



Uganda: Embracing Natural Capital Accounting for Sustainable Development Policies

Kampala, November 20, 2020 — The Government of Uganda is moving towards its vision of resource-led industrialization by developing a set of natural capital accounts for the country. The first of these accounts, the land accounts and water accounts were launched in November 2019 jointly by UBOS, Ministry of Water and Environment, and Ministry of Lands, Housing and Urban Development. Under the Uganda Natural Capital Accounting (NCA) program, the government is now launching Wood Asset and Forest Resources Accounts, based on the international statistical standard, System of Environmental Economic Accounting (SEEA). This is the first comprehensive inventory of Uganda's wood assets and forest resources. It includes physical and monetary asset accounts of wood and other selected forestry resources from 1990.

The accounts show that Uganda could run out of forests outside of gazetted protected areas by 2025, if the current rate of depletion, driven by population growth, urbanization and poor management of natural resources is not checked. Demand for wood is projected to more than double between 2015 and 2040.

"The accounts will provide reliable data to inform effective management of resources and support the Vision 2040 target of restoring Uganda's forest cover to 24% of the land area," said State Minister for Environment Hon. Beatrice Anywar.

The minister was speaking at an event in Kampala where the government also launched a the statistical and economic analysis of Uganda's tourism expenditure and motivational survey 2019. The analysis found large increases in tourist satisfaction between 2012 and 2019, with a 15.2% growth in tourism during the period. Analysis based on pre-COVID-19 numbers shows the industry could grow by 15-20% if every tourist stays one night longer in Uganda or if the number of leisure tourists goes up by 100,000.

The Government also launched a report, '*Towards Ecosystem Accounts for Uganda*'. The report highlights a path towards ecosystem accounting in the country considering the importance of ecosystem services provided by the countries' forests, wetlands, and other ecosystems. The ecosystem accounts report provides estimates of physical measures for carbon storage, carbon sequestration, water yield and sediment retention in the eight river basins. The report brings out the point that changes in all these measures are linked to changes in land cover, in particular, the loss of forests and conversion of forest land to farmland.

All these publications were produced as part of the Uganda NCA Program, an initiative by the government to fully account and value the contributions of natural resources to its economy, based on SEEA standards.

The minister thanked the World Bank [*Wealth Accounting and the Valuation of Ecosystem Services \(WAVES\)*](#) program for the technical and financial support provided in developing the country's capacity for production of natural capital accounts since the launch of the program in 2018. She applauded implementing agencies including the ministries in charge of [Finance, Planning and Economic Development](#), [Water and Environment](#), and [Tourism, Wildlife and Antiquities](#), as well as the [Uganda Bureau of Statistics](#), [National Planning Authority](#), [National Forestry Authority](#), and the [National Environment Management Authority](#) for developing the accounts, despite the difficult working conditions during the coronavirus pandemic.

The development of Natural capital account fulfils one of the five strategies of the Uganda Green Growth Development Strategy and contributes to the overall goal of the Uganda Third National Development Plan (NDP III) to improve the quality of life of Ugandans through resource-led industrialization.

Dr Chris Mukiza, Executive Director, Uganda Bureau of Statistics (UBOS) said, "I am delighted that we are prioritizing the continued development of natural capital accounts; we need this vital information to enhance our planning."



“The World Bank is pleased to see progress in the Government of Uganda’s journey to develop its natural capital accounts. I urge our government partners to use the capacity and knowledge built through the NCA program to further inform the sustainable development policies and planning of resources for Uganda’s future economy,” said Tony Thompson, Country Manager, World Bank.

During the launch, the program also disseminated the second edition of the MOFPED report that calculated the adjusted macroeconomic indicators for Uganda. Adjusting the macroeconomic indicators to account for changes in the capital (natural and human) gives a more holistic understanding of macroeconomic developments. This provides a better understanding of whether growth has come at the expense of depleting resources, or whether resource extraction has been invested in other types of capital. The report shows that the biggest negative impact on adjusted net savings (in 2018, the latest data set based on which the report was produced) comes from the increased consumption of fixed capital), followed by declines in gross national savings and education spending, and by increased pollution damages.

Notes for Editors:

Find more information about the NCA-Uganda Program: [Uganda Country Brief](#)

Natural Capital Accounting (NCA) is an accounting framework to provide a systematic way to measure and report on stocks and flows of natural capital – such as land, forests, and water – and their interaction with the economy. The System of Environmental Economic Accounts (SEEA) is the statistical standard for environmental-economic accounts. This systematic way of accounting for natural capital provides a measure that complements gross domestic product (GDP)

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