pdf).



and jobs from nature-based tourism in key concessions and parks. The proposed project will also closely coordinate with the *Development Response to Displacement Impacts Project* (DRDIP, P152822), especially when it comes to improving environmental management in refugee-hosting districts. This project is expected to pursue different outcomes and implementation arrangements from DRDIP, but coordination between the two projects will be important. Activities aimed at promotion of energy-saving cookstoves will be coordinated with the proposed *Energy Access Scale-Up Project* (P166685).

23. **The project will also address the World Bank’s high-level corporate priorities on climate change which aim to increase the level of ambition and commitments on both adaptation and resilience.**<sup>21</sup> The project will make a substantial contribution to addressing priorities of the World Bank’s Africa Climate Business Plan<sup>22</sup>, now in its fourth year of implementation. In particular, the project will contribute to “Scaled-up and transformational investments in key sectors and areas” which places a strong emphasis on support for climate resilient landscape management and comprises one of four emerging strategic priorities. Implementation of the recently-launched World Bank Action Plan on Climate Change Adaptation and Resilience<sup>23</sup> will also be supported at scale by this Program. The Action Plan prioritizes the mainstreaming of climate action through programmatic operations. Among the high potential areas identified, are support for (a) integrated landscape management approaches, (b) “triple-win” approaches such as climate-smart agriculture and afforestation that seek to capture benefits from development, emissions reduction, and enhanced resilience, and (c) nature-based solutions (also referred to as ecosystem-based adaptation approaches) that reduce risks, protect environmental services and generate income-generation co-benefits.

24. **The project also contributes to Uganda’s Comprehensive Refugee Response Framework and** the related Water and Environment Sector Response Plan for Refugees and Host Communities in Uganda (currently under development with leadership by the MWE). Proposed interventions are consistent with the Strategic Options identified in Uganda’s National REDD+ Strategy.

### C. Proposed Development Objective(s)

To improve management of forests and protected areas and increase access to benefits in target landscapes

Key Results (From PCN)

25. The following indicators will be considered for measuring achievement of the PDO:

1. Land area under sustainable landscape management practices (CRI<sup>24</sup>), with sub indicators, in ha:
  - a. Area under agroforestry systems
  - b. Area under improved natural resource management (Note: Community Forests certified and brought under management plans)

<sup>21</sup> Additions to IDA Resources: Eighteenth Replenishment – Towards 2030: Investing in Growth, Resilience and Opportunity, World Bank, 2017.

<sup>22</sup> World Bank. 2018. *Accelerating Climate-Resilient and Low-Carbon Development: The Africa Climate Business Plan*. May 2018.

<sup>23</sup> World Bank. 2019. *The World Bank Group Action Plan on Climate Change Adaptation and Resilience*. January 2019.

<sup>24</sup> CRI’s are Corporate Results Indicators. Use of CRIs is required for all active and pipeline operations of more than \$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.



- c. Area under plantations and re-forestation
  - d. Area under improved catchment management
  - e. Protected areas under effective management.
2. Forest area brought under management plans (CRI)
  3. Share of households with increased monetary and non-monetary benefits from forests
  4. Numbers of visitors visiting National Parks (used a proxy indicator for measuring increased tourism-related benefits)
26. A detailed results framework (including indicator definitions) will be developed during project preparation. This will include indicators for climate resilience and for GHG emission reductions, as this project is seeking co-financing from the Green Climate Fund. Appropriate gender and citizens engagement indicators will be also identified and included.
27. A Theory of Change linking the indicators to the proposed project activities will be also developed. Possible gender indicators that will be considered during project preparation might include:
- Share of workers involved in forest production and value-added activities that are women
  - Share of women organized in forest-related associations
  - Gender-specific forest management trainings
  - Increased women's access to skilled jobs by creating microenterprises or supporting formation of cooperatives.

#### D. Concept Description

##### 1. Description

28. **The project will support a landscape approach<sup>25</sup> to improve management and economic productivity of forest ecosystems.** It will combine investments in forest management in both state-managed and community managed lands and will focus on improving the management of forests and increasing revenues for sustaining forests and supporting resilient livelihoods. This will be achieved by developing the economic productivity of forests and their surrounding landscapes based on (a) improving the management of forest and wildlife protected areas to ensure they can continue to generate revenues and provide important environmental services; (b) increasing revenues and jobs from forest and wildlife protected areas; and, (c) enhancing productivity of the overall landscape through encouraging establishment of greater tree cover, supporting sustainable forest management and landscape resilience on private and customary land.

29. **The project's geographical focus is on selected priority areas in western and northwestern Uganda.** The project area includes the Albert Nile WMZ and West Nile. The Albert Nile WMZ contains the Albertine Rift, which supports the most carbon-dense forests remaining in Uganda and is also a global biodiversity hotspot (see indicative map of project area in Annex 4). Many intact areas of forest remain in this landscape, but most are under high pressure and forest areas are becoming increasingly fragmented. As these forests fragment, they become increasingly vulnerable to forest fires - a trend exacerbated by longer dry periods being experienced countrywide and in the Albertine region. Fragmentation is also leading to biodiversity loss and, increasingly, Human Wildlife Conflicts as wildlife, such as African elephant and chimpanzees which require large ranges, move between remaining blocks of habitat.

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<sup>25</sup> Landscape approaches typically integrate environmental, agricultural and or other sectoral approaches and are often undertaken at scale in areas defined by logical hydrological, ecosystem or topographical boundaries.



## Project components

30. This section provides a short description of the proposed project components. More details, including the indicative set of activities under each component, can be found in Annex 1. The specific activities under these components will contribute to build resilient forest ecosystems, as detailed in the ‘resilience pathways map’ included in Annex 3.

### **Component 1: Investments to improve the management of forest protected areas. (Indicative amount US\$49 million, including US\$40 million IDA loan, US\$6 million IDA grant, and US\$8 million from RSW)**

**This component will provide support to National Parks, Wildlife Reserves and CFRs in the project area.** The high biodiversity values of these forests have created an important incentive to improve their management and to generate jobs and revenues that can help sustain their conservation and increase benefits to local communities. Implementation will be led by the NFA and UWA. This component will finance physical investments in infrastructure and equipment and capacity building that will strengthen the management of state-managed forests.

### **Component 2: Investments to increase revenues and jobs from forests and wildlife protected areas. (Indicative amount – US\$41 million, including US\$35 million IDA loan, US\$6 million IDA grant)**

31. **This component will increase the economic contribution of forests through boosting revenue generation and job creation and in so doing, strengthen incentives for improved forest management.** Building on the investments made under component 1, it will make further investment in tourism infrastructure to achieve continued development of nature-based tourism. In addition, it will make investments to increase forest industry-based jobs and incomes. To narrow gender gap in the forestry sector, women entrepreneurs and women-led producer organizations will be encouraged to participate through a targeted information campaign.

### **Component 3: Improved tree cover, forest management and landscape resilience on private and customary land, including refugee hosting areas. (Indicative amount US\$85 million, including: US\$50 from RSW and US\$30 million from GCF)**

32. This component will enhance the productivity of the landscape through improved tree cover, forest management and landscape resilience on private and customary land, including in refugee hosting areas. Districts have been tentatively selected based on historic deforestation. The IDA18 refugee window funding will be used to support activities in selected refugee-hosting districts (provisionally Arua, Adjumani, Hoima, Koboko, Kamwenge, Kikuube, Kiryandongo, Kyegegwa, Madi Okollo, Moyo, Obongi and Yumbe). The GCF funding will be used for non-refugee hosting districts (Buliisa, Bundibugyo, Bunyangabu, Kabarole, Kakumiro, Kagadi, Kibaale, Kyenjojo, Masindi, Ntoroko). This arrangement will be reviewed during project preparation and it will be considered if this would require different components under the program. Specific districts will be confirmed during project preparation as well, especially considering emergence of new districts due to district division.

### **Component 4: Project management support (Indicative amount US\$5 million, all from IDA).**

33. This component will support project management support activities to ensure cost-efficient, timely, and quality delivery of project activities and results. This would include support for fiduciary management aspects, including procurement and financial management, as well as for project and forest monitoring, evaluation and reporting.

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Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

#### Summary of Screening of Environmental and Social Risks and Impacts

Project Investments under Components 1, 2, 3 and 4 are likely to cause environmental and social impacts arising from the proposed forest restoration and management activities, infrastructure development, livelihoods support activities, Community Forest Management and Sustainable Land Management Activities. Given the fact that these activities shall be undertaken in and around protected areas (National Parks, Forest Reserves, Community areas), the project activities will pose significant environmental impacts to humans in the project host areas, wildlife within the National Parks, and the general physical environment. Health and Safety impacts to both the host community and wildlife will be significant too arising from the said project activities and labour influx, which remain unclear at this stage, under project Components 1, 2, 3 and 4. The Environmental Safeguards Capacity of UWA, NFA and FSSD, including the participating Local Governments is uncertain at this stage. For this reason, the Environmental Risk Rating is considered Substantial.

The main social impacts anticipated under the project will likely involve restriction to protected areas that might impact on the livelihoods of some PAPs, including those from of Vulnerable and Marginalized Groups such as the Batwas. Land Acquisition is unlikely and construction activities will also be carried within these areas, and impacts associated with influx of labor into them are likely to be minimal. The can be addressed through the implementation of appropriate instruments and sustained stakeholder engagement.

**Note** To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document.

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