



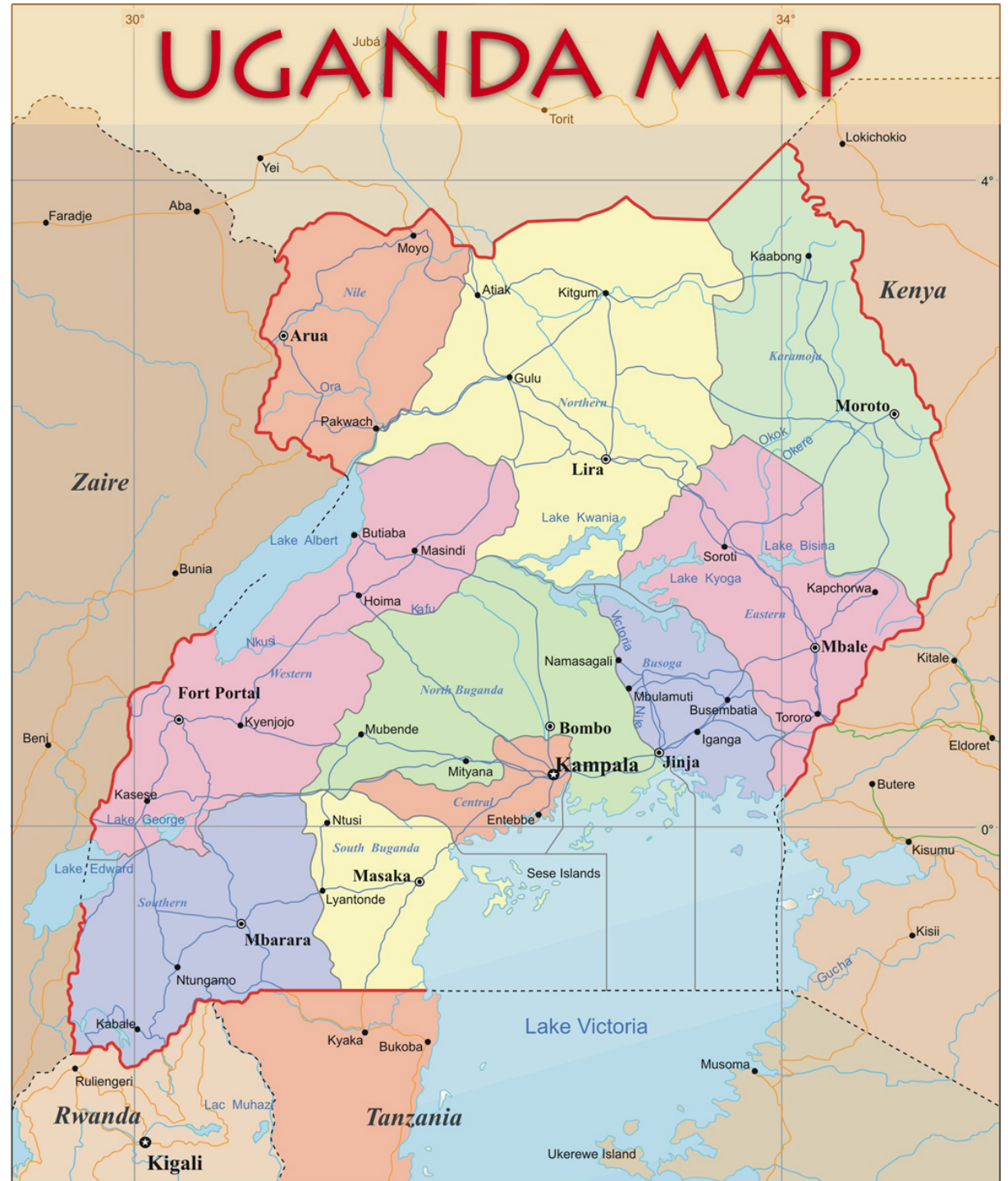
Biodiversity and Ecosystem Accounting Initiatives in Uganda

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Location of Uganda in Africa





Introduction

- In spite of the on-going economic transformation, Uganda is still a natural resource based economy.
- Dependence on ENR manifested in:
 - GDP (agric alone contributes 24%, Forest 8% of GDP)
 - Employment (agric, forestry and fisheries major employers) with agric employing 66% of the labour force
 - Foreign exchange earnings dominated by ENR with tourism alone contributing US\$ 805 million in 2011 and US\$ 1 billion in 2012.
 - Energy over 90% on Biomass energy
 - The exploitation of Oil and Gas set to begin will increase the country's dependence on ENR
- Changes in the stocks of natural resources and ecosystems services affect the country's development prospects

Policy priorities

- Given the country's excessive dependence on ENR, resource and ecosystem accounting assumes a critical importance
- **The National Environment Management Policy (NEMP, 1994) Objective on Environmental accounting is:**
 - *To integrate environmental costs and benefits into economic planning and development at all levels of government in order to reflect the true costs and benefits of development.*

Policy priorities

- Some of the guiding principles of the **NEMP, 1994** include:
 - Environmental costs and benefits should be accounted for using the best available information and methodologies given that the estimation of environmental costs and benefits is often imprecise due to lack of accurate information and uncertain monetary values of non-marketable environmental goods and services;
 - Depletion or degradation of natural resources should enter the national accounts as depreciation of capital assets. Utilization of renewable natural resources beyond the capacity of the resource to renew itself should be recognized as a reduction of capital assets, rather than revenue;

Policy Priorities

- The **NEMP 1994** proposes a number of strategies including:
 - Develop capacity in the Ministry of Finance and Economic Planning (UBOS) to prepare satellite environmental accounts as part of national accounting procedures
 - Initiate a pilot project on the development of national indicators and the application of environmental accounting in Uganda, within the framework of the new United Nations (or other) guidelines on national environmental accounting.

Policy priorities

- Integrate environmental economics and accounting into the national development planning process;
- Structure accounting and financial management systems to facilitate analyses of benefits/achievements and costs

National environmental initiatives and policy questions and Priorities

- Valuation studies done on wetlands, forests, biodiversity to
 - demonstrate their contribution to the GDP
 - Make a case for more budget allocation to the ENR sector
- the valuation studies however were not used by UBOS to prepare national accounts
 - UBOS showed lower figures (mainly provisioning services, ignored other ecosystem services) on contribution of ENR
 - However most of the data is old and need to be revised

National environmental initiatives, policy questions and Priorities

- Environmental Accounting
 - A comprehensive study on the TEV of Forest sector contribution capturing stocks and flows has been done and published
 - Used in the NBSAP revision process and the preparation of the Country Biodiversity Report
- Profile of the Forestry sector has been raised in the NDP
 - **A primary growth sector for wealth creation**

National environmental initiatives,

policy questions and Priorities

- Regular monitoring of the status and trends of ecosystems e.g. through carrying out/establishing:
 - Inventories of critical ecosystems;
 - Targeted studies on priority ecosystems e.g. Biomass studies, national state of environment reports
 - Biodiversity data bank
- Ecosystem restoration programmes
 - No accounts developed yet
- Food security-ecosystem security trade-off project supported by UNEP

Ecosystem Models Developed

- Ecosystem based management approach/model
 - Partnerships with local communities and local governments
 - Drawing ecosystem restoration action plans
- Integrated Ecosystem Assessment model adopted from the Millennium Ecosystem Assessment. Using the MA model carried out
 - An Ecosystem Assessment of the Lake Kyoga Catchment and its conditions and relationship with economic welfare at local and regional scales identified
- Payment for Ecosystem (PES) Experimental Methodology
 - Incentive scheme for communities to protect private forests
 - Piloted with support from GEF through UNEP
- **No model developed on SEEA-EEA**

Developing a national framework for ecosystem accounting : Key Policy Questions

- Conceptual issues
 - Understanding and appreciating the concept of environmental accounting and its policy relevance
- Stakeholder mapping (balancing skills: statistical skills, environmental economics, natural sciences)
 - What is the appropriate balance?
 - What are the required partnerships?
- Capacity issues versus institutional mandates
 - Statistical agency (UBOS) and ENR institutions
 - Institutional roles

Way Forward

- Identify and exploit the linkages and synergies between SEEA-EEA and on-going policy and planning initiatives
 - NDP revision process
 - NEMP revision process
 - National Statistical Strategy
 - Post 2015 development agenda
- Develop
 - Land Accounts
 - Water Accounts
 - Fisheries
 - Oil and Gas Accounts

Way Forwards

- Required support
 - Research on
 - (i) Is GDP growth sustainable or is Uganda depleting ENR wealth in order to fund current consumption, in other words, ‘living off its natural capital?’ If not sustainable, what is the cost of environmental degradation?
 - (ii) Contribution of Biodiversity and Ecosystem Services on national development
 - (iii) Returns on investment in Biodiversity and Ecosystem resilience
 - (iv) What is the potential for ENR sectors to fund the sustainable management of these sectors?