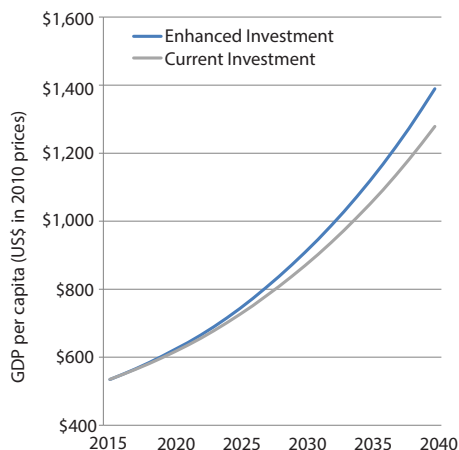


# Investment in Water Resource Development and Environmental Management Will Enhance Uganda's Economic Growth

Results of a national integrated bio-physical/economic modeling framework show that from 2015 to 2040 enhanced investment by the Ministry of Water and Environment (MWE) in Water Resource Development and Environmental Management can increase per capita GDP by 9% in 2040. Water resource development investments contribute 45% of this increase, while wetland protection and land management investments (especially efforts to switch away from firewood for cookstoves) yield 55% of the total benefit.

## ECONOMIC GROWTH, 2015-2040

The lower line in the figure shows the modeled trajectory of per capita GDP growth under Vision 2040 conditions, but with Water and Environmental investments at lower, current growth rates. The upper line shows the same trajectory, but with MWE's Vision 2040 Water and Environmental investment scenario. The difference is 9% increase in per capita GDP by 2040.

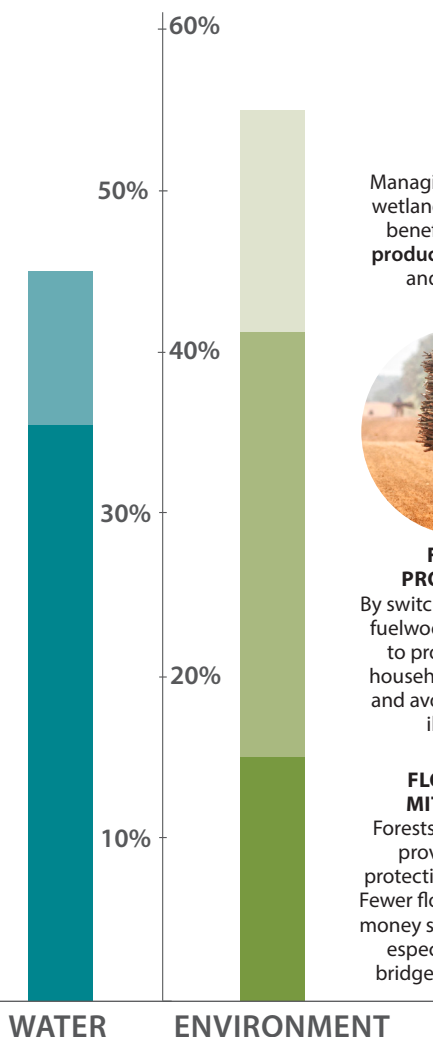


## CONTRIBUTION OF MWE INVESTMENTS TO GDP GROWTH

Providing water for irrigation, livestock, services and industry, and river management for hydropower are also important for economic growth.



**WATER SUPPLY AND SANITATION**  
Less time spent collecting water means more time for school and jobs. Plus clean water reduces illness.



Managing forests and wetlands also creates benefits in timber production, tourism, and fisheries.



**FOREST PROTECTION**  
By switching away from fuelwood for cooking to protect forests, households save time and avoid respiratory illnesses.

**FLOOD RISK MITIGATION**  
Forests and wetlands provide natural protection from floods. Fewer floods means less money spent on repairs, especial for roads, bridges, and houses.



GDP per capita is 9% higher in 2040 under enhanced investment in rural and urban water supply and sanitation, sustainable wetlands, and forest and catchment management. That is equivalent to an extra \$111 per person in that year.

Water and Environmental Investments impact the economy via a complex interconnection of the economic production factors of labor, capital, and natural resources. Investments that enhance these factors of production ripple throughout all sectors of the economy. For example, investments in urban and rural water supply and sanitation increase the supply and quality of labor which is the major productive factor of the commercial and manufacturing sectors. Investments in environmental management improve ecosystem services such as reduced flooding, improved water quality and improved public health. These services reduce government expenditures for infrastructure repairs and health care, enhancing GDP.