



# Integrating Natural Capital into Sustainable Development Decision-Making in Uganda

*A project funded by the UK Government*



## PROJECT INFORMATION NOTE



Biodiversity is an essential part of Uganda's 'natural capital stock'; the interactions of ecosystems and species underpin the delivery of many services and benefits that support economic activity and the well-being of its people. The sustainable use of these stocks of biodiversity is fundamental to maximizing economic growth and human well-being in Uganda over the medium to long term. However, the value of biodiversity is often neglected in traditional assessments of economic progress and development planning. This encourages inefficient and unsustainable growth, requiring investment in manufactured infrastructure to replace the benefits provided by nature. The loss of benefits disproportionately impacts the rural poor since much of their real income is directly dependent upon ecosystem

services. These challenges are recognized in Uganda's National Development Plan (NDP II), Uganda Green Growth Development Strategy (UGGDS) and the National Biodiversity Strategy and Action Plan (NBSAP). Collectively, these plans recognize the need to manage natural capital to deliver economic development and poverty alleviation. The plans also identify natural capital accounting as a strategic intervention towards improved management.

Natural capital accounts are a set of objective data on the stocks of natural resources, including ecosystems and species, and the flows of benefits they provide. They aim to provide detailed integrated statistics on how natural resources contribute to the economy and how the economy affects natural resources. In recent years, natural capital accounting (NCA) has become a prominent tool for providing more evidence-based approaches in support of sustainable development, green economy transition and climate change adaptation.

In this context, biodiversity-related NCA can improve decision-making by providing information on biodiversity and the benefits it provides in a consistent and timely manner. This can assist decision makers in evaluating land-use options, assessing progress towards policy targets and in policy formulation. By combining this information with economic and social statistics, biodiversity-related NCA can be a key tool to guide sustainable development planning that can achieve long-term economic growth and thus contribute to poverty alleviation and better outcomes for nature.

## PROJECT DESCRIPTION

In order to extend Uganda's current national accounting system to better consider biodiversity-related natural capital, the National Environmental Management Authority (NEMA), the National Planning Authority (NPA) and Uganda Bureau of Statistics (UBoS), with support from the UN Environment World Conservation Monitoring Centre (UNEP-WCMC), International Institute for Environment and Development (IIED) and Institute for the Development of Environmental-Economic Accounting (IDEEA Group) are implementing the project: Integrating Natural Capital into Sustainable Development Decision-Making in Uganda. The project is being funded by the UK Darwin Initiative and will be completed in March 2021.

The project directly responds to demands to extend Uganda's capacity for natural capital accounting, and build complementary analytical capacity amongst public decision makers, and other users, to employ this new evidence base in support of integrated economic and land-use planning and policy. The project builds on a strong foundation in Natural Capital Accounting in Uganda, including: work by NEMA and the UN-REDD program on forest accounting; the NFA biomass study; Water accounting underway at UBoS; and, recent work on Ecosystem Accounting progressed with UNEP-WCMC and IDEEA in 2017.

The ultimate objective of the project is to support the delivery of green growth in Uganda that contributes to poverty alleviation, wealth creation and meeting biodiversity goals. As such, the project

directly supports the delivery of the Ugandan National Development Plan, Green Growth Development Strategy and NBSAP. The work also supports international commitments to integrate the values of biodiversity-related natural capital in decision-making (e.g.

Aichi Target 2, SDG Target 15.9, and as an associate member of the Gaborone Declaration for Sustainability in Africa). In this regard, the project is designed to help deliver on the ambitions set out in Uganda's National Plan for Advancing Environmental-Economic Accounting (NP-AEEA), developed as part of a coordinated effort between UBOS, United Nations Statistics Division (UNSD), NPA, NEMA and other Ministries, Departments and Agencies. It complements existing initiatives by ensuring biodiversity elements become a concrete component of Uganda's regular environmental accounting process.

## SCOPE OF WORK

The project will support the compilation of biodiversity-related natural capital accounts that are identified national priorities and relevant to the fundamental objectives of the Darwin Initiative. Namely, to support poverty alleviation and improved outcomes for biodiversity. The proposed accounts include:

- (i) **Fisheries accounts:** These accounts will organize data on declining fish stocks and the implications on the country's exports earnings and livelihoods of its people.
- (ii) **Integrated tourism and species / biodiversity accounts:** These accounts will organize data on major tourism sites and their species. This will highlight the value of tourism expenditure (tourism earnings) related to Uganda's iconic species and inform sustainable use and protection laws that are tourism demand driven.
- (iii) **Land Accounts and Land Degradation Accounts:** These accounts will provide for an understanding the evolution of our soil fertility in order to draw policies for better soil management practices in order to ensure sustainable agriculture, reduced habitat conversion and contribute to poverty alleviation.

In order to kick start these activities an inception workshop is planned. This workshop is the first but very important step for the project. It provides an opportunity to showcase the progress Uganda has made in NCA. It also provides a much-needed platform on which to build consensus on the needs, uses and opportunities for biodiversity-related NCA in Uganda. It also sets the direction of the project so that it delivers outcomes that will be truly legitimate and relevant to biodiversity stakeholders and decision-makers. Following the workshop, the project focuses on four sets of activities:

1. **Building awareness of biodiversity related natural capital:** This will be an ongoing activity throughout the lifetime of the project. A communication strategy for the project will be developed and policy briefs, blogs, core technical reports and other outputs will be publicized via various online platforms, meetings and social media channels both in Uganda and internationally.
2. **Developing and testing an accounting approach:** Drawing on the national plan for environmental-economic accounting and the outcomes of this workshop, a first set of biodiversity-related natural capital accounts will be compiled using ecosystem service concepts. These will connect physical characteristics of the natural capital (e.g. iconic species populations) to indicators of the values associated with their use (e.g., number of wildlife watching tourists and associated revenue streams). These will support decision-makers in understanding the trade-offs and synergies inherent in planning decisions across spatial scales. Guidance will be produced so the approach can be replicated in other countries.
3. **Building communities of practice:** Capacity building workshops will be run and training materials developed in both the production and the use of biodiversity-related NCA. This will provide a critical mass of professionals to maintain the production of these accounts on a regular basis. Establishing a set of training materials will open up opportunities for wider training within the public sector, academia and in other countries.
4. **Institutionalize the accounting approach:** The final activity of the project will involve working a sector on a detailed application of the accounts in to development planning. This is intended to provide an exemplar of mainstreaming biodiversity to achieve green growth and poverty alleviation.

Work to date has positioned Uganda at the leading edge in the development of NCA for biodiversity. This has been driven by the commitment and contributions of many individuals and institution responsible for environmental data, planning and development. This project asks for this support once again, from essential partners in government ministries, authorities and research institutes, as well as from key environmental NGOs, Academia and the private sector. With this, we are confident we can advance the state of the art in NCA for biodiversity and provide an information system that can support Uganda's ambitions for nature and society.