DARWIN INITIATIVE

Integrating Natural Capital into Sustainable Development Decision-Making in Uganda

A project funded by the UK Government

PROJECT INCEPTION WORKSHOP REPORT

11-12 December 2018, Golf Course Hotel, Kampala

NEMA National Environment Management Authority ENSURING SUSTAINABLE DEVELOPMENT

UBOS

NATIONAL PLANNING AUTHORITY PLANNING FOR DEVELOPMENT

UN environment WCMC 40 years

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IDEEA Group

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1. OVERVIEW

The two-day workshop was held at the Golf Course Hotel in Kampala, targeting stakeholders from Ministries, Departments and Agencies (MDAs) of government who will be key in ensuring the success of the project. The workshop aimed at introducing the project and the Natural Capital Accounting (NCA) concept to stakeholders; it also aimed at getting the necessary buy-in from the same audience and building consensus on project activities.

Day 1 of the project was focused on Introducing NCA and the Darwin-funded project in Uganda, by giving a broad overview and also explaining to the stakeholders the supporting policy framework for NCA in Uganda. It also laid out the proposed thematic areas on which the project would concentrate, as well as the policy and information gaps which NCA could fill, and opportunities for doing so. Institutional implementation roles, linkages and data as key inputs into the success of the project were discussed, and gaps and opportunities to improve synergies. The agenda for Day 1 of the workshop is presented below and a list of workshop participants is appended to this report, together with the project information note circulated to participants.

Time	Activity	Responsible Party
SESSION CHAIR: STEVE BASS		
8:30 – 9:00 am	Arrival and registration of participants	NEMA
9:00 – 9:30 am	Introduction by Participants and identification of expectations	NEMA
9:30 – 10:00 am	An Opening Remarks by ED-NEMA	NEMA
10:00 – 10:30 am	**TEA BREAK**	
10:30 – 11:30am	Introduction to NCA and the Darwin project in Uganda, a broad overview	Francis and Steven
11:30 – 12:00 Pm	NCA and supporting policy framework in Uganda	Ronald K
12:00 – 12:15Pm	Project Launch	Ronald K
12:15 – 1:00Pm	Proposed thematic areas, accounting themes, policy linkages, gaps and opportunities	Margaret
1:00 – 2:00 Pm	**LUNCH BREAK**	
2:00 – 2:45Pm	Understanding data needs and gaps for the effective production of accounts [Break away Session]	NEMA/NPA/UBOS
2:45 – 3:30Pm	Presentations by break away groups	All
3:30 – 4:15Pm	Project implementation - Institutional Arrangements an Synergies	Francis
4:15 – 4:30Pm	**BREAK**	
4:30 - 5:00Pm	Discussions, Q&A	

The second day was primarily facilitated by IIED and comprised a series of exercises to identify and characterise target stakeholder audiences for natural capital accounting evidence and categorise them in terms of their influence and knowledge, and their potential for being champions or blockers, all of which would feed into and inform the first draft of the Communications Strategy

2. EXPECTATIONS AND INTRODUCTION

The session Chair, Mr. Stephen Bass (from IIED), sought participants' expectations. The participants, who were representatives from the government agencies, Academia, Development Partners, Private sector and NGOs, wanted to better understand:

- the functions of Natural Capital Accounts
- the benefits of Natural Capital Accounts
- the entry points for entities and institutions to create and/or to use the accounts
- the scope of the project
- the roles of institutions implementing the project
- the immediate benefits of the project

3. KEY PRESENTATIONS

3.1. INTRODUCTION TO NCA AND THE DARWIN PROJECT IN UGANDA

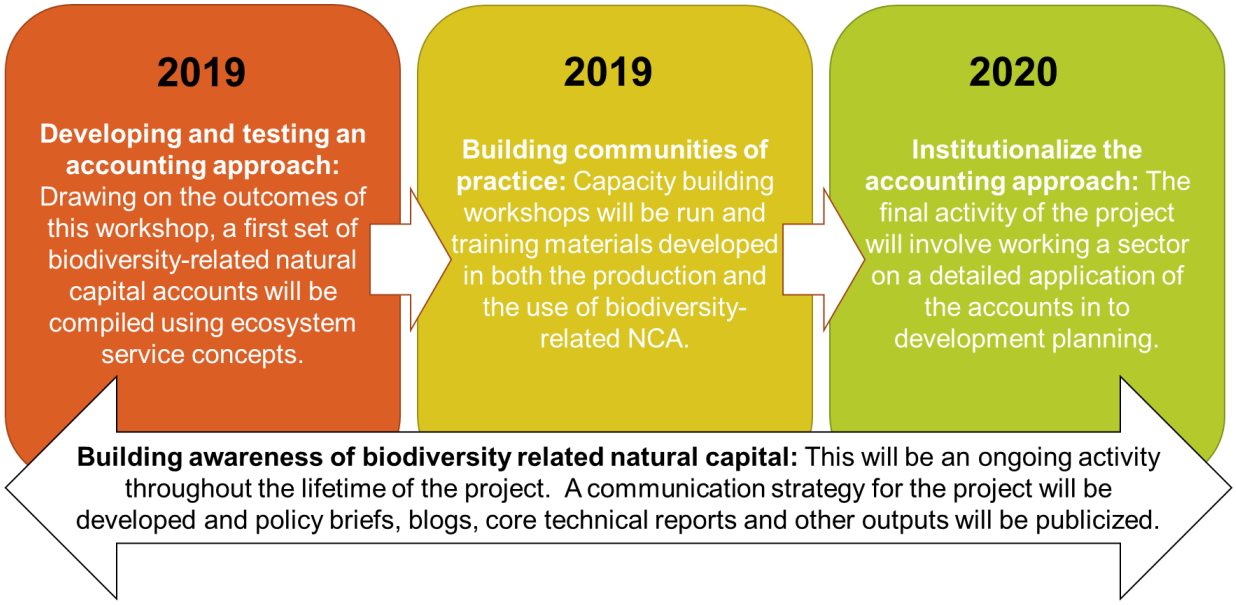
The Project focal person in Uganda, Mr. Ogwal Francis, and the UNEP-WCMC technical lead on the project, Dr. Steven King, Introduced NCA and the Darwin project in Uganda by giving a broad overview.

Dr. King gave a history of NCA by looking at the SEEA and how it provides integrated information by creating a rich coherent picture of the relationships between the environment, the economy and well-being. Examples were shared to show that considerable work had already been done on NCA in Uganda, including the Land cover and Biomass Accounts (1990; 2005) that focused on biomass and energy whose benefits would include, though not limited to, better planning and use of biomass derived energy at national, regional and local levels and addressing the extent of land-cover distribution and a scenario-based analysis for different land-cover types.

A brief overview on the Darwin Initiative was introduced; this UK government grants scheme helps to protect biodiversity; it funds projects that help countries rich in biodiversity meet commitments under the Convention on Biological Diversity and other biodiversity conventions. It also aims that such projects should also contribute to poverty alleviation. This Darwin-funded project aims to develop three sets of natural capital accounts, as identified by relevant government agencies. The support to Uganda is prioritizing:

- Land Degradation: To understand the changing quality of Uganda's land and its constituents, e.g. biodiversity content and soil fertility in order to draw policies for better land management practices.
- Fisheries: To organize and improve data on declining fish stocks and the implications for the country's exports earnings and livelihoods of its people, in order to reverse the decline.
- Biodiversity and tourism: To organize data on major tourism sites and their species and habitats, in order to highlight the value of tourism expenditure related to Uganda's iconic species

As shown in the figure below, the project will be delivered in three phases and supported by a communication strategy to build awareness of biodiversity-related natural capital throughout.



In Phase 1 (2019), the national and international teams are working together to develop and test accounting approaches for these three themes and develop a standard methodology. In Phase 2 (2019), capacity building will be provided for data providers and accounts producers to build communities of practice in accounts production, and to build capacity amongst potential users of the accounts to demonstrate their application to different decision-making processes. This would be done while leveraging the WAVES programme's training opportunities. Finally, in Phase 3 (2020), the project will work with a specific sector or sectors on a detailed application of the accounts to a sector planning process and/or a significant development issue.

REACTIONS

It was asked if agricultural accounts can be a fourth priority as species and ecosystems have to be correlated with agricultural uses. It was, however, explained that agriculture as a whole was omitted due to its breadth, and instead fisheries was picked as a component of agriculture. Nonetheless, this important theme could be tackled in future projects.

Other considerations identified by participants included:

4. Linking land-use accounts with Species Accounts to show the connections between species and ecosystem use
5. The issue of the mobility of several species, such as pollinators and chimpanzees that move across several ecosystems
6. Participants were keen that the accounts reveal the finance values of biodiversity-related natural capital
7. Participants also highlighted that understanding the real value of biodiversity-related natural capital to local communities was especially important, for example with respect to maintaining their livelihoods

7.1. POLICY AND NCA IN UGANDA

This presentation was made by Mr. Ronald Kaggwa (National Planning Authority), who addressed questions of policy. He also hinted at the regulatory framework which influences the state of Natural Capital in Uganda. It specifically addressed questions of:

1. What are the key Policy issues/questions facing biodiversity?
2. What is the contribution of Natural Capital Accounting (NCA) in addressing the policy issues affecting biodiversity?

3. What key Policy entry points can be exploited to promote the use of NCA in sustainable biodiversity management? Context and Rationale for NCA in Uganda.

Mr Kaggwa identified that Uganda is natural resource led. Our growth, our economy, our prospects are all driven by natural capital, so we must include biodiversity values and the cost of biodiversity loss in our policy decision making, if we want sustainable socioeconomic transformation.

He concluded by indicating that NCA is an important tool for providing more evidence-based approaches in support of sustainable development, green economy transition and climate change adaptation. He highlighted that NCA improves decision-making by providing information on biodiversity and the benefits it provides in a consistent and timely manner.

7.2. PROPOSED THEMATIC AREAS FOR THE PROJECT, OPPORTUNITIES AND GAPS

This presentation was made by Ms. Margaret Nakirya, from The Uganda Bureau of Statistics.

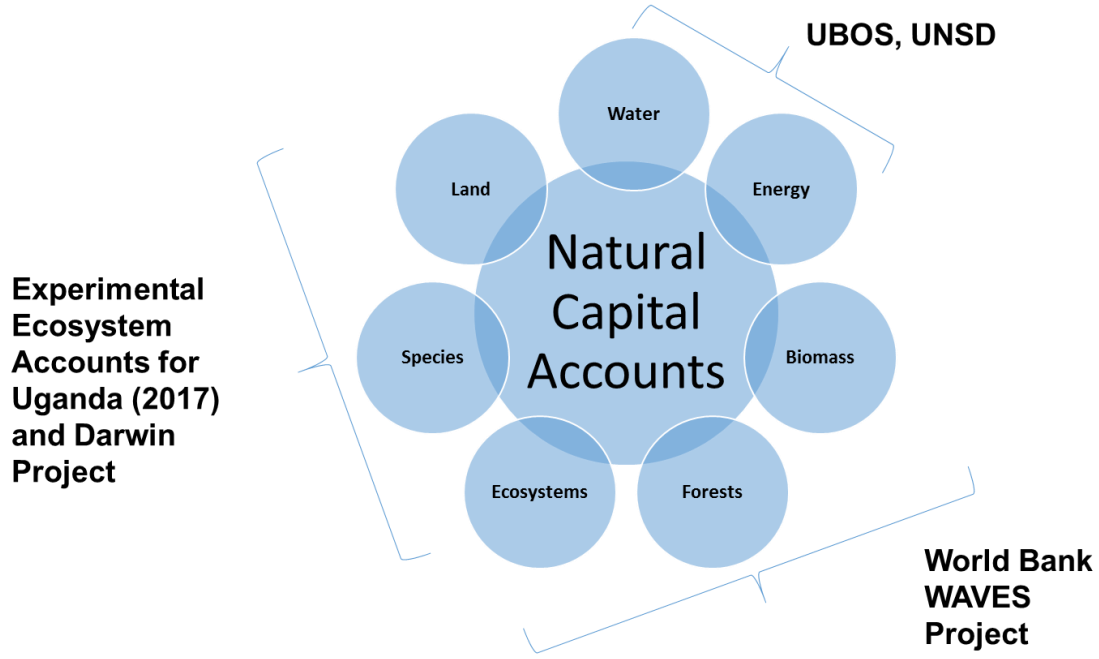
By giving a bit of background information to bring in the NCA concept and to easily conceptualize the thematic areas, Ms. Nakirya highlighted the Ugandan and global SEEA perspectives, and the National Plan for Advancing Environment Economic Accounts (NPA-EEA) based on the UNCEEA strategy. She indicated that the Priority accounts identified for development in Uganda include:

1. Water Accounts
2. Energy and Minerals Accounts
3. Environment Activity Accounts
4. Land Accounts
5. Forest, timber and biomass Accounts
6. Aquatic Resources
7. Ecosystem Accounts- thematic accounts for biodiversity (Tourism) and condition accounts for soil resources

Other accounts for future included:

8. Materials accounts
9. Agriculture Accounts

She indicated that leveraging what WAVES (under the World Bank) would bring, the expertise so far given by UNSD and the willingness of collaborating institutions under the Darwin project will build a coherent picture across several environmental-economic accounting themes. This is presented in the figure below.



The WAVES program period is October 2018-August 2020 and it is organized in three components:

1. *Accounts development* - Forest and wetland ecosystem accounts
2. *Studies and activities to enhance accounts development* - Forest-energy nexus with a special focus on the charcoal economy; An assessment of ecosystem services in the Albertine Basin
3. *Institutional engagement, capacity building and policy dialogue* - Raise awareness and increase understanding of policy applications of NCA through a strong communication strategy

There is potential for synergies between WAVES and the Darwin project

- Production *of more tables using the data from land cover*
  - Darwin Initiative to produce Land and conditional accounts (Soil and land degradation)
  - WAVES to produce wetlands and forest Ecosystem accounts (forest degradation)
- *Some* activities *for the communication strategy will be done jointly between the Darwin and the WAVES*
- *The annual Compendium of EEA will be produced jointly.*

Ms Nakirya further highlighted respective strengths and opportunities to be leveraged

- NCA (potential) demand by Natural Resource Managers e.g. Water and Environment Sector Working Group and its sub-sectors as:
  - Monitoring and evaluation tool
  - Advocacy tool
  - Management tool
  - Strong partnerships between Accounts Producers and Users
  - Existing partnerships for technical and financial resources e.g. UNSD, UNEP-WCMC, WAVES Partnership, UNECA, UNREDD+

4. PROJECT LAUNCH

The project was launched by the Ag. Executive Director NEMA (Ms. Christine Echookit Akello) who thanked all members for their attendance and participation and the funders for providing such an opportunity to the environment community in Uganda.

She emphasized that the environment is the back bone of the economy, in Uganda as in most other economies and that its degradation undermines the ability of our growth and prosperity.

She also indicated that the National Environment Bill (2017), as passed by parliament, reflected a number of economic principles necessary to foster economic accounting and natural capital accounting.

The Ag. ED highlighted how an Environmental levy is collected but not directly ploughed back into environmental management. She indicated that with NCA, better justifications to do this can be made to the policy makers so that a proportion of that would be deemed necessary to be reverted back into the environment. With this, she noted policy makers can really appreciate the value of our Natural capital in the sustainable development process and in targeting moving into a middle income country, she noted.

With her remarks, she launched the project.

5. BREAKOUT SESSIONS

The Breakout sessions were split into three groups, one for each of thethree accounts that the project would target to develop, i.e. land working group, Fisheries working group and the Biodiversity and tourism working group.

They looked at the challenges in the sector, and the data gaps, opportunities and impediments to the delivery of the accounts.

A. FISHERIES WORKING GROUP

The breakout group first focussed on outlining some of the key challenges and other necessary considerations in fisheries sector that could be relevant to the development of Fisheries Accounts. These included:

- Using the wrong nets and equipment. Small scale nets capture immature fish, with long-term negative impact on stocks. Knowledge of this impact of using the wrong equipment is not widespread amongst fisherman.
- There are quality nets on market and these affordable but use of inappropriate equipment that threatens the sustainability of the industry persists.
- There is a need to strengthen the capacity of government to protect and enforce laws – requires investing in a unit for policing for large lake ecosystems and their fisheries.
- Enforcement currently carried out by the Uganda defence force – but need fishing standards to be determined (e.g., with respect to fishing gear and adhered to).
- The cost of specialised studies
- Trans-boundary issues – fish move around!

The breakout group then considered what the entry points were for the information Fisheries Accounts could provide to support improved decision-making within the industry and who these decision-makers may be. The key decisions that could be informed by the accounts were considered to include:

- Setting standards (decisions affecting small-scale fishing associations at community level who are perceived as not complying with standards)
- Defining good practice
- Informing trans boundary cooperation
- Creating value addition in the value chain (private sector particularly involved in this)
- Making investment decisions in businesses e.g. cooling plants, roads to market, local processing
- Supporting fisheries research institutes to inform research and teaching on good practice and the impact of non-compliance
- Assisting the government to decide the fish levy on catch at the national level

- To inform training in aquaculture practice – especially at the river basin level or district level
- To report back on progress towards SDGs targets, NBSAP, and to Lake Victoria Basin Commission.

Key decision-makers that would benefit from the evidence Fisheries Accounts could provide included:

- Local government fisheries department
- MAAIF (playing a strategic compliance role)
- Fish exporters' association (development role)
- Ministry of Foreign Affairs (re DRC and trans boundary issues in Lake Victoria)

The types of data that would be required to help inform better decision making with respect to Fisheries Management were discussed. These identified the following potential accounting data items:

- Fish catch – how much and what kind is taken out – need to know that
- Fishing efforts - how much time do you take to get the catch you want
- Fish stocks
- Fishing exports
- Value of fish products
- Fish consumed – it was noted that no one collecting this data systematically
- A key data opportunity identified was the aquaculture census planned for 2019/20

For Fish Stocks the break out group identified the following studies would be useful:

- Specialised study for lakes and rivers, ponds and cages
- Specialised study for gestation period for different species of fish

In terms of characterising fisheries catch as a flow of benefit in the accounts, the breakout group identified the following as priorities for data collection:

- Types of flow captured and from which source (wild vs aquaculture) [Collected annually by MAAIF]
- Amount of fish consumed and where it is consumed
- Fish fry – how many are used for breeding and how many put back to ponds and cages

The break out group then reflected on the format of the accounts and the nature of the accounting data items. These are summarised in the table below.

FORMAT OF ACCOUNTS

Quantitative	Employment levels Domestic consumption Fishing effort i.e. Fishing time per unit catch Size of catch Value of exports – wild vs aquaculture Catch diversity Raw fish and fish product value and prices
Qualitative	Type of fishing gear Fishing method and vessel
Spatial	Size of catch per water body
Essential component: destination of fish exports	

B. LAND DEGRADATION WORKING GROUP

The breakout group discussions identified that forest and wetland degradation are significant in Uganda and may be of relatively higher importance than degradation in other ecosystems. It was felt that there are clearly opportunities for influencing restoration decisions that Land Degradation Accounts could support.

The breakout group identified that there was a need for clear definitions of land degradation and its constituent dimensions. For example, from a biodiversity point of view, land degradation implies losses of specialist species (rare, endemic) and replacement by general (pioneer) species. As such there may be indicator species for land degradation.

The breakout group focussed on outlining some of the key challenges and other necessary considerations that could be relevant to the development of Land Degradation Accounts.

- The type of tenure *(*private to public) affects the scope of possible land use and the type of control that can be exerted – from biodiversity protection to biodiversity removal to biodiversity restoration
- Public authority decision-making processes should be simpler to influence – so the project should aim at government getting decisions right first
    - Critical ecosystems are often easier to protect under protected area systems
    - But there are weaknesses in a top-down approach, including corruption
- In contrast, community approaches – with awareness-raising – can really work
    - But there are problems of scale and of reaching all stakeholders
- Underlying causes of biodiversity loss (and conservation) should be targeted by the accounts where possible – this includes much of agriculture which has come at the cost of BD degradation
- Ultimately move to informing agriculture – agriculture NCA to encourage a transformative shift to agriculture becoming a steward of natural capital

The breakout group then considered what the entry points were for generating the information that a Land Degradation Account could provide. These included decisions on:

- Land use change
- Restoration
- Agricultural clearance
- Agricultural production decisions
- Forest protection and National Park gazettement
- Afforestation & natural forest management
- Resettlement of encroachers
- Chemical use and smart agriculture regimes
- Poverty alleviation

The breakout group discussed the decision-making contexts in which a Land Degradation Account would be influential. It was identified that a top-down approach may be needed to achieve a paradigm change but that participatory processes were also an important complement - for understanding (and indeed articulating) societal demands with respect to the management of land, both in the context of degradation but also generally. Key entry-points for the accounts included:

- Policy focus – Supporting transparent and consistent decision-making because NCA uses agreed, wider dimensions (including monetary values)
- Investment focus – where to invest in protection, management or even restoration?

- Enforcement and incentives focus – design of economic instruments.
- Integrated land use management – building and using information on NC stocks and flows

The breakout group identified that the accounts should be spatially based, since the environment is a locally specific issue, as are the social & economic impacts of land management/degradation

The types of data, their availability and limitations that would be needed in a Land Degradation Account to support decision-makers were discussed. These identified the following potential accounting data items:

- Land Use (currently available every 5 years but need ground truthing)
- Land tenure (currently available but should be spatially disaggregated if possible)
- Sources of livelihoods (available but dependent on accuracy of imaging data)
- Population density & urbanisation
- Productivity (understood to be currently available)
- Contamination levels in soil and water
- Biological indicators (e.g. certain species – it was noted that many exist for healthy biomes but availability of temporal data would vary)

C. BIODIVERSITY AND TOURISM WORKING GROUP

The breakout group first discussed the decisions that are relevant to biodiversity and potential risks to Tourism that biodiversity (or particular iconic species) support. These included decisions regarding:

- Budget allocation to wild life watching tourism sector including MTWA, UTB, UWA
- Laws and policies on gazettement and de-gazettement of protected areas
- Operationalization of laws and policies
- Decisions to undertake non-conservation economic infrastructural activities with in Protected Areas
- Decisions on wildlife trade
- Decisions on exploitation of natural resources and use in DLGS

The group the discussed who will make these decisions and at what level. For each of the above decisions, the following decision makers were identified:

- For Budget Allocation decisions:
    - District Local Councils
    - District Technical Planning Committees
    - Parliament
    - Cabinet
- Laws and Policies on gazettement and de-gazettement:
    - Parliament

    - Line Minster(ministry), MTWA and MWE
- Operationalization of laws and policies
    - MALGS
    - Cultural institutions
- Decision to undertake non conservation economic infrastructural activities
    - Responsible line minister
- Decision on wildlife trade
    - Ministry responsible for wildlife
- Decisions on exploitation of natural resources and use in DLGS
    - Parliament
    - District Local Councils

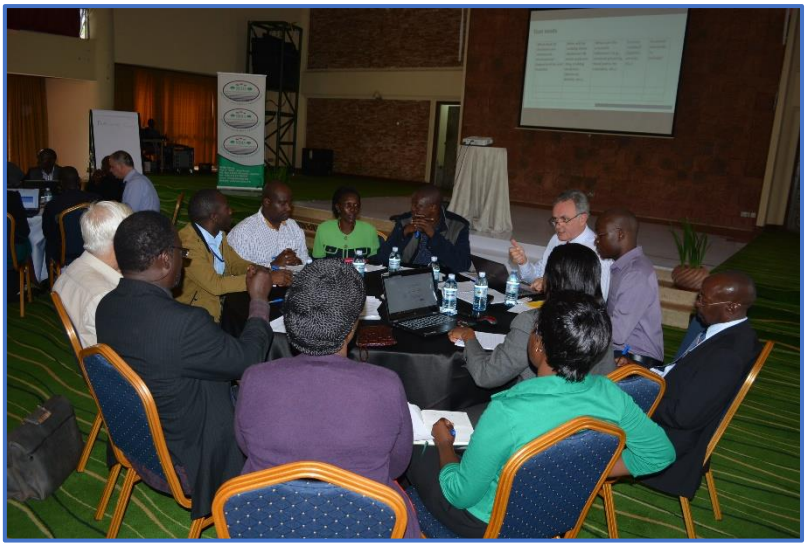
The breakout group then discussed the policy and planning entry points for biodiversity related tourism accounts and where these accounts would be most influential. The entry-points identified included:

- Informing Fiscal Policy
- Guiding National planning
- Guiding Resource Allocation
- Guiding Resources uptake and off-take
- Identifying opportunities for poverty alleviation
- Informing environmental compliance
- Setting national park access fees
- Supporting communication and awareness strategies

The breakout group then discussed the format of the biodiversity and tourism accounts needed. This began with a review of the temporal characteristics of the accounts that would be the ideal in the context of the decision-making cycles for six decisions identified of most relevance to the biodiversity and tourism accounts.

- Budget allocation to tourism sector including MTWA, UTB, UWA, NFA
    - Annual
- Laws and policies on gazzettement and de-gazzettement of protected areas
    - Periodic
- Operationalization of laws and policies
    - Regular and on demand
- Decisions to undertake non-conservation economic infrastructural activities with in PAs
    - On demand
- Decisions on wildlife trade
    - Regular
- Decisions on exploitation of natural resources and use in DLGS
    - On demand

The breakout group then discussed what would be the essential elements to include in the accounts and what data was required and available. Essential elements included: Expenditure on biodiversity and tourism; Funds allocated; Conservation values (both bio-physical and monetary); Management costs; Revenues generated; information on biodiversity no net loss; Opportunity cost; and, Species stocks



Building on the discussion of these essential elements, the breakout group identified that the following data would be required for biodiversity and tourism accounts to help inform better decision making with respect to biodiversity management per se and in the context of a sustainable tourism industry. The tourism related data items are listed below and were considered to be available at the current time:

- No. of tourists
- Revenues they pay, entry points
- Areas frequently visited
- Nationalities
- Domestic tourism trends
- Domestic and international expenditure

The biodiversity related data items are listed below and were considered to be available at the current time:

- Number of species
- Number of threatened species
- Distribution of species
- Trends of species
- Health of the species and their habitat
- Conservation status
- Ecosystem services

The breakout group discussed where the most important data gaps may emerge. It was noted that spatial data for species and their habitat is inadequate and where this data is available it is often not updated on a regular and consistent basis. This may prove a challenge for compiling the accounts.

The breakout group then discussed who would be the key data providers for the accounts. Key data providers identified included the: National Biodiversity Data Bank; Government agencies; Non-government conservation agencies. In terms of accessing this data for accounting, it was highlighted that it may be necessary to establish Memorandums of Understanding; other data sharing agreements or even arrange to purchase use rights. It was also noted that data collected by individuals may be inaccessible

The major data limitations that are likely to be encountered for compiling the accounts were considered to comprise: Small spatial confinement of data; incomplete data sets; and, inconsistent and non-standardized data collection methods.

6. DAY TWO STAKEHOLDER MAPPING

Day 2 focused on establishing a foundation for informing the communication strategy for the project. The IIED communications lead, Ms. Rosalind Goodrich, outlined why a communication strategy is essential for the project. It helps in achieving project objectives by engaging effectively with stakeholders, helps demonstrate the success of work, ensures that the right people understand what to do, and helps change perceptions based on inaccurate information. Overall, the purpose of the communication strategy for the project should be to both 'push' information and messages out to target audiences but also to 'pull' stakeholders together with decision-makers into discussions on the better management of biodiversity-related natural capital for sustainable development. This was characterized as follows:

PUSH**:** Share information

- Clear flows of strong information communicated in accessible and engaging way

PUSH**:** Raise profile

- To build trust and credibility

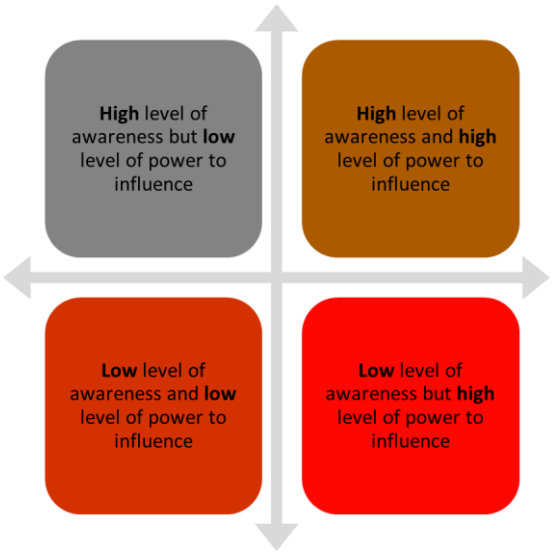
PULL**:** Mobilise stakeholders

- To share ideas and engage in debate

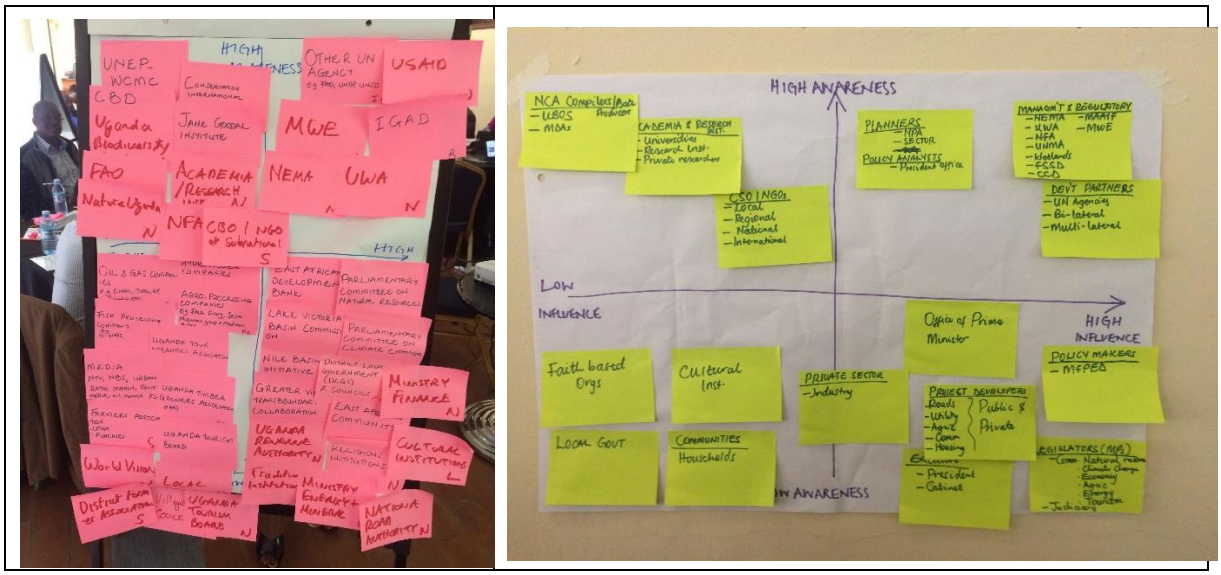
PULL**:** Influence change

- Engaging in dialogue, supported by robust evidence

Two stakeholder / target audience mapping exercises were completed by participants, and two groups of participants undertook each exercise. The first exercise consisted of categorizing stakeholders on the basis of their awareness and influence with respect to management of biodiversity-related natural capital for sustainable development. They were categorized using the axis presented below:



The results of the exercise are presented below.



The second exercise consisted of categorizing stakeholders / target audiences into:

Blockers: Who has perceptions which we need to unblock, or assumptions which we need to challenge, and/or with whom do we need to generally communicate to raise awareness of why it is important to consider the value of natural capital in development planning?

Champions: Who we can identify as being prepared to work actively with us to promote natural capital accounts mainstreaming, and how we can support them to do this?

Sleepers: Who are not engaged, but might be useful and interested if they knew more about the value of natural capital, and how could we move them to the champions box

Preachers: Who else is out there already convinced and advocating for natural capital mainstreaming or biodiversity conservation, with whom we could work?

The results of the exercise are presented below.

The stakeholder mapping exercise led to the formation of a team that would draft a Communications Strategy. The drafting was led by IIED (Ms. Rosalind Goodrich) and communication persons from NEMA, NPA, MWE and UBOS.

REACTION

Following the exercises each group presented their results. This informed a general discussion on communications. This identified the following points:

- Participants noted the unpredictability of some stakeholders – e.g. office of President has to achieve balance and can fluctuate between e.g. champion and blocker, depending on political issues. Parliament is unpredictable too – so you need to find a stable entry point i.e. Parliamentary Committee on Natural Resources
- Change as a driver of stakeholder interest e.g. experience of natural disasters can hugely raise awareness. This also includes new incentives that arrive on the scene e.g. climate change 'loss and damage' finance regimes.
- We should not treat whole institutions as 'a stakeholder': there are champions and blockers within. Participants noted it was difficult (politically or due to poor information) to disaggregate institutions this way.
- Priority stakeholders are the Office of Prime Minister (especially with respect to disasters), Ministry of Finance with responsibility for budgetary allocations, Parliamentary Commission on Natural Resources.
- The private sector was also identified as a key stakeholder that should be targeted as part of the communications strategy.
- The idea of a stepwise approach to implementing a communication strategy:
    - Need to define key milestones in stakeholder engagement – i.e. we may need first to gain understanding of the Natural Capital concept in a positive way;
    - Move on to Natural Capital Accounting

- Seek collaboration in creating demand for it and then in producing it and/or using it, etc.

- Participants asked if there were any ready-made communications materials? For example, can the project get together a package of basic existing communication resources on Natural Capital / Natural Capital Accounting and associated stories of change, possibly from WAVES, IIED, Balfour Beatty, UNEP, Natural Capital Coalition.

7 CONCLUSIONS AND NEXT STEPS

- WCMC and IIED were impressed with the collaboration and joint commitment of UBoS, NEMA and NPA in generating NCA that will influence key decisions to improve Uganda's prosperity.
- The signs are good that the project will be able to build a strong, interdisciplinary and influential community of practice, linking demand- and supply-side interests to generate decision-centred NCA.
- The NP-AEEA had proven to be a very useful readiness exercise at GoU's initiative that helped to focus on the three priority needs for accounts in fish, tourism and land degradation.
- Stakeholders well appreciate that NCA offers a useful framework to analyse and conclude on the complex trade-off decisions that are called for by the SDGs and the UGGDS.
- There are some major awareness challenges – both about the value of natural capital for Uganda's future prosperity, and the particular values of biodiversity for resilience and diversification – that mean the project's communications work will be especially valuable
- Participants' expectations, expressed at the inception of the meeting, seemed to have been well met.

The following were agreed as the immediate next steps following the inception meeting

1. Finalise the communication strategy
2. Post inception meeting (mainly between implementing institutions, NEMA, UBOS, NPA), to strategize and develop a work plan for the project, to develop Terms of Reference for national consultants and for leveraging other partners (including WAVES)
3. The national team will start the bilateral discussions with the three sectors
4. Recruitment of project staff, including consultant for development of accounts
5. Collection of data and subsequent development of draft methodologies for the compilation of the accounts
6. Coordination and collaboration with partners, IDEEA, UNEP-WCMC, IIED on communication, further development of accounts and technical capacity building for compilers

PARTICIPANTS LIST

NO	NAME	INSTITUTION	ROLE
1	JUSTINE AHEBWA	NFA	EMO
2	KAPERE RICHARD	UWA	Planning Manager
3	MUSIMENTA THEO	UBOS	ST
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5	KABI MAXWELL	NFA	CFRU
6	NICLOUS KIRIMANI	Makerere university	Lecturer
7	MONIQUE AKULLO	NEMA	SMEO
8	AWORI MARY	NEMA	GT
9	KOMAKECH ISAAC	KCCA	ST
10	WILLY KAKURU	FAO	CCE
11	HERBERT TUSHABE	NBDB	Manager
12	TUMWEBAZE VIVIAN	MOFPED	SE
13	TONY ACHIDRIA	NEMA	SPRO
14	BOB NUWAGIRA	NEMA	SIECO
15	MULINDWA MATOVU	UBOS	S/Stat
16	GODWIN KAMUGISHA	NEMA	PEE
17	SAM ECHOKU	UBOS	PST
18	RONALD KAGGWA	NPA	MPT&TP
19	MARGRET NAKIRYA	UBOS	S/Stat
20	ISAAC MUGABI	NEMA	PA-Ozone
21	NAMWASE MAGARET	NEMA	AA
22	BUSULWA RAYMOND	NEMA	Volunteer
23	SAMUEL AYEBALE	WCS	PM
24	JAMES OMODING	IUCN	SPO
25	STEVEN KING	UNEP-WCMC	SPO
26	BIRUNGI ALLEN	NEMA	Volunteer
27	ATUHAIRE EVELYN	MWE	ECONOMIST
28	FRANCIS OGWAL	NEMA	NRM (B&R)
29	BWAMBALE EZRA	UBOS	STAT
30	NAKAFEERO JUSTINE	NEMA	EAO
31	PERCY MUCUNGUZI	NEMA	PO
32	KYAKUWA MARION	NEMA	Volunteer
33	GEORGE MUGANGA	NEMA	POLAC

NO	NAME	INSTITUTION	ROLE
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35	JULIUS ARIHO	NFA	M&E Officer
36	SOPHIE LUWANO	DWRM/MWE	EIA Officer
37	ANNET NANTONGO	DWRM/MWE	SWO
38	TAIZA MAJORINE	NEMA	Volunteer
39	FEDNARD KATATUMBA	NEMA	HRM
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PROJECT INFORMATION NOTE: BIODIVERSITY-RELATED NATURAL CAPITAL ACCOUNTING IN UGANDA

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.

PROPOSED 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.