

# Natural Capital Accounting In Uganda



## Accounting for nature for tourism in Uganda's post-COVID-19 recovery

### Policy Recommendations

- A plan for the tourism sector to drive post- COVID-19 economic recovery is urgently required. This should include strategic investment in the wildlife-watching tourism sub-sector: it is pivotal to growth in the sector overall.
- Funding must be maintained to conserve and enhance Uganda's natural ecosystems and iconic species - both essential to the success of the tourism sector over the medium term. Economic activities that offer short term gains but threaten the viability of the sector in the medium term must be avoided.
- Investment in innovative tourism packages, access and tourist facilities should be promoted. Not only in the most popular parks but in less-visited destinations too.
- Local communities must be involved in collaborations to start new businesses and create jobs in the tourism sector, to alleviate poverty.

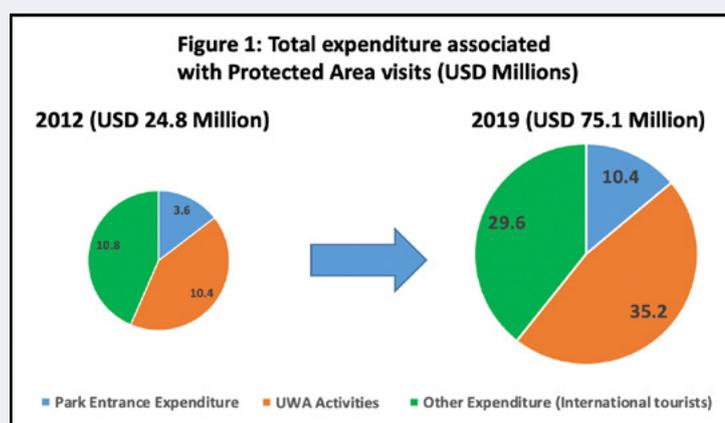
### Introduction

The tourism sector has become an increasingly important part of Uganda's economy and foreign exchange earnings. Tourism Satellite Accounts developed for Uganda show leisure tourists spent a total of US\$670 million in 2017.<sup>1</sup>

Uganda's unique and rich biodiversity, its natural ecosystems and iconic species are a key draw. The Biodiversity and Tourism accounts compiled under the Darwin project reveal that tourist spending associated with visits to 12 of Uganda's protected areas has increased from around US\$25 million in 2012 to around US\$75 million in 2019 (Figure 2 on page 2 sets out how this money was spent, Figure 3 on page 3 identifies these 12 protected areas).

The potential for building on this revenue is huge but the risks are ever present. Biodiversity loss from other economic activities could jeopardise wildlife-watching tourism and in turn, local people's livelihoods and national development. And the COVID-19 pandemic has shown how revenue streams can rapidly evaporate, with devastating effect.

The Biodiversity and Tourism Accounts can inform critical decisions to revitalise the tourism sector, attract tourists anew and sustain this major contributor to the economy into the future.



Source: NEMA (2021) Biodiversity and Tourism Accounts for Uganda



Lions in Kidepo Valley National Park  
 Photo: Rod Waddington via Flickr, CC BY-SA 2.0

### Accounts reveal the true picture of tourism

Uganda's protected areas (National Parks, Forest and Wildlife Reserves) are home to the mountain gorillas, chimpanzees, lions, elephants, buffalo and other animal and plant species that are at the heart of wildlife-watching tourism. Maintaining and improving populations of these iconic species across the different protected areas is essential to the future of the tourism sector.

The Biodiversity and Tourism Accounts show that

there are growing numbers of elephant and buffalo in Murchison Falls and Queen Elizabeth National Parks, although the lion population is declining. Kidepo Valley National Park contains a similar complement of species, but with the number of lions increasing in recent years.

These overall trends are good news for the sector and for keeping up the profile of Uganda as a first-choice destination for international and regional tourists.

Figure 2:

## Tourism Statistics 2019 (associated with visits to 12 protected areas)

**323,322**

Visits to national parks

**US\$10.4 Million**

Total park entrance revenues

**US\$35.2 Million**

total expenditure on gorilla tracking and other wildlife watching activities organised by the Uganda Wildlife Authority

**US\$29.6 Million**

expenditure by international tourists on hotels, meals, shopping, travel and other related services

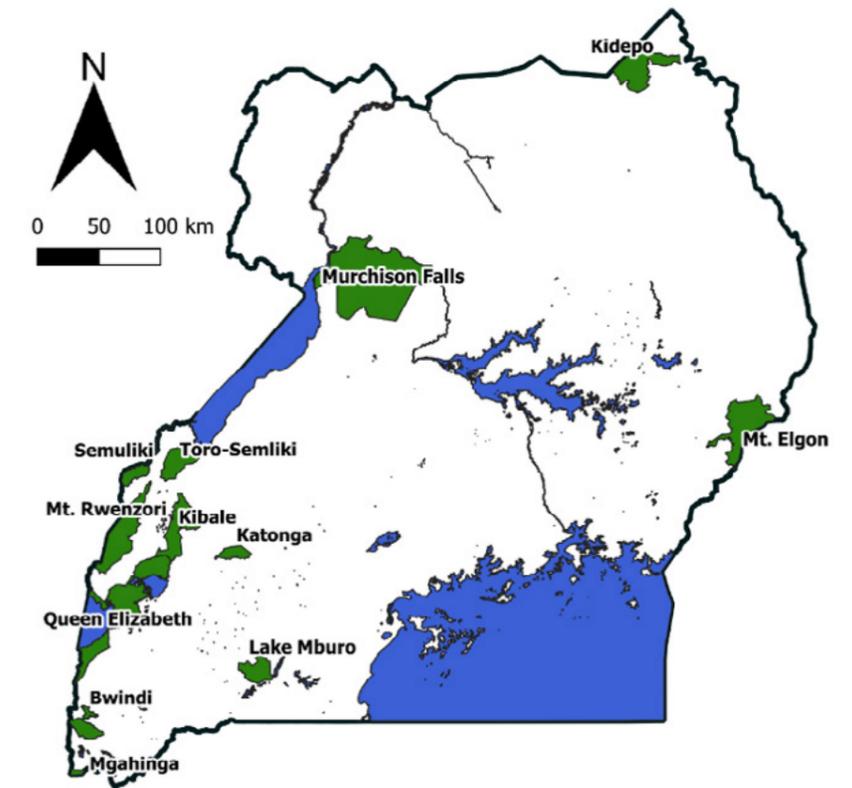


Figure 3: Ecosystem accounting areas for the Biodiversity and Tourism Accounts

Source: NEMA (2021) Biodiversity and Tourism Accounts for Uganda

### Signs of success – but cut short by COVID-19

Uganda's Green Growth Development strategy targets the Tourism and Wildlife Sector as one of four natural capital sectors, aiming to quadruple the value of foreign tourism by 2030.

Visitor numbers and associated park entrance expenditure are two ways to evaluate the success of wildlife-watching tourism. The Biodiversity and Tourism Accounts reveal a substantial increase in visits over a seven-year period, from a little over 182,000 in 2012 to more than 323,300 in 2019.

Total park entrance revenues grew almost threefold to UgX 26 billion in 2019, up from around UgX 9 billion in 2012. The highest revenues from park entrance in 2019 were in Murchison Falls (around UgX 8 billion) and Queen Elizabeth and Bwindi Impenetrable Forest (around UgX 5 billion each).

But this does not tell the whole story. If expenditure by wildlife-watching tourists on recreational activities in national parks – on hotels, meals, shopping and travel associated with their visits to protected areas – is taken into account, revenue totals are estimated to have risen from UgX 62 billion in 2012 to approximately UgX 187 billion in 2019.

The Uganda Wildlife Authority (UWA) provide gorilla tracking and other recreational activities, which earned around UgX 88 billion in 2019. International tourists took advantage of this and other activities on offer. During

their visits to the protected areas considered in 2019, they spent UgX 97 billion (up from UgX 35 billion in 2012), UgX 74 billion of which was on hotels, shopping, meals and travel and UgX 23 billion on park entrance.

In 2020, just one year later, COVID-19 had stopped this growth in its tracks.

The tourism sector has collapsed over the course of the pandemic, suffering a huge decline between March and June 2020 and, in fact, is probably the hardest hit sector of the economy. <sup>2</sup>

It desperately needs to be revived and rebuilt. It is not only a foreign exchange earner: wildlife-watching tourists are an important source of income for local businesses and people in protected areas and boost incomes and promote revenue sharing. This provides a critical economic stimulus to move communities out of poverty and create livelihoods.

People have lost their jobs and livelihoods because of COVID-19 yet recovery will not be straightforward. It will take time for regional and international tourists to return and the iconic species upon which the sector depends must not be put at risk – gorillas particularly are susceptible to human diseases. But it has never been more important than now to invest in sustaining Uganda's precious wildlife and environment and its tourism sector.

## Investment in tourism will contribute to recovery

Increasing the contribution of the tourism sector to the economy is a key goal of the Uganda Green Growth Development Strategy. Despite the devastating effect of the pandemic on the sector, in 2021 and beyond, coordinated and strategic investment will be vital to realising not only the sector's potential but also its ability to support other areas of the economy in their post COVID-19 recovery.

At the heart of this will be investment in conserving and enhancing natural ecosystems and species in protected areas, including actions to control poaching, removing invasive species, minimise the negative impacts of oil exploration and reduce human-wildlife conflict.<sup>3</sup> This could be combined with investments in innovative tourism packages, access and tourist facilities, not only in the most popular areas but in less-visited destinations too.

There is great potential to develop international tourism, through investment in marketing, access and infrastructure, with good returns for the government and local businesses. Alongside Queen Elizabeth and Murchison Falls National Parks, that have long been major tourist attractions, Kidepo Valley, the Rwezori Mountains and Mount Elgon offer significant advantages due to their size and the natural ecosystems and species they host.

Investments in these areas could help local people too. Data on poverty incidence and labour indicate that developing tourism activity around Kidepo Valley and Mount Elgon National Parks could delivery livelihood opportunities and poverty alleviation where it is most needed, helping to deliver on the objectives of Uganda's Third National Development Plan (NDP III).

### **Natural capital accounting: better data for better policy**

Natural capital accounting uses consistent and comparable data to show how natural resources contribute to the economy and generate wealth – and how the economy affects natural resources. This helps integrate the benefits of biodiversity management into national/sector development planning that delivers on international commitments and national priorities for green growth, poverty alleviation and biodiversity enhancement. Natural capital accounts are consistent with existing national accounts and paint a broader picture of economic development than standard measures such as gross domestic product (GDP).

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

The National Environment Management Authority (NEMA), Uganda Bureau of Statistics (UBOS) and National Planning Authority (NPA), in collaboration with the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), the Institute for International Environment and Development (IIED) and the Institute for the Development of Environmental-Economic Accounting (IDEEA) implemented a project on Integrating Natural Capital into Sustainable Development Decision Making in Uganda between 2019 and 2021. The project was funded by the UK Government through the Darwin Initiative and supported the development of three biodiversity-related natural capital accounts (NCAs): Fisheries Resources Accounts, Land and Soils Improvement Accounts, and Biodiversity and Tourism Accounts.

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<sup>1</sup> UNECA Tourism satellite accounts, draft 2018, cited in Ahebwa, W M and English, P (2021) Uganda's tourism sector: reviving the industry through the national budget. International Growth Centre, London School of Economics. F-20129-UGA

<sup>2</sup> Ahebwa, W M and English, P (2021) Uganda's tourism sector: reviving the industry through the national budget. International Growth Centre, London School of Economics. F-20129-UGA

<sup>3</sup> See note 2