



# **Forest Governance Learning Group - Uganda<sup>1</sup>**

**March 2006-March 2008 Work Plan**

**[Draft March 2006]**

## **1. Introduction**

### **(i) FGLG in Uganda**

Uganda is one of the countries participating in the internationally evolving Forest Governance Learning Group (FGLG)<sup>2</sup>. This consists of small, country-based groups of opinion-formers and decision-makers exchanging learning and developing ideas on forest governance – and linking with similar groups in several other African countries. The FGLG Work Plan derives from current sector priorities and developments initially framed during the policy and institutional reforms that took place from 1999-2005. The Uganda group has operated since 2004, and from mid-2005 it has been convened by a national NGO - Advocates Coalition for Development and Environment (ACODE).

The purpose of the work in Uganda is threefold: to (i) spread learning about workable approaches to good forest governance; (ii) make measurable progress in improving sustainable local returns to livelihoods from law enforcement, private sector responsibility and enhanced local ownership and access rights; and (iii) build long-term capacity to spread these improvements. The main direct target groups are forest policy

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<sup>1</sup> Convened by Advocates Coalition for Development and Environment (ACODE) in Uganda (Contact: [g.tumushabe@acode-u.org](mailto:g.tumushabe@acode-u.org))

<sup>2</sup> The Forest Governance Learning Group (FGLG) is facilitated internationally by the International Institute for Environment and Development (IIED). A FGLG framework document is available from IIED ([james.mayers@iied.org](mailto:james.mayers@iied.org)) and the initiative's website is: <http://www.iied.org/NR/forestry/projects/forest.html>

decision makers; leaders in forest enterprise; and champions of local community rights. Activities involve participatory analysis, learning and training events, network building, supported uptake of governance tools, and taking direct opportunities for governance reform.

In the inception phase (2004-2005), the group in Uganda was convened by individuals in the National Forestry Authority (NFA) and stimulated creative work by some non-governmental opinion-formers in the sector on: an improved timber tracking system; more effective information flow; better forestry integration with the penal code; a light but effective local reporting and rapid response system at source of production and in the domestic trade chain; and a stronger system of adherence and accountability to a professional forestry code. The main policy research and guidance outputs from the inception period were three (see box):

#### Available written outputs from FGLG Uganda to date

- ❑ ***Forestry justice: combating illegality for forest livelihoods in Uganda.*** Cornelius Kazoora and John Carvalho, Sustainable Development Centre and International Institute for Environment and Development, London, UK [Available on CD-Rom]
- ❑ Geller, S. and Thornber, K. 2005. ***Targeting livelihoods evidence.*** Power tools series. LTS-International, Edinburgh, UK and International Institute for Environment and Development, London, UK. <http://www.policy-powertools.org/Tools/Engaging/TLE.html>
- ❑ Kazoora, C. and Carvalho, J. 2005. ***Improving forest justice.*** Power tools series. Sustainable Development Centre, Kampala, Uganda and International Institute for Environment and Development, London, UK. <http://www.policy-powertools.org/Tools/Ensuring/IFJ.html>

#### (ii) NFP process in Uganda

The National Forest Plan process was launched by the Government as a means to replace the oldest civil service department in Uganda - the Forestry Department - with a new modern business-like organization. As a result, the NFP process has supported substantive change in the forestry sector: moving from a period of complete lack of trust in the main institution charged with management and oversight of Uganda's rapidly dwindling and degrading forest resources, to a period where public confidence and government trust is being rebuilt in a new institutional environment.

During the 5-year intensive period of policy and institutional support, the Ministry of Water, Lands and Environment (MWLE) as the NFP convener has contributed to a comprehensive Forest Sector Review (2000), the successful launch of the Uganda Forestry Policy (2001), the National Forest Plan (2002), and the National Forestry and the Tree Planting Act (2003). More recently, the Forestry Department was officially

divested into the Forestry Inspection Division (FID) under the parent ministry (2003), the NFA as the lead parastatal managing Uganda's central forest reserves (2004), and the District Forestry Services (DFS) under Local Government (2004 until the present).

Uganda's NFP process is internationally regarded as a "state-of-the-art" sector reform intervention. In achieving these major outputs, the NFP process has:

- Established poverty and forestry linkages through Government budget support mechanisms, and clarified an entirely new institutional framework accepted by all main stakeholders;
- Successfully brokered a process of negotiation between central and local governments with civil society;
- Finalized business planning and new financing and legal arrangements, as well as incentive frameworks to balance commercial activities and public service obligations; and
- Supported decentralized governance through forestry livelihood and carbon sequestration pilots that have influenced priorities under the Plan for Modernization of Agriculture and National Agricultural Advisory Service.

While Uganda's NFP process has clarified the prescriptions for good forestry governance, the implementation of the policy, legal and institutional provisions pose a challenge in practical terms. The FGLG therefore fills a niche by focusing on practical tactics to address governance issues relating to the contribution of forestry to poverty reduction, decentralised forestry functions, illegal forestry and livelihoods, and how to achieve the NFP objectives of raising the incomes and quality of life of the poor, increasing economic productivity and achieving sustainable forest resource management.

## **2. Outputs and Activities**

This evolving work plan for the second phase of FGLG has served as a useful focus to develop participation in the work of the group. FGLG-Uganda aims to work on: engaging in high-level policy processes; supporting the establishment of the District Forestry Service; advocating and working with the Sawlog Production Grant Schemes to be more pro-poor; taking forward critical measures on tax policy; convening policy debate on land tenure, resource access, unlawful and corrupt practices and decisions in the sub-sector; and, advocating for and preparing practical guidance and tools and information materials.

The details of each FGLG output and activities in Uganda are outlined below. The FGLG-Uganda activities are presented under the Output and Activity headings contained in the overall FGLG framework document.

### **Output 1. PRSPs, NFPs, decentralisation programmes and related processes enable improved forest governance**

#### ***Activity 1.1 Entry points are identified, in the formation and implementation of PRS, NFPs, decentralisation and related programmes...***

##### **FGLG-Uganda Activity 1.1.1 Engagement with the PEAP and ENR-SWAp policy**

### **and budgeting processes**

**PEAP:** With national aspirations and directions for long-term development having been brought into focus through the Vision 2025 exercise, poverty eradication is one of the main planks of Ugandan government policy, expressed in the PEAP. The Poverty Eradication Action Plan (PEAP) represents Uganda's response to the Comprehensive Development Framework initiative, and has been revised into the format of a Poverty Reduction Strategy Paper. It makes poverty reduction central to all areas of Government policy and action. It is coordinated by the MFPED, and is developed and revised every three years through a participatory process involving all sectors and civil society organizations (CSOs).

Uganda is at the forefront of PRSP development (being the first country to have one), so one would expect forestry issues to be well represented. Consultations suggest that during the NFP process a considerable effort was put into influencing the PEAP and aligning the strategies for forest sector development with the four PEAP pillars (now organized as 5 pillars in PEAP 2004). As a result, the current PEAP has outlined a healthy diagnosis of forest sector contributions to the overall economy and the problems being faced, it effectively demonstrates new policy research on linkages between forests and poverty, has understood the extra-sectoral issues influencing the sector (e.g., land ownership, energy consumption, decentralization and urbanization), often makes reference to the NFP strategic framework, and is coherent with the new institutional setting in the forest sector. Thus, many ingredients are lined up to enable the PEAP to deliver useful outcomes for forest-linked livelihoods. The proof will be in the pudding...

As a support mechanism, FGLG-Uganda will actively inform and seek to shape PEAP preparations, reviews and revisions.

**ENR-SWAp:** In 2001, the MFPED constituted the Environment and Natural Resources (ENR) sector - represented by government institutions and departments from 3 separate ministries. The ENR comes in the wake of a strong commitment by the MFPED to rationalize public expenditure through embracing a more effective and efficient Sector Wide Approach (SWAp) to planning and budgeting. The establishment of the ENR sector coincided with other initiatives which aimed at raising the profile of environment and natural resources as a key player in the PEAP. Through the deliberations of these two processes, it became apparent that there was a need for a single Sector Investment Plan (SIP) for the environment over a period of 15 years (2006-2020), as well as increased recognition that the sector is crucial to poverty eradication strategies

The operations of the ENR-Sector Working Group (ENR-SWG) established by MFPED, is required to plan, budget and monitor resource allocation and implementation progress for all programs in the ENR sector. The importance of the ENR-SWAp and SIP now being prepared by the MFPED and ENR-SWG cannot be underestimated in Uganda's NFP process. When firmly in place, these policy instruments will play a key role in identifying priorities in the sector (through representing 7 sub-sectors including, lands, forests, wetlands, climate/meteorology, environmental management, fisheries and wildlife) and in allocating resources to these priorities. Forestry is a high profiled sub-sector in the ENR-SWG, and is therefore situated in a competitive position to leverage government subventions.

The ENR-SWG during the last 5 years has made substantial effort to improve on past performance in terms of linking Uganda's current Medium Term Expenditure Framework (MTEF) - its three year rolling budget system – with the PEAP goals and operational management. A consultative process drawing on the activities of sector working groups culminates in agreed sectoral Budget Framework Papers (BFP) that are normally completed by the end of April. For forestry, the ENR-SWG brings together key central ministries, the respective technical agencies, NGO's and the donor community in the process of preparing sectoral BFP's.

Uganda's FGLG Convenor (ACODE) has played an important role in drawing out the benefits of forestry for the PEAP and ENR-sector policy shapers. Through the MTEF and BFP preparations ACODE and other players have made a concerted effort to engage the ENR sub-sector institutions more closely with primary stakeholders. But it is hard to see real changes beyond these important efforts. Unfortunately, the trends during the last 5 years show that the GoU has not been able to prioritize forestry for national funding as reflected in budgetary out-turns as there appears to be a significant decrease in financing over the period, particularly for operational costs.

In 2005, the ENR-SWG developed and agreed on a Road Map for fast tracking and completing the process of developing the ENR Sector Investment Plan. This process is still ongoing and presents a tremendous opportunity to improve forestry's profile in the public policy arena and integrate aspects of forestry governance requiring public finance. It will take political will from MWLE, and new ways of working through innovative administrative structures as shown in other complex sectors. Making the SWAp happen is of the highest policy priority, especially if the ENR-SWG is to tackle cross-cutting issues that require cooperation with other government institutions. In this regard, FGLG-Uganda will act as a key platform for key actors in the ENR Sector to provide advice and lobby for the full integration of forestry governance issues in overall sector planning and investment priorities.

### **FGLG-Uganda Activity 1.1.2 Promotion and technical support for functional District Forestry Services**

The FGLG recognises that poverty will not be alleviated by macro-level policy debate alone. A strong district capability is necessary to drive ENR sector interventions at local levels where forestry-poverty linkages are manifest. Just as the argument for forestry's poverty-reducing contribution needs to be made in Kampala, so it does within district administrations where "decentralization is deepening". Forestry Units within Natural Resources Departments of Productive and Environment Committees represent forestry's newly formed institutional home in the DFS. District Forestry Development Plans are anticipated – and they can be integrated into, what will effectively be, district-level ENR SWAps.

As forestry has historically been centralized, the decentralization of forestry services will be a challenge and Local Governments will need considerable support in order to implement this DFS effectively. It is therefore critical that MWLE and the Ministry of Local Government provide the necessary support to the DFS to develop its competence to deliver on its functions. The DFS will need considerable support in order to implement its new roles and mandates. This will require interventions to build the necessary capacity in local governments and other stakeholders. The influence brought to bear on the Ministry

of Local Government to include the DFS in their BFPs is a key part of the process.

FGLG-Uganda aims to deepen the decentralization process by acting as a policy broker at various policy centres such as the legislature, local government commission and within the Ministry of Water, Lands and Environment. The FGLG will also seek to engage donors and members of the ENR SWG to ensure that the operations of the DFS and the Forestry Inspection Division are better supported within the overall Medium Term Expenditure Framework as well through project funding from different development partners. In this way, FGLG-Uganda will act as a lobby group for increased and effective financing of the sector.

### ***Activity 1.4 Lesson learning, capacity and support for FGLG develops within national and international programmes***

#### **FGLG-Uganda Activity 1.4.1: Support for NFA and UFWG communications**

With reduction of the significant investment in communications and advocacy delivered during the NFP process through MWLE, there is a risk of declining confidence that things are happening. The message of forestry's importance to wider economic issues has only partially registered with politicians. Fortunately, the NFA and various CSOs have filled the space for advocacy (members of the Uganda Forest Working Group) that was once occupied by a capacitated FID. In order to move forward and deepen mindsets, there is a real need for all government and CSO stakeholder groups to gauge awareness (such as conducting an Awareness Survey) and market the pro-poor and development aspects of forestry to a much wider audience, especially politicians.

The NFA has much to share and the capacity to do it through a dedicated Public Relations Unit; it is now gearing up to better communicate its poverty reduction role as effectively as possible (e.g. the publicity around local employment gains and investment in rural labor). Policy Briefs have been drafted as part of a process to educate MFPEd (and others) with the recent economic valuations; these need to be taken further, with dedicated staff given the opportunity to engage and act as focal points (such as FID in conjunction with the NFA Corporate Affairs Department).

FGLG Uganda sees the NFA and UFWG as driving forces for communications, and will support these communications where possible through its member networks and skill sets. This will mainly be achieved through the regular meetings of the FGLG as well as through specific policy dialogue meetings designed around key issues (see Activity 4.1.1).

## **Output 2: Illegal and corrupt forestry that degrades livelihoods is reduced through the adoption of practical approaches to improved forest governance**

### ***Activity 2.1 Initial findings from Sub-Saharan Africa, on practical approaches to address the impacts of illegality-poverty links, promoted widely***

#### **FGLG-Uganda Activity 2.1.1 Awareness and promotion of the “Improving Forest Justice” tool-kit**

In preparation for a concerted effort to improve the prospects for sustainable livelihoods based on forest resources by fighting illegality and corruption in forestry and improving climate for equitable justice, the Government, through the NFA with support from FGLG commissioned the study on “Forest Justice: Combating Illegality for Forest-Linked Livelihoods” (see box on page 1). A major finding of the study was that the Justice Law and Order system institutions tend to delay the administration of justice. In fact, there is as much as a 5-year backlog of cases in Ugandan courts of law.

The FGLG study specifically sheds light on less discussed issues in the forest governance debate:

- Limited publicity and understanding of laws on forest governance
- Limited knowledge of the forestry law among enforcement agencies
- High transaction costs in seeking justice (eg, money, time, opportunity cost)
- Unfair forest regulations and rules dealing with renewals and cancellations
- Limited knowledge and access to relevant case law affecting forestry, environment and natural resource sectors
- Incurring the private cost (catering for identified suspects) for public benefit
- Conflict of interest in report offences against neighbours, friends and relatives
- Administrative failures by public authorities to implement the law

As a follow-up to the study, an “Improving Forest Justice” toolkit was prepared by FGLG (see box on page 1). The objective of the policy tool kit is to provide practical guidance to forest institutions in Uganda and elsewhere on how law enforcement agencies and others can put in place systems to eliminate illegality and corruption and install justice for forest-linked livelihoods. The tool kit is mainly focused on timber. The use and trade of timber attracts more illegality and corruption compared to other forest products. It is thought that once a breakthrough is made in curbing illegal timber other products would apply.

The tool kit notes four reasons why a focus on improving the administration of justice is vital for forest linked livelihoods in Uganda. Firstly, different livelihoods draw on different forest resources and this is a source of conflict. Secondly, people have varying means and capacities to seek justice and their needs ought to be accommodated by enforcement agencies. Thirdly, Transparency International ranks Uganda among the most corrupt nations, and beginning to address this situation from the forestry sector shows much potential. Finally, reconciling the different interests of people through a transparent

and effective system of justice is a strong basis for sustainable forest management in the short and long run.

FGLG-Uganda will spread the knowledge and use of the tool-kit applications through raising awareness on its application to key institutions on important chain of custody issues (e.g. how to deal with labeling of legally obtained forest produce and issuance of relevant documents for use in transit; how to monitor the legal nature of forest produce (especially timber) being moved from the forest to the market; how to work with key institutions to deal with complex situations in the field during control exercise; how to reward at the source those who contribute directly to the impounding of illegal forest produce/timber with monetary and non-monetary incentives; how to ensure effective information flow among the participating parties, and to document and share best practices). (See also Activity 3.1.1 below).

### **Output 3: Forestry enterprise initiatives and private sector associations comply with the law and spread practical approaches to improve forest governance**

#### ***Activity 3.1 Understanding developed of the main opportunities and constraints for enterprises in legal compliance***

##### **FGLG-Uganda Activity 3.1.1 Engaging with the private sector on practical legal compliance**

FGLG-Uganda will convene annual law enforcement and compliance workshops bringing together key actors in the forestry sub-sector. The objective will be to strengthen practical systems for compliance with the laws and regulations that really matter for sustainability and local benefit from forest resources. Targeted information sheets, and potentially other communication products, will be developed.

#### ***Activity 3.3 Practical tools and incentive mechanisms implemented to foster strategic change and greater compliance***

##### **FGLG-Uganda Activity 3.3.1 Strengthening the smallholder and community focus of the Sawlog Production Grant Scheme**

Uganda has a favorable climate, suitable soils and sufficient land for a program to establish the 60-70,000 ha of sawlog plantations needed to meet domestic demand for sawn wood. The plantations must achieve high standards to meet competition from imports. If this area can be established in the next 10 to 15 years, it should help relieve the pressure on the natural forests. However, valuable though this would be, it cannot replace the need for policy instruments directly aimed at conserving these forests. As and when such policies become effective, the case for supporting plantations comes back to the economic, employment and foreign exchange benefits. Three benefits have been highlighted: (i) earning a real rate of return of 10-14%, (ii) creating jobs in the forest<sup>3</sup>; and (iii) saving about \$100 million a year in foreign exchange.

Consequently, the GoU during the NFP process set out an innovative Sawlog Production

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<sup>3</sup> Estimates of linked to the potential 60-70,000 ha of plantation are: 6,000 direct full-time jobs in the forest; between 4,000 and 6,000 in harvesting and haulage when it is in production; and 18,000 to 30,000 in processing = a total figure of between 28,000 and 42,000.



Grant Scheme (SPGS). The scheme aims to assist the creation of a national saw-timber plantation resource through encouraging investment by the private sector. The SPGS provides information and technical guidance notes as well as offering training courses and advice on an ad hoc basis. All applicants have to either prove their land title or have a legal lease in a Central Forest Reserve issued by the NFA. One key point is that the grant is paid in arrears and subjected to inspection of field operations prior to payment. The focus is currently on large-scale investors.

The SPGS has built up an impressive momentum with very effective demonstration plantations of pine and a substantial area of private plantations established to a high standard. An extension would respond to the wide interest it has created and capitalise on the current enthusiasm to participate in establishing plantations. It would also provide continuity for support to inventory, development of national seed supplies for timber species and facilitate the diversification of plantations into the faster growing, and more cooperative and outgrower schemes for plantation management.

FGLG-Uganda recognises that the aim of SPGS currently is commercial scale planting and that the transaction costs of dealing with individual small-holders are more than can be accommodated. In order to secure a more pro-poor SPGS, it would be highly desirable for smaller landowners to be able to benefit from the scheme. Exploration is needed of outgrower schemes based around larger commercial investors. More community level engagement would also be helpful, as it has a clear poverty alleviation link<sup>4</sup>. The FGLG will assist in defining the future SPGS scheme.

#### **Output 4: Ownership, access rights, policy and management frameworks are improved to support local control and benefit from forestry**

##### ***Improving the role of Civil Society Organisations in supporting locally-controlled forestry (Activity 4.1 to 4.5)***

Through its involvement in forest sector reform the Uganda Forest Working Group (UFWG), established in 2001, highlighted the need to enhance and support genuine stakeholder participation in the development of the forestry sector<sup>5</sup>. It remains evident that poor people are marginalised by the institutions implementing government policy. During its regular platform meetings, the UFWG members, working directly with communities, identified the difficulties they faced in accessing resources from central forest reserves. These included the imbalance in negotiating powers and the lack of skills among members to address some of these imbalances. FGLG-Uganda will work under the umbrella of the UFWG to help communities to engage actively with government - increasing their participation in forest sector activities and benefits. The following indicative activities are anticipated:

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<sup>4</sup> The EU has noted forestry as the most important sub-sector in a 2005 Environment Profile that will inform its next Country Strategy Paper, and a second phase of the SPGS is anticipated.

<sup>5</sup> The UFWG comprises a wide network of over 60 CSOs, individuals, academic and research institutions engaged in the promotion and development of forestry activities and practices in Uganda. Its mission is "to ensure that poverty eradication and good governance remain the over-arching objectives of the forestry sector".

**FGLG-Uganda activity 4.2.1 Provide legal and advisory support to at least 3 community groups to apply for collaborative forest management in accordance with the Forestry and Tree Planting Act**

- Select the target forest reserves and communities to target;
- Conduct meetings and sensitize the selected communities on CFM;
- Assist the selected communities to prepare their applications for CFM;

**FGLG-Uganda activity 4.3.1 Organize at least annual policy dialogue meetings on land tenure, resource ownership and access rights in the forestry sub-sector**

- Convene the dialogues;
- Prepare background materials for the dialogues;
- Prepare and publish briefing paper on land tenure and governance in the forestry sub-sector.

**FGLG-Uganda activity 4.4.1 Organize a national workshop on access to information and access to justice in the forestry sub-sector.**

- Convene workshop;
- Prepare and publish policy briefing paper on access to information and access to justice in the forestry sub-sector.

### **3. Implementation**

**Convening institution:** The FGLG-Uganda convening institution is a lead NGO policy-think tank heavily engaged as an independent voice of forest sector reforms - Advocates Coalition for Development and Environment (ACODE). Key functions of the convening institution are:

- Serve as the FGLG secretariat
- Prepare, publish and use reports
- Participate in regional learning events
- Secure agreement and means to take policy work forward
- Capture the Group's thinking and exchange this with other country Groups

**Group membership:** As was the case during the inception year, FGLG-Uganda participants will be identified on the basis of their willingness, experience, good connections and ideas, and the prospects they offer for developing strategic links between the forest sector and other sectors/influence-groups. The emphasis will be on engaging with a small ad-hoc, interested and motivated group. Participants are engaged in their individual rather than their institutional capacities. Participation is steadily evolving – please get in touch with those listed below for more information.

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