



**The role of Natural Capital Accounting in Uganda's development
planning and policy implementation**

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Water and Environment Joint Sector Review meeting

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WAVES

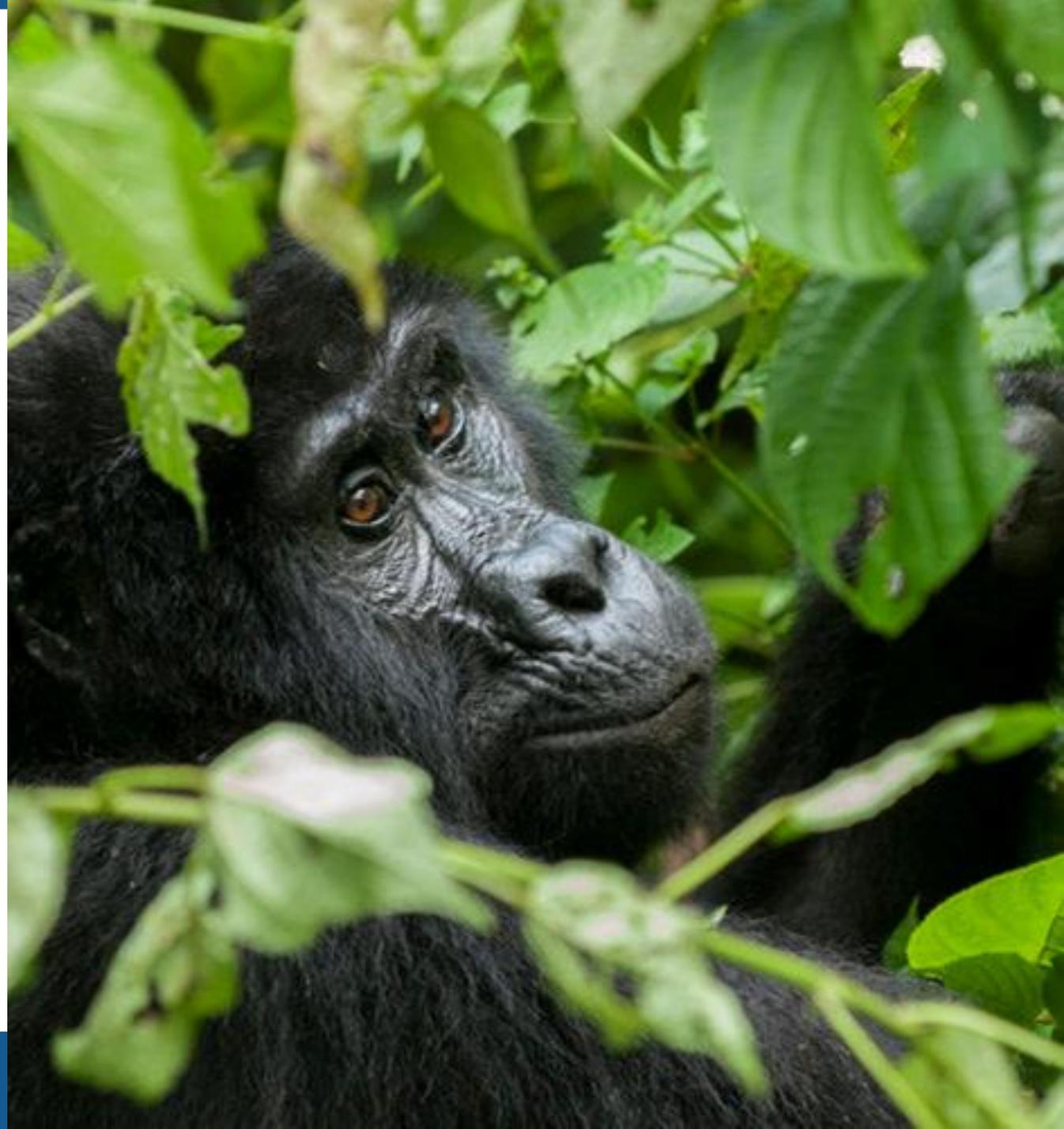


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Presentation Outline

- # Context and rationale for natural capital accounting in Uganda
- # NCA initiatives in Uganda
- # Institutional arrangements for implementation of NCA
- # NCA implementation, progress and challenges
- # NCA Policy priorities in Uganda
- # Key policy messages



Context and Rationale for NCA in Uganda



What is Natural Capital Accounting (NCA)?

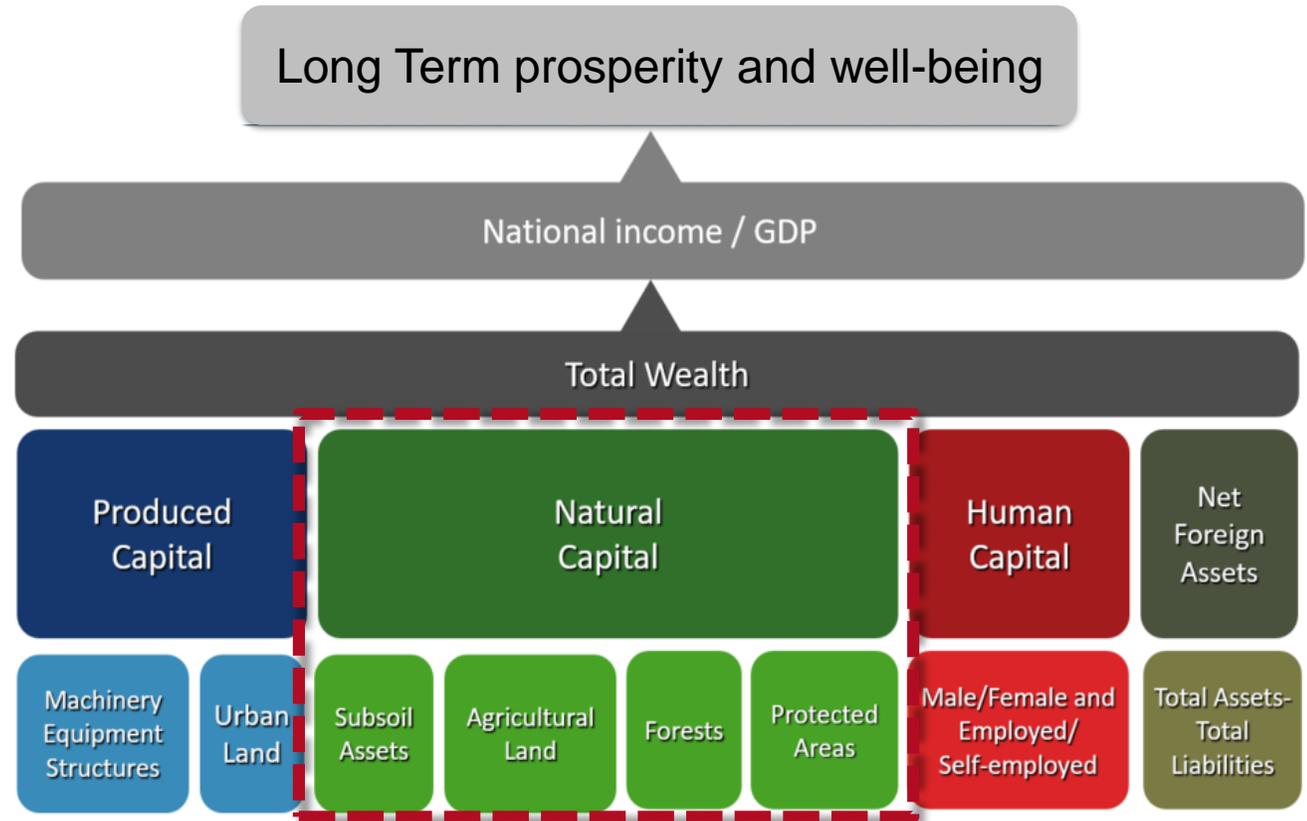
Natural capital accounts are a set of objective data showing how natural resources contribute to the economy and how the economy affects natural resources.

Natural capital accounting integrates natural resources and economic analysis, providing a broader picture of development progress than standard measures such as GDP.

Natural capital accounting (NCA), is needed to sustain growth.

Long-term development is a process of accumulation and sound management of a portfolio of assets — manufactured capital, natural capital and human capital.

As Joseph Stiglitz, a Nobel Laureate noted, **a private company is judged by both its income and balance sheet, but most countries only compile an income statement (GDP) and know very little about the national balance sheet.**



NCA Initiatives in Uganda



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Overview of previous NCA/SEEA initiatives in Uganda

In 2005, government undertook a study **to assess the feasibility of introducing environmental sustainability into the national accounts.**



(SDG).

Uganda published **the world's first species diversity accounts in March 2017.** These 'species accounts' were developed for three NTFPs (Gum Arabic, Shea butter nuts, and Prunus Africana) and two flagship mammals (Chimpanzees and Elephants)



Uganda has been an associate member of **the Gaborone Declaration for Sustainability in Africa (GDSA) since 2015.** In 2017, Uganda expressed interest in becoming a full GDSA signatory member.

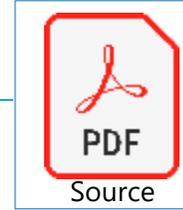


This level of engagement and activity confirms that there is broad interest and support for further development and institutionalization of NCA, a base of knowledge and capacity to build upon, and a range partners to work with and share resources. The Uganda NCA Program is instrumental in galvanizing this momentum.



Overview of previous NCA/SEEA initiatives in Uganda

In November 2013, Uganda participated in the Expert Group Meeting 'Modelling Approaches and Tools for Testing of the SEEA Experimental Ecosystem Accounting at UN Headquarters'.



In December 2017, UBOS presented a Draft National Plan for the Implementation of SEEA in a Conference in Nairobi organized by United Nations Statistics Division (UNSD).

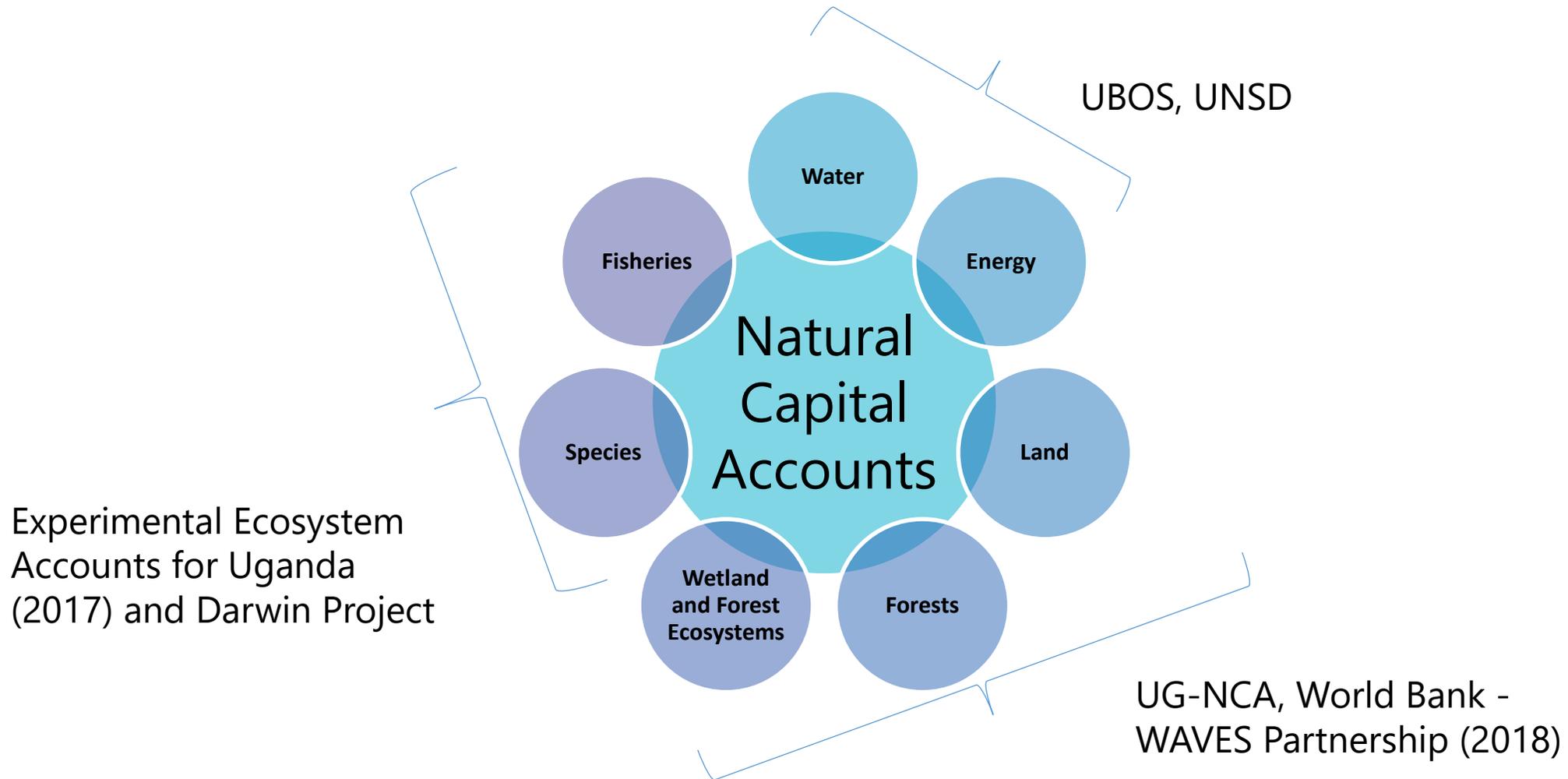
In March 2018, GoU agencies and supporting stakeholders met to take stock of NCA efforts and to seek feedback on establishment of the **Uganda Natural Capital Forum to facilitate institutionalizing NCA.**



The **MoWE** undertook an **economic valuation of Uganda's forests and their contribution to the economy,**.

Implementation of NCA in Uganda

Building a coherent picture



The Global Partnership for Wealth Accounting and Valuation of Ecosystem Services (WAVES)

WAVES is a global partnership that aims to mainstream Natural Capital in development planning

WAVES aims to:

- 1) Help countries **adopt and implement accounts** that are relevant for policies and compile a body of experience;
- 2) Develop **ecosystem accounting** methodologies;
- 3) Establish a global platform for **training and knowledge sharing**; and
- 4) Build **international consensus** around NCA.



Uganda Natural Capital Accounting program – WAVES Program Support

- The **objective** the Uganda Natural Capital Accounting (NCA) Program is **to mainstream NCA into development policy dialogue and planning by integrating a set of accounts that will inform the NDPIII and other national and sectoral policies.**
- The initial **focus** will be on **forests and wetlands.**
- The **aim** of the program is to increase understanding on; **the real contribution of natural assets and the ecosystem services to the economy and how the economy and its sectors affect this natural asset base.**

International commitments

- Nationally Determined Contributions
- Sustainable Development Goals

National agendas

- National Development Plan
- Green growth Strategy
- Reporting systems and legal frameworks.

Sectoral agendas

- Conservation policy
- Forest policy
- Energy policy
- Other sectoral policies (e.g. tourism)

Regional and local agendas

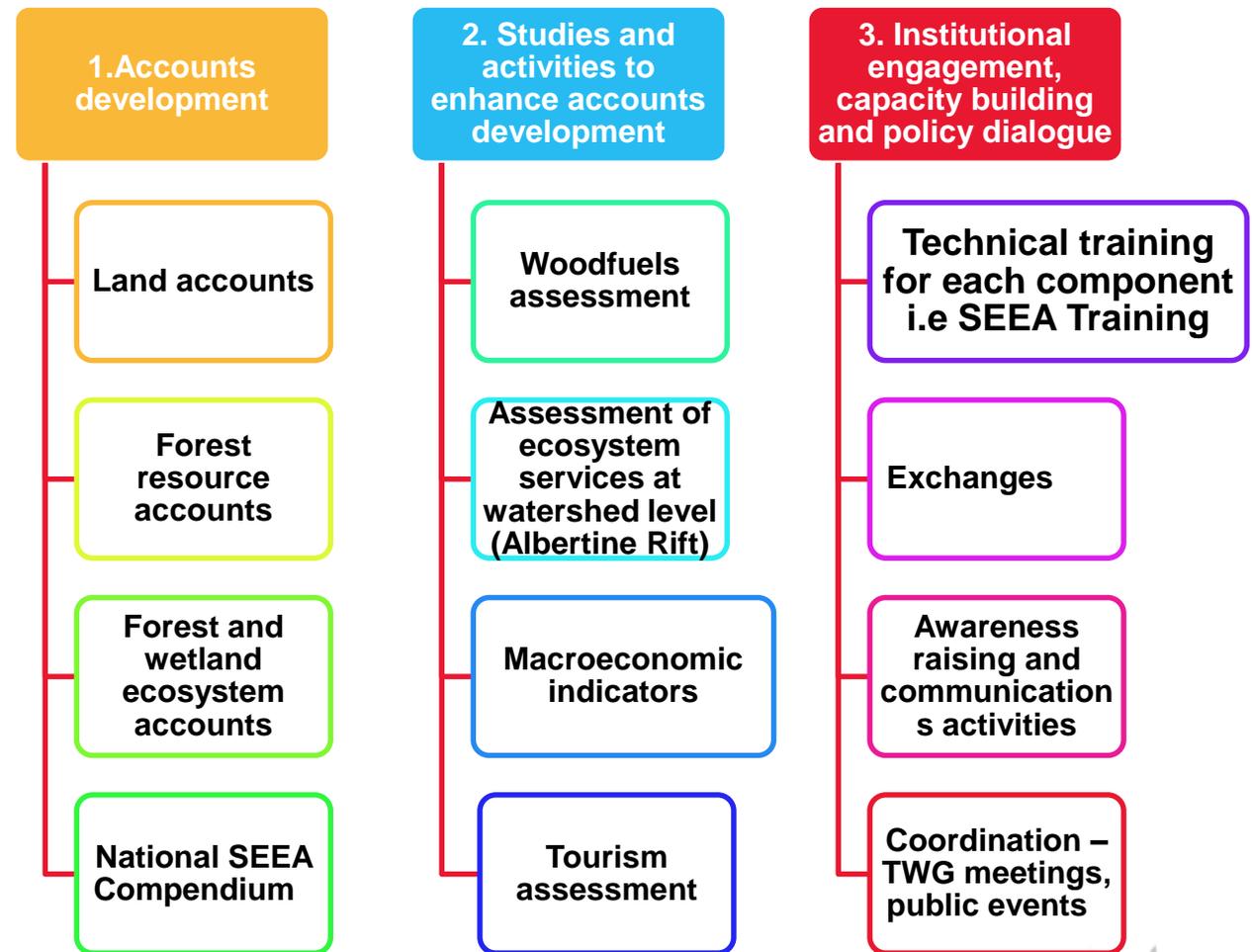
- Water Resource Management
- Transboundary agendas

Uganda Natural Capital Accounting program – WAVES Program Support

Expected Outputs

The program has three main components, namely:-

- Accounts development
- Studies and activities to enhance accounts development
- Institutional engagement, capacity building and policy dialogue

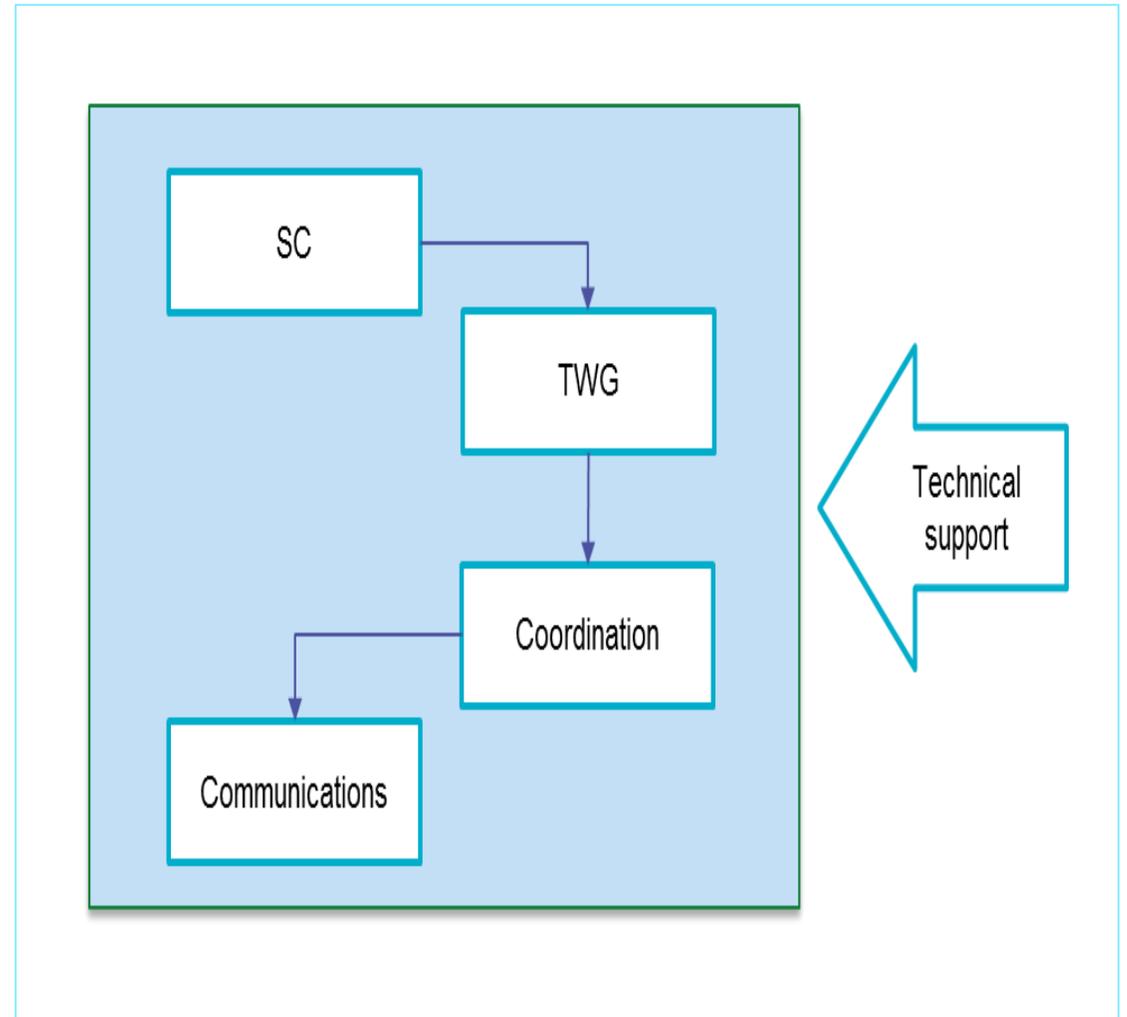


Institutional arrangements for NCA



The program builds on existing structures and work activities organized around two key elements

- The institutional arrangements, including the Steering Committee, the Technical working group, and other aspects
- The support activities of coordination, communications and technical support



Program policy oversight is led by the National Steering Committee while implementation is led by the Technical working Group comprised of;

- Ministry of Finance, Planning and Economic Development (MOFPED) and the National Planning Authority (NPA) as the chairs
- Uganda Bureau of Statistics (UBOS), the co-chair and ensuring technical oversight
- **Ministry of Water and Environment (MWE) as the chair of the National Steering Committee**
- National Environmental Management Authority (NEMA), National Forest Authority (NFA), Uganda Wildlife Authority (UWA)



NCA implementation progress challenges and lessons learnt

BUSINESS

Moving Beyond GDP: Uganda Launches Natural Capital Accounting Program



By Benjamin Emuk

Posted on October 24, 2018



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Progress of WAVES supported activities

- **Land (physical asset) account developed** – launch planned for November
- **Supportive studies** on the (i) woodfuels assessment, (ii) Macroeconomic indicators and (ii) issue paper on NCA and the National Development Plan (NDP III) completed
- **National Plan for Advancing Environmental Economic Accounting** updated – launch planned during NatCap week in November 2019 (hosted in Uganda)



Progress of WAVES supported activities

- Continuous capacity building (specific trainings and learning by doing), local capacity is emerging in Government agencies and the academia
- Exposure to NCA international experiences and best practices
- Communications strategy developed and being implemented



NCA Policy Priorities in Uganda



NCA Policy Priorities

- Are there adequate resources to sustain the natural resource led industrialization drive in the medium to long terms? In other words, have we counted the resources we are counting on?
- How will this mode of industrialization affect the country's environment and natural resource base?
 - To make a case for increased budget allocation and investment in biodiversity rich sectors for conservation and management e.g., Forest and Wetlands, Tourism etc
 - To increase awareness and appreciation of natural capital assets and implications of their degradation on economic growth and human well-being amongst decision makers and the public.
 - To assess national progress and reporting towards international commitments e.g. the SDGs and Aichi targets, Vision 2040 and NDP targets.



Key Policy Messages



Key policy messages

- NCA offers empirical and quantitative information to support evidence-based policymaking and development planning
- Through time series data, NCA assists in monitoring resource stocks and user trends over time, which can be used to analyze the impacts of various development and resource policies.
- NCA information can also be used to generate future development scenarios (e.g. resource intensity by sector).
- Natural resources and biodiversity offer new opportunities for green growth and development, which can be estimated through the NCA.



Key policy messages

- NCA derives indicators on resource efficiency, monitor the development over time and explore how development policies may affect resource use.
- NCA can be applied at different spatial levels, making it relevant for national development planning as well as sectoral development planning and local government planning.
- NCA shows the country's changing natural wealth and its use.
- It shows the degree of sustainable development and contributes to the monitoring of NDP III and various SDG indicators, including the level of savings and investments adjusted for depletion and degradation of assets (ANSI or SBI).



Challenges in implementation

- Inadequate Capacity in compilation of NCA
 - Capacity in use of NCA for economic modelling and forecasting for policy and decision making.
 - Data gaps
 - Weak institution collaboration and coordination.
- Inadequate but increasing appreciation of NCA by policy makers
 - Bureaucracy and government hierarchy
 - Difficulty in shifting from business as usual



Going beyond – institutionalizing NCA

- Draft National Plan for the Implementation of SEEA which aligns with the Plan for National Statistical Development (PNSD)
- UBOS has established an operational unit for satellite accounting
- Institutionalized NCA related data collection and analysis
- Established the Uganda Natural Capital Forum
- Capacity building in MDAs especially in the UBOS



- NCA influencing sector and national decision making and resource allocation.
- Tax policies on forest and products, subsidies in agriculture, environmental policy development and enforcement
- Annual dissemination of NCA alongside other National accounts.
- NCA balances guiding and being reflected in the NDPIII and its monitoring and results framework
- NCA balances being used to model and forecast major economic indicators at macroeconomic level

Long term expectations





Thank you!