



# No Net Loss for Biodiversity and Communities in Uganda

Year One Project Meeting Report  
April 2017



*Kalagala Offset area*



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# 1 Introduction

The project “Achieving No Net Loss for communities and biodiversity and Uganda”, is a collaborative project between six institutions, namely the University of Oxford, the National Environment Management Authority (NEMA), Nature Uganda (NU), the Wildlife Conservation Society (WCS) Uganda, the International Institute for Environment and Development (IIED) and Wild Business. It is funded by the UK’s Darwin Initiative.

## 2 Project objectives and key activities

**The intended outcome of the project is that:**

Government, developers and NGOs work collaboratively on ‘no net loss’ biodiversity offsets that genuinely reflect local people’s needs and values, support poverty alleviation in the long-term and are implemented equitably.

**The project has two main objectives:**

1. To support government, NGOs and business to integrate local poverty alleviation, wellbeing, equity and cultural heritage into biodiversity offsets to ensure no net loss to both biodiversity and communities in Uganda.
2. To draw out lessons learned that have international applicability.

**To address these objectives, three activities are taking place:**

1. Research on the costs and benefits that the Bujagali and Isimba Hydropower Projects have on local people and biodiversity in the study area (*year 1*).
2. Review of the existing Kalagala Offset Sustainable Management Plan and the Isimba Management Plan and provision of recommendations on how to address key gaps and aid their implementation (*year 2*).
3. Draft new national and international guidelines on incorporating social costs and benefits into biodiversity offsetting. Establish a Business and Biodiversity Forum, enabling government, NGOs and businesses to work together on NNL of biodiversity goals for development which better account for local people’s needs and priorities. Work with NEMA and Nature Uganda to improve their understanding on how to achieve NNL through biodiversity offsetting so that they are better equipped to design, implement, monitor and evaluate biodiversity offsets (*years 2 and 3*).

## 3 Year One project meeting

The annual project meeting for Year One took place at the NEMA offices in Kampala on Monday the 3<sup>rd</sup> of April 2017. The aims of the meeting were to reflect on progress to date and to discuss and plan the activities in Year Two. A second meeting was held at the Serena Hotel in Kampala on Tuesday the 4<sup>th</sup> of April 2017 specifically to discuss and plan for engagement with the private sector.

Representatives of all the project partners were present at both meetings, as well as three of the Advisory Committee members. A representative from the Uganda Chamber of Commerce joined the meeting on Tuesday.

### **3.1 Attendance register**

#### **Day 1:**

- E.J. Milner-Gulland – Oxford University
- Victoria Griffiths – Oxford University
- Nafeesa Esmail – Oxford University / Wild Business
- Tom Okurut - NEMA Executive Director
- Francis Ogwal – NEMA
- Monique Akullo – NEMA
- Evelyn Lutalo – NEMA
- Sarah Naigaga – NEMA
- Dilys Roe - IIED
- Julia Baker - Consultant to IIED
- Joseph Bull - Wild Business
- Michael Opige – Nature Uganda
- Judith Mirembe – Nature Uganda
- Simon Nampindo – WCS
- Beatrice Kyasiimire - WCS
- Mark Infield - Ministry of Water and Environment (MoWE) (Advisory Committee)
- Panta Kasoma - Jane Goodall Institute (Advisory Committee)
- Derek Pomeroy – Makerere University (Advisory Committee)

#### **Day 2:**

- E.J. Milner-Gulland – Oxford University
- Victoria Griffiths – Oxford University
- Nafeesa Esmail – Oxford University / Wild Business
- Francis Ogwal – NEMA
- Monique Akullo – NEMA
- Dilys Roe - IIED
- Julia Baker - Consultant to IIED
- Joseph Bull - Wild Business
- Achilles Byaruhanga – Nature Uganda
- Simon Nampindo – WCS
- Beatrice Kyasiimire - WCS
- Mark Infield - Ministry of Water and Environment (MoWE) (Advisory Committee)
- Panta Kasoma - Jane Goodall Institute (Advisory Committee)
- Derek Pomeroy – Makerere University (Advisory Committee)
- Martin Okumu – Uganda Chamber of Commerce

### 3.2 Meeting agenda

<b>Day 1: (10:00 – 12:30) – Project updates. All welcome</b>		
10:00 – 10:30	Tea and coffee	
10:30 – 10:45	Welcome	NEMA Executive Director and Francis Ogwal, followed by E.J. Milner-Gulland (Oxford University)
10:45 – 11:00	Summary of project progress to date	E.J. Milner-Gulland (Oxford University)
11:00 – 11:30	Presentation on the stakeholder analysis (20 mins talk, 10 mins for Q & A)	Nafeesa Esmail (Oxford University)
11:30 – 12:00	Presentation on social fieldwork (20 mins talk, 10 mins for Q & A)	Victoria Griffiths (Oxford University)
12:00 – 12:30	Presentation on biological fieldwork (20 mins talk, 10 mins for Q and A)	Michael Opige (Nature Uganda)
12:30 – 13:00	Update on the COMBO project <ul style="list-style-type: none"> <li>• Engagement at a national level</li> </ul> (20 mins talk, 10 mins for Q & A)	Beatrice Kyasiimire (WCS Uganda)
13:00 – 14:00	<b>LUNCH</b>	
<b>Day 1: (14:00 – 17:00) – Project administration. Project team only</b>		
14:00 – 14:30	Isimba management plan recommendations <ul style="list-style-type: none"> <li>• Process for drafting them</li> <li>• Target audience</li> <li>• Stakeholder engagement</li> </ul> (10 mins talk, 20 mins for discussion)	Julia Baker (Consultant to IIED)
14:30 – 15:00	Review of progress to date against the logframe	Dilys Roe (IIED)
<b>15:00 – 15:30</b>	<b>BREAK</b>	
15:30 – 16:30	Looking forward to Year Two's activities	E.J. Milner-Gulland (Oxford University)
16:30 – 17:00	Reflections from the advisory committee	Panta Kasoma (JGI), Mark Infield (MoWE) and Derek

		Pomeroy (Makerere University)
17:00 – 20:00	Optional: Drinks and dinner in Kampala (venue TBA)	

<b>Day 2: Tuesday 4 April 2017 (15:00 – 20:00) – Serena Hotel</b>		
15:00 – 16:30	Discussion on Business and Biodiversity Forum (BBF) and future plans	E.J. Milner-Gulland (Oxford University) and Francis Ogwal (NEMA)
16.30 - 18.00	Consultation with business convening forums on how to institute BBF in practice	E.J. Milner-Gulland (Oxford University) and Francis Ogwal (NEMA)
18:15 – 19:00	Drinks reception	Aga Khan Development Network (AKDN)
19:00 – 19:15	Welcome	AKDN
19:15 – 20:00	Lecture on business and biodiversity	E.J. Milner-Gulland (Oxford University)



*Project team at the NEMA office*

## 4 Day 1: presentations and discussion

### 4.1 Welcome

The morning began with a welcome from NEMA's Executive Director, Tom Okurut. He described how biodiversity offsetting is receiving an increasing amount of attention in Uganda and has been included in the updated Environmental Bill, which is still to be passed by parliament. He expressed how interested he was in this No Net Loss (NNL) project and in particular, the work that we are doing on the Kalagala Offset, looking at how local people are affected by biodiversity offsets and development. He said that there is a need to have more people (both practitioners and academics) exposed to the project so that the lessons learnt can be widely disseminated. Uganda also needs more information on where biodiversity offsets have worked internationally so that they can apply these lessons in country. He said that usually one of the main offsetting activities in Uganda is the gazettement and protection of biodiversity in the Central Forest Reserves (CFRs). The demarcation of the CFRs along the Nile River has begun as part of the Kalagala offset activities. He mentioned that the naming of the Kalagala offset is a sensitive issue, particularly between the Buganda and Busoga tribes (found on either side of the river). Although the offset is called the Kalagala Offset (named after the area on the western side of the river), the tribe on the Eastern bank of the river feels that it should be called the Kalagala Itanda offset, incorporating areas on both sides of the river, not just the area on the western side.

The Director also mentioned that NEMA met with the World Bank to discuss the Isimba dam and the impacts that it might have on the Kalagala Offset. Most notably, an endemic fish species was found in the Nile River, living downstream of Kalagala and upstream of the Isimba dam. Studies have showed that the inundation from the dam will change the river's environment for the fish, thereby threatening the species. This nearly put the project on hold but, after much discussion between the developers and the Government of Uganda, it was agreed that the height of the dam would be reduced in order to decrease the amount of inundation from the dam, thereby protecting the fish species.

The Executive Director then handed over to Francis Ogwai who welcomed everyone to NEMA and then handed over to EJ Milner-Gulland. E.J. first gave everyone the opportunity to introduce themselves to the Executive Director and then went through the agenda for the day. She gave a brief recap on the theory of change that was designed for the project during the inception workshop in May 2016 (Figure 1), as well as the conceptual framework for the social and biodiversity components of the project. In addition, she expressed the need to reflect upon the ethical aspects of our research during the course of the day, especially on gender dynamics, working with local people and data protection.

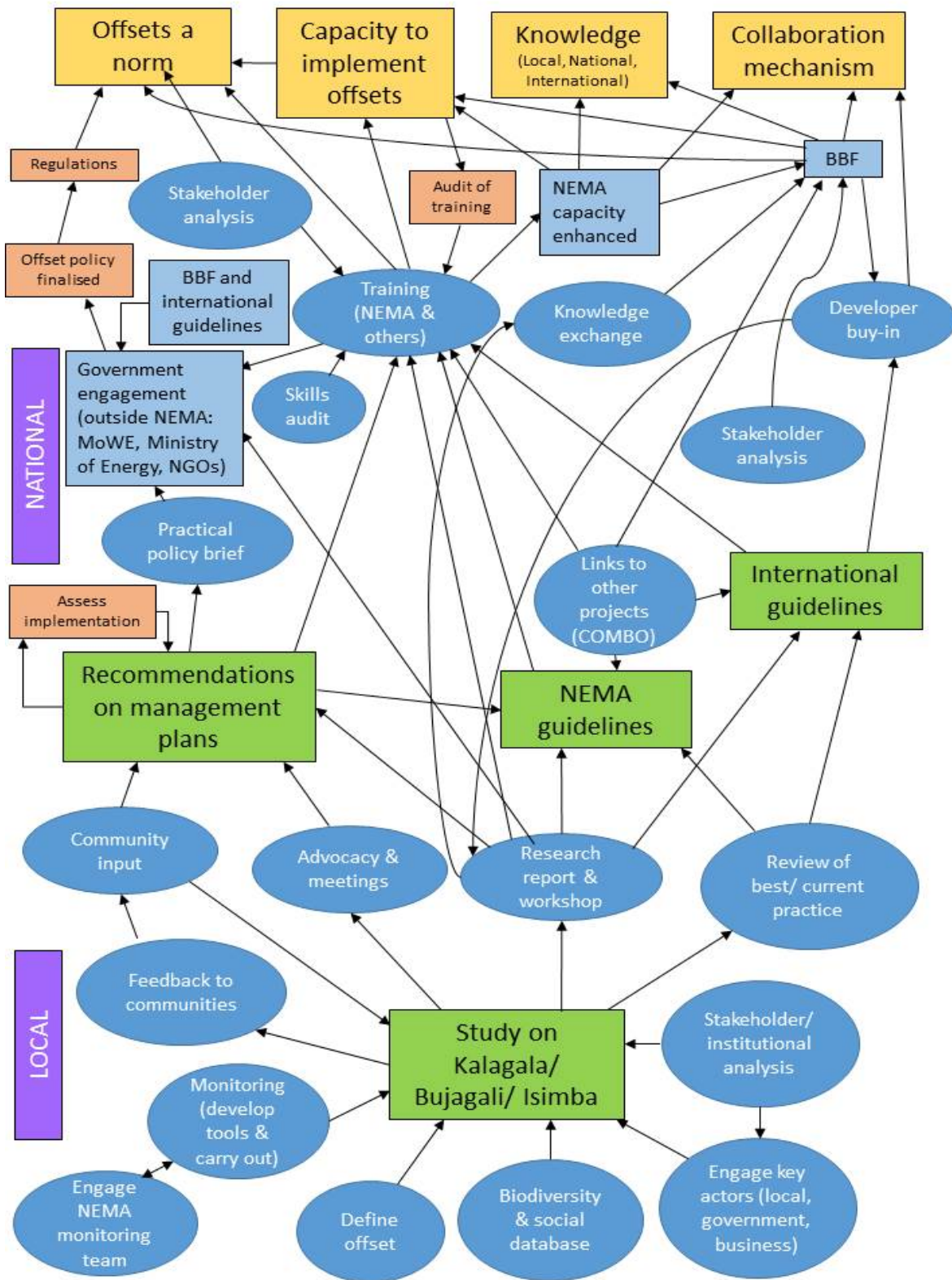


Figure 1: Theory of Change for the project



## 4.2 Stakeholder and institutional analysis – Nafeesa Esmail

Nafeesa presented her stakeholder and institutional analysis of the project's case study: Bujagali and Isimba Hydropower Projects and the Kalagala Offset. She explained that the need for this analysis was identified when the project team developed the theory of change during the inception workshop. Her first objective was to identify and map all stakeholders involved with the Bujagali and Isimba Hydropower Projects and the Kalagala Offset, defining their roles and responsibilities. She then carried out an institutional analysis for each component of the case study. Her second objective was to provide recommendations for future business engagement in Uganda by identifying collaborative opportunities, an engagement strategy and approach, practicalities and the target audience. For her presentation, she focused on the first objective.

Before explaining the mapping exercises, Nafeesa first defined the various types of stakeholders as follows:

- **Stakeholder:** All those impacted by the project, both positively and negatively, and those that can significantly impact or influence project success.
- **Primary Stakeholder:** Those directly affected by or who can affect the project.
- **Secondary Stakeholder:** Those indirectly affected as intermediaries (i.e. there is a link to the project through another stakeholder).

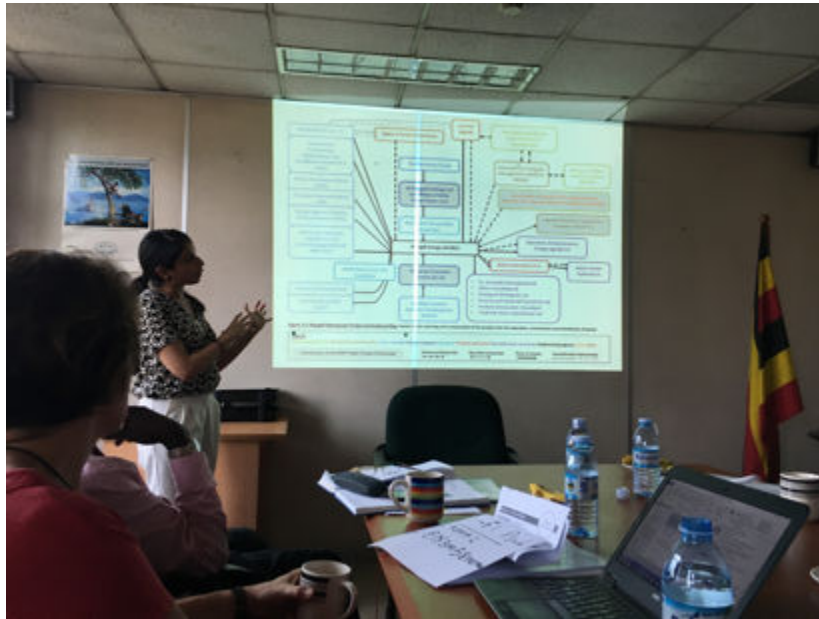
She then explained her methodology and the stakeholder maps of the Bujagali, Isimba and the Kalagala Offset. These maps show stakeholders impacted by the projects (both positively and negatively) and stakeholders who can significantly impact or influence project success. She then explained the institutional analysis mapping exercise that she did for all three components (Bujagali, Isimba and Kalagala). This included the construction, implementation and financial institutions involved with each project and how they are all linked.

Nafeesa mentioned limitations and barriers that she encountered during her study. Examples included the limited information available (particularly for Isimba Hydropower Project), the fact that some documentation did not exist and knowledge was lacking among stakeholders (particularly for the Kalagala Offset). All of this contributed to some gaps and lack of detail reflected in her findings. Despite these limitations, her analysis revealed a high disparity of coordination and communication between governmental entities and other involved players, limiting effectiveness of monitoring, reporting and implementation of actions to be done together and actions required to meet environmental and social goals. This often stems from fundamentally weak, institutional capacity at both national and local government administrative levels. For all three components of the case study, ambiguities in terms of responsibilities and ownership have created secondary knock-on effects, often at the expense of biodiversity and local community wellbeing. This is particularly evident with regards to the discrepancies between aspiration and actuality of the initial development objectives that enabled financial lending by ten development banks or agencies involved in the Bujagali Hydropower Project.

### **Discussion:**

Francis mentioned that the Environmental and Social Impact Assessment (ESIA) Addendum (to evaluate the potential impacts that the Isimba dam could have on the Kalagala Offset) has been finalised and is now available for public comment. It appears that the Isimba dam may affect point 3 of the Kalagala Offset

Sustainable Management Plan (“Not to develop power generation that could adversely affect the ability to maintain the Kalagala Falls”). However, as mentioned during the welcome talk by the Executive Director, the height of the dam has been decreased in order to reduce the dam’s impact on the offset.



*Nafeesa presenting one of her stakeholder and institutional maps*

#### **4.3 Social aspects of the fieldwork and progress to date – Victoria Griffiths**

Victoria began her presentation by reminding everyone about the aims and objectives of her PhD research and the three main research questions that she aims to answer. The aim is to evaluate the most effective approaches to integrate NNL of biodiversity of biodiversity gains, using the Bujagali and Isimba Hydropower projects and the Kalagala Offset as a case study. The three main questions that she aims to address are as follows:

- What are the local perceptions of the costs and benefits associated with the dam development and how have these impacts have affected people’s wellbeing?
- How do local communities in the study are value cultural heritage and is it possible to compensate for lost cultural heritage while at the same time still achieving NNL of biodiversity?
- What offset policies do local communities prefer?

She then went on to describe the general characteristics of the study area. The rapids and waterfalls along the Nile River are not only a source of hydropower potential, but also a huge tourist attraction. White water rafting is a major source of income for the area and provides job opportunities for people in the villages adjacent to the river. However, there is conflict as the hydropower dams (such as Isimba) may flood some of the rapids that are being used for rafting, threatening the valuable tourism industry. The areas along the Nile River are highly populated and heavily cultivated, with the main livelihood activities being farming and livestock rearing. Local people also rely on the river for their livelihoods such as fishing, sand mining and using papyrus for arts and crafts. There are several Central Forest Reserves located along the river, as well

as a large reserve to the west, Mabira. These reserves are, however, highly degraded and encroached upon with local communities using the natural resources for fuel wood and medicinal herbs or opting to cultivate the fertile soils in the reserve. In addition, areas along and within the river are culturally significant and valuable to the local communities. Waterfalls house spirits that are worshipped by local communities (they visit them to ask for wealth, a good marriage and twins amongst other things), and there are also shrines, sacred stones and sacred trees along the river banks.

Victoria then summarised the methods that she used during her two field trips: scoping (April and May 2016) and data collection (September 2016 – February 2017). She described which villages were selected and how, the number of focus group discussions carried out and what their purpose was and the number of individual questionnaires administered. She also described the choice experiment methodology. Although the results have not yet been analysed, she concluded her presentation with some preliminary results and trends. Cultural heritage was important to local people's wellbeing, however, the influence of Western cultures and religion are slowly eroding its importance. General trends indicate that men value cultural heritage more than women and the older generation more than the younger generation. Nature also has an important cultural and spiritual value, as local people rely on nature for medicinal plants. Moreover, all waterfalls house spirits and they need to be compensated and even relocated when impacted by the development of a dam. She finished by reflecting on some preliminary results from the choice experiment, which indicated that local people prefer offset activities that have elements of community development and tree planting activities.

### **Discussion:**

Most questions regarded the choice experiment methodology. For example, one question was whether the experiment distinguished between the planting of native trees versus exotics (the description of the attributes and levels made it clear that native trees were being planted). The amount of money that visitors paid to visit the spiritual sites was decided on after discussion with the local district environmental officers and the local people during focus group discussions. Simon mentioned that this last choice was a good one because it looks at people's willingness to pay, which is often better than looking at willingness to accept as people often give false reports. Derek raised a concern that people have a tendency to give the answer that they think you would like to hear. It was explained that this was accounted for in the choice experiment design, as there are several combinations of levels and attributes to choose from, thereby making it harder to give a biased answer.

An additional three questions were raised with regards to the choice experiment. The NEMA Executive Director asked whether people were making decisions without being fully informed about the choices or government plans. Victoria responded by saying that all the attributes and their associated levels were explained to the respondent before the experiment began. For the tourism and revenue sharing option, many external companies want to establish in the area so there is investment and NEMA is trying to introduce revenue sharing, ensuring that some of the money goes to the local communities (so they get a direct off take). Dilys asked how the various options (attributes and levels) were combined to create the experiment and how do you know which options people genuinely chose without being side tracked? Victoria explained that there is an official design that needs to be followed when creating the choice experiment cards. The first set of choice cards were created using an efficient design (using a statistical software called Ngene). The cards were then piloted (approximately 50 individuals), results analysed and these results used to re-design

the choice cards for the actual choice experiment. Simon then built on Dilys' question by saying that the software is only helping to optimise the choices, but not giving an idea on the effect of the choice. It is therefore important to ensure that local people really understand the cards and situation. Victoria explained that there is a control used in the choice experiment. E.J. then explained that focus groups and pilots are used to ensure that each attribute is compatible with each other and to make sure that there are no clashes. Policy decisions are never based on the choice experiment results alone. Randomisation is very important for choice experiments.

#### **4.4 Ecological aspects of the fieldwork and progress to date – Michael Opige**

Michael presented Nature Uganda's (NU) progress with the terrestrial biodiversity study. He first recapped the main questions that they were trying to address, as well as the conceptual framework for the study that was designed during the project inception workshop. Questions to address during their study include: a) how much has the biodiversity at Bujagali and Kalagala changed from 2006 to present (2017) and b) how much of this change is owing to the dam and offset development. In terms of progress, NU have acquired the relevant 2006 data sets for both plants and birds. They have also been through the associated reports (particularly the ESIA) to get an understanding of the survey and sampling methods undertaken for plants and birds. They have also spent time finding out about the sites that were sampled in 2006 so that the same (or similar) sites can be sampled in 2017. They have made all the logistical arrangements for their data collection and have carried out a reconnaissance site visit in order to get an understanding of the area and see the general condition of the biodiversity. Bird and plant surveys will begin on the 9<sup>th</sup> of April 2017.

##### **Discussion:**

During the reconnaissance field trip, NU found that the Bujagali dam has flooded one of the islands sampled during the 2006 ESIA (Dumbbell). This indicates that there has been some biodiversity lost which has not been compensated for. This needs to be taken into account when making recommendations on the Kalagala Offset Sustainable Management Plan as this means that there is an overall net loss of biodiversity in the study area.

One of the weaknesses of the 2006 ESIA was that the biodiversity survey was only done during one season (in March 2016). In order for the methodology to remain as similar as possible to the methodology used in the ESIA, NU are only planning on doing one field survey in April 2017. It was also noted that many of the sites that were sampled in the 2006 ESIA are regularly monitored and that this data must be used during NU's study, in order to give a timeseries which will help in the interpretation of the snapshot surveys in 2006 and 2017.



*Michael presenting Nature Uganda's progress*

#### **4.5 Update on the COMBO Project - Beatrice Kyasiimire**

Beatrice, the project manager for the COMBO (Conservation, impact Mitigation and Biodiversity Offsets in Africa) project, began her presentation with a brief summary of what the COMBO project is, its goal and strategy and what the project is aiming to do in Uganda. Beatrice then went on to report project progress against the five project components. Component one comprises the legal and policy framework and several of the activities have already been completed. This includes the completion of a policy and legal gap analysis as well as a capacity and experience gap analysis in Uganda. They found that there is no legal or policy provision that explicitly requires no net loss or net gain of biodiversity in Uganda and that there is limited knowledge on the concepts, its design and implementation. A stakeholder workshop was also carried out and highlighted several issues, including the need for no net loss/net gain guidelines for Uganda, learning lessons from on-going and past offsetting activities and the need to engage the relevant stakeholders and strategic players. In terms of component two – planning and measurement tool, they have identified gaps in available biodiversity data and in the systems for national information collection and data management. For component three - developing institutional, legal and financial mechanisms for offset implementation, the Uganda Biodiversity Trust Fund (UBTF) was launched on March 2017 and COMBO is also supporting the Uganda Wildlife Authority to develop biodiversity offset guidelines for Protected Areas. This involved field visits to Kibale and Queen Elizabeth National Parks. For component four – supporting the uptake of best practice in the public and private sectors, COMBO has interacted with a number of government agencies, parastatals and companies. Finally in terms of component five – building national and regional capacity, they have carried out a training workshop during the project launch as well as undertaking capacity building for the Uganda Wildlife Authority (UWA) staff, conservation managers and technical teams. Beatrice concluded her presentation by explaining the upcoming activities under each of the five components.

## **Discussion:**

While looking at their case studies, the COMBO team found that there is confusion between the concepts of compensating and offsetting. They found that most of the activities in their case studies are actually classified as compensation rather than offsetting. They expressed the need to move up the mitigation hierarchy and away from offsetting. For example, the transmission line through Murchison Falls National Park went through the mitigation hierarchy and first tried to minimise its impacts. Another example is the Entebbe express highway, where the design was changed to account for the highways impacts on wetlands. As a result, the sections of road that pass through wetlands have been raised to allow for water flow. COMBO is working on creating a number of agreements (MoUs) to solidify partnerships for integrating the mitigation hierarchy into case studies or projects in progress. The Ministry of Water and Environment (MoWE) is engaging with Combo but it is essential not to conflate the term 'compensation' with 'offset' as this can undermine the mitigation hierarchy. Compensation is often the term used by the government and immediately entails money exchanges. However, lots of social costs (and biodiversity) cannot be compensated for in terms of money. It is therefore important to be careful about just giving money to the Biodiversity Trust Fund and then leaving. In terms of the trust fund, it often does not make sense for a small project to do an offset, thus it would be better for them to feed into a larger offset. This could serve as a good funding mechanism for the larger offset. Policy and legislation in Uganda does not explicitly legislate no net loss but the COMBO case studies are working to international standards. Offsets are now mentioned in the new Environmental Bill and this puts the onus on NEMA to develop to develop offset guidelines and regulate them. Any specific offsetting guidelines applying to protected areas should be left to UWA.

## **4.6 Drafting of national guidelines – Julia Baker**

The focus of Julia's presentation was to have an interactive discussion about about three Darwin commitments for Year Two of the project, namely: a) review the Kalagala Offset Sustainable Management Plan (SMP), b) prepare recommendations on the Isimba management plan, and c) draft new national biodiversity offsetting guidelines. According to the schedule, these activities are meant to start in October 2017. During the inception workshop, it was decided that Victoria and Nature Uganda would review the SMP and Isimba management plans as well as disseminate the research findings to the local communities. The drafting of the national guidelines and training of NEMA staff on the guidelines will be led by NEMA.

1. Julia asked everyone to discuss what kind of things would be most useful and helpful for the recommendations sections?
  - Nature Uganda will prepare a report based on their biodiversity research in the study area.
  - Victoria will have a set of thesis chapters based on her social research in the study area.
  - One of the target audiences for our recommendations will be the Ministry of Energy and Mineral Development as they are responsible for Isimba and the ESIA Addendum.
  - In terms of output documents:
    - A technical report will be prepared by Victoria, Nature Uganda and WCS summarising the social, biodiversity and Combo findings respectively. The report will be published by NEMA with support from Oxford University. All project partners and the advisory committee will be involved in reviewing the report.

- A policy briefing document will also be compiled and this will be for decision makers such as the Ministry of Energy and Mineral Development and the Uganda Electricity Generation Company Limited (UEGCL).
- A briefing meeting could also be held with all interested stakeholders.
- Mapping of ecological and social hotspots, such as areas with important species and cultural heritage sites that cannot be moved (no go areas).
- The project team needs access to the ESIA Addendum in order to align our recommendations with those in the Addendum; Francis stated that he will report on the progress with the ESIA Addendum.
- Recommendations should be framed with existing and forthcoming legislation in mind.
- There is now a mandate for all Ministries in Uganda to budget for and take into account the environment and climate change (Budget Call Circular).
- If the project cannot directly influence the Isimba management plan then it can generate a set of lessons learnt.
- Overall, the team decided that the project should focus more on the drafting of the national guidelines, with a focus on the lessons learnt from the case study.

2. In terms of drafting the new national guidelines (to be led by NEMA), the following points were raised and discussed:

- One set of guidelines will be produced and this will be done in collaboration with COMBO.
- The project research workshop where the guidelines will be presented as well as the social and biological fieldwork, will be held towards the end of Year Two. Thus, by March 2018, a draft of the national guidelines is needed which:
  - Incorporates research on how to calculate no net loss;
  - How to calculate this under changing scenarios;
  - Incorporate research findings into guidelines; and
  - Take into account independent changes, not just those caused by the developer (cumulative impacts).
- Feedback on the guidelines will be solicited from a range of stakeholders during the research workshop, including: NEMA, academics, government ministries and donors (such as the French government who fund COMBO).
- NEMA and COMBO will draft terms of reference to hire a consultant who will be responsible for drafting the guidelines. The majority of the funding will come from COMBO but the consultant will sign a contract with NEMA.
- TOTAL has already expressed an interest in complying with no net loss guidelines as well as supporting the process.
- The guidelines will focus on broader principles and not get too technical (this can be done further down the line).
- The draft guidelines will be shared with an international audience such as the Business and Biodiversity Offsets Programme (BBOP).
- Our Darwin project will contribute to the guidelines in terms of lessons learnt from the Bujagali/ Isimba/ Kalagala case study, with a strong focus on the social components which are not being addressed by COMBO.

- It was expressed that the Ugandan Investment Authority and the National Planning Authority (Ronald Kagwa, ex NEMA) need to be engaged in Year Two.



*Julia discussing the draft national guidelines*

#### **4.7 Review of progress to date against the log frame – Dilys Roe**

The aim of Dilys' presentation was to evaluate Year One's progress against the log frame. She started by reminding everyone what the project's main outcome is, the three expected project outputs and that Year One's activities focus on the bottom third of the theory of change (working at the local level). She then went through all the output one activities and indicators in the log frame to look at project progress to date (Table 1). All activities are up to speed, with the only exception being the ecological surveys. These are slightly behind schedule due to delays in getting contracts signed, so the field work began in the fourth quarter of Year One and will continue into the first quarter of Year Two. Dilys then went through the assumptions that were made for output one to see whether they hold true (Table 2).

**Table 1: Measurable and progress indicators for Year One**

<b>Indicator</b>	<b>Progress</b>
<b>Measurable indicators</b>	
All relevant previous biodiversity and social survey data collated into a spatially explicit database and analysed to assess impacts of projects/offsets.	Biodiversity and social databases have been compiled and data analysed.
At least 3 Focus Groups held in each of the 3 sites (of different potentially affected groups), to develop locally appropriate wellbeing measures	8 Focus Groups were held in two villages at each of the 3 sites (6 villages in total).



and explore cultural and social values of biodiversity in the area and effects of projects and offsets (current & potential).	
At least 200 local people, stratified by livelihood and wealth, in each of 3 sites, are surveyed to gain perspectives on costs and benefits of projects and offsets.	Approximately 240 individuals in each village at each study site (6 villages in total) were sampled during the household surveys.
At least 50 people in each of the 3 sites participate in choice experiments and scenario interviews, to gain views on potential mitigation for social impacts of current and new projects/offsets.	All people that took part in the household survey also took part in the choice experiment. This meant that approximately 240 people in each village at each site took part in the choice experiment.
<b>Progress indicators</b>	
Annual reports of the project team to Darwin.	The 6 monthly report has been submitted to Darwin and the annual report is being drafted.
Minutes of 6-monthly project meetings and powerpoint presentations made.	Minutes and presentations from the project inception workshop and the annual project meeting are on Basecamp. All project partners and the advisory committee have access to Basecamp.
Presentations to Advisory Committee (annual).	Presentations to the advisory committee took place during the project meetings/ workshops.
Biodiversity database developed.	All the existing biodiversity data for birds and plants from the project area has been collected.

**Table 2: Output 1 assumptions**

<b>Assumption</b>	<b>Commentary</b>
Local people at the case study site are willing to participate in the research.	The social research went ahead smoothly and people were willing to take part in the focus group discussions and household survey.
Existing biodiversity and social datasets are of a high enough quality for a before-after analysis to be feasible.	Social and ecological data in the 2006 ESIA is detailed and the biodiversity team are able to follow the same methodology for their current biodiversity surveys. In terms of social data, the 2006 ESIA does not look at wellbeing and the raw data from the household surveys is not available.
Research team is able to build trust in order to gain reliable and truthful information on social	Local research assistants were used during the social surveys and were able to build trust in the villages.

impacts.	Care was taken not to build expectations with the local communities however, there may have been some stakeholder fatigue as people in the area have been interviewed so many times. It is really important to provide the communities with feedback and to disseminate the research findings to them.
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In terms of reporting on progress towards the overall project outcome, we have met the two outcome indicators for Year One, having held the project inception workshop (start-up meeting) and compiled the inception report. The project is on track to meet the outcome indicators for Years Two and Three. Table 3 summarises the outcome level assumptions and assesses whether they still hold true.

**Table 3: Outcome level assumptions**

<b>Assumption</b>	<b>Commentary</b>
Political and economic stability in Uganda enables the project to be completed.	There is political and economic stability.
There is still scope to influence the Isimba Hydropower Project's planning [the Environmental and Social Impact Assessment has been referred for revision, they have not yet started their offset].	An ESIA Addendum has been drafted to assess the impact of Isimba on the Kalagala offset. The document is still to be released for public comment so we may be able to have some influence on the management plan recommendations in the report. It may however, be too late to have any influence on the Isimba management plan. There is an environmental and social monitoring plan for the Isimba Project which we may be able to have some input into. It is important to note that Isimba is not planning an offset as had been previously thought. There may also be other avenues to start engaging with the Chinese sector. For example, IIED has a programme which focuses on Chinese investment in forests in Uganda.
Government implementing agencies are receptive to our recommendations, and are prepared to change their management plans based on our study [we have a Letter of Support from MoWE expressing a strong interest in the project and willingness to engage, and NEMA is an important player in approving and monitoring offsets within the government].	Partnering with WCS and linking with the COMBO project gives more strength to our project and associated findings. NEMA is the lead partner on our project and will be involved in engagement with other government agencies. The need to engage with the Uganda Investment Authority and the National Planning Authority was identified during this project meeting.
There is scope for poverty alleviation in the project site, through improvements in the Sustainable Management Plans.	The improvement of the Central Forest Reserves (CFRs) as part of the Kalagala Offset will have a benefit to local people. Moreover, one of the primary

	<p>activities in the Sustainable Management Plan for the offset is to restore the forests along the river bank. However, local communities are cultivating right up to the river banks. As a result, this offset activity was withdrawn because its implementation will result in a significant amount of economic displacement thereby impacting local people's livelihoods. This goes against the World Banks' social safeguards. The offset therefore aims not to exacerbate poverty in the study area.</p>
<p>Businesses and NGOs are keen to engage, nationally and internationally.</p>	<p>E.J has been invited to give a guest lecture as part of the Aga Khan Development Network lecture series. All project partners and advisory committee members have been invited, and a range of opinion-formers will be present, including business leaders. The Uganda Chamber of Commerce is keen to engage, as is TOTAL. So far, the team has had many positive interactions with businesses and NGOs both nationally and internationally.</p>

#### 4.8 Looking forward to Year Two's activities – E.J. Milner-Gulland

E.J.'s final session looked at the activities that need to be carried out in Year Two. Activities are as follows:

- Compilation of a technical report by Oxford, Nature Uganda and WCS.
- Draft guidelines to be completed in time for the research workshop (and the research must be completed in time to feed into the guidelines).
- The draft guidelines and technical report should be finished by early February 2018 to allow enough time for the project team and advisory committee to review them.
- Local dissemination and feedback to communities will be done towards the end of Year Two.

Actions that need to be considered in the next month:

- Deciding on whether the local authorities can be included as a set of stakeholders during the feedback and dissemination of the results in the study area (depending on budget constraints). They are the ones who permit and implement activities on the ground on behalf of NEMA and are involved in the day to day monitoring. This would include the District Environmental Officers and some other representatives.
- Will the Uganda Poverty and Conservation Learning Group (U-PCLG) be interested and able to help with stakeholder engagement and translating the results and guidelines into practice?
- Engagement with the private sector – will it be possible to hire someone to coordinate the Forum and work closely with NEMA and COMBO? There is some funding available to make this happen.

- Publishing the institutional and stakeholder analysis - all project partners need to comment on the report so that all necessary changes can be made before it is published and disseminated.

E.J. then went through the budget for Year Two and looked at any new actions that we might need to include. In approximately six month's time, Nature Uganda is to give the project team a short report on what they are planning on doing for the local feedback and dissemination process, including who they plan on meeting with, what they want to discuss and a preliminary budget. Victoria and Beatrice will also need to have an input into the NU report. It was suggested that the Year 2 project meetings should be held in Jinja, with a short site visit.

#### **4.9 Reflections from the advisory committee**

All three advisory committee members (Panta, Derek and Mark) commented on how much work has already been undertaken during the first year of the project. Panta mentioned how useful the stakeholder and institutional analysis was, as quite often, ESIA practitioners do not do a detailed stakeholder analysis for their consultations. Panta does however, foresee one challenge ahead of the project, namely that Uganda is good at developing plans and policies but not very good at getting them implemented. For example, he said that there is a policy that states that communities cannot cultivate near a river, however, local people still do, meaning that the guidelines are not being implemented. He also believes that the Forum for engaging with the private sector will be a great opportunity and should also be used to engage with government agencies.

Derek mentioned that nowadays there is more concern about the environment and biodiversity than there used to be. He mentioned that one of the recommendations in the Bujagali ESIA was that the area around the lake (resulting from the dam) should be fenced to allow for forest regeneration. He suggested that this action should be checked in order to see whether it has been acted upon. It was also mentioned that the Ministry of Tourism is in the process of drafting an action plan for tourism development in the Bujagali and Kalagala area. Derek commented that Uganda is short on well trained local experts in biology who can do credible biodiversity studies and have a good input into the ESIA process. He suggested that more funds are needed in order to train PhD students in biology, especially now that Makerere is cutting back on conservation biology.

Mark agreed with everything that had been said previously but also mentioned that the social aspects can complicate biodiversity studies even further and that this project is ambitious aiming to look at both biodiversity and social aspects. He said that if this project is going to have an impact on how things are implemented and done (not just written about), we cannot be too unrealistic and ambitious. As a result, Mark suggested that we should be guided the idea of "good enough" rather than making our recommendations perfect and complicated. This might mean that our recommendations will have a better chance of being taken forward by practitioners and government.

#### **4.10 Closing remarks – Francis Ogwal**

Francis concluded the workshops by saying how useful the no net loss project is for Uganda, especially collaborating, partnering and working with external institutions. He said that when you look at the allocation of budget for projects, a large proportion always goes to the water components and the smallest amount to the environmental components. He found the stakeholder and institutional analysis very interesting and

hopes that it will be published. E.J. mentioned that the report has been sent to all project partners and will be published as a Wild Business report. Francis spoke on behalf of NEMA by saying that they really appreciate all the work that has been done on the project so far and that they hope to become a centre of excellence in the offsets field in the future. This will allow them to inform policy makers about offsets, what they are and how they differ from compensation.

Dilys suggested that NEMA (on behalf of Uganda) could host a side event at the next Convention of Biological Diversity COP meeting. This could be a platform to showcase the work from this project as well as the resulting national and international guidelines.

## **5 Day 2: Uganda Natural Capital Forum (previously called the Business and Biodiversity Forum)**

The aim of the meeting on the second day was to discuss ways to engage with the private sector. This engagement will begin in Year Two of the project and continue throughout Year Three. The proposal envisaged a Forum being established to aid in communication and engagement, with the Forum eventually becoming a sustainable entity that will continue to run once the project has concluded. Initially this forum was called the “Business and Biodiversity Forum” but it was decided during the meeting that the name would be changed to the “Uganda Natural Capital Forum”. This name better reflects terminology that businesses will understand, rather than using the term “biodiversity” which may alienate businesses. Moreover, this may help to increase their buy-in to the Forum.

The meeting was led by Julia Baker and about half way through, a member of the Uganda Chamber of Commerce joined to give us his perspective on the Forum and provide us with some recommendations on how best to engage with the private sector.

### **5.1 Agenda for the meeting**

1. Welcome
2. Feedback on Nafeesa’s findings and recommendations for the Forum
3. Discussion on engagement with the private sector
  - a. What do we want to achieve?
    - i. Who is our target audience?
    - ii. Who should host the Forum?
    - iii. Will there be a Forum coordinator within Combo?
    - iv. How do we make the Forum sustainable (exit strategy and Year Two funds)?
    - v. What type of event do we want to launch the Forum?
  - b. Ways to link to other processes, such as the national and international guidelines

### **5.2 Feedback on Forum recommendations – Nafeesa Esmail**

Nafeesa summarised the findings from the second part of her research. Key recommendations for engaging the private sector include harnessing collaborative opportunities with organizations and/or projects with

similar aims and objectives, particularly the COMBO project, as well as exploring potential financing options from the United Nations Environmental Programme (UNEP) and TOTAL to increase impact, exposure and capacity for engaging with social and environmental concerns. If a Business and Biodiversity Forum (BBF) is initiated, it is recommended that it should consist of a platform that enables a series of smaller activities, leading up to a larger event so as to maintain momentum. The BBF can be convened by a consortium of project partners, but it does require enlisting a neutral, business focused organisation to act as a vehicle to reach a wider target audience and serve as an objective entity for inclusivity. Considering the relatively small business environment in Uganda and pre-empting the challenges of a successful BBF smaller private entrepreneurs, as well as larger multinationals should be targeted for BBF engagement. All sectors of business should be invited to broad engagement activities at the onset, which can then be refined and adapted to suit specific needs as momentum for the BBF increases. In doing so, this will also increase chances of the BBF persisting after the project period, in the long-term.

### **5.3 Engagement with the private sector - Julia Baker**

#### **What do we hope to achieve with the Forum?**

Julia began this session with a brainstorming exercise, asking all the participants to write down a list of what they hope to achieve with the Forum. The results were as follows:

- Influence the private sector (by following the mitigation hierarchy, getting their buy-in and creating ownership);
- Allow for effective communication;
- Have companies being proud of good biodiversity performance, have them being more involved, recognising and appreciating the environment;
- Have an understanding of best practice, not just following legislation;
- Create a community that is committed to learning and exchanging ideas;
- Have a neutral platform for businesses, governments and NGOs (i.e. not taking sides);
- A forum for information exchange and discussions, allowing for synergies with the private sector and governments. This also involves learning from case studies and documenting these learnings;
- Create fun and prestigious biodiversity events;
- Create a link with the Uganda Biodiversity Fund;
- Create meaningful and useful guidelines that can be put into practice and that are relevant to multiple sectors;
- Guidelines should be shaped based on real experience;
- Create credibility from engagement;
- Financial contributions, increasing private sector support;
- Building the capacity of the local government;
- Mainstreaming biodiversity and social aspects so that it becomes part of corporate social responsibilities (CSR);
- Create business benefits from biodiversity;
- Open and transparent engagement with the private sector; and
- A forum that must be sustainable and locally run.

The main idea is for the Forum to be business-led and to start off small and then build up as the project progresses. This means that to start with, the Forum will comprise a small community of committed individuals. It is important that a long term strategy be developed to engage with private sector businesses that support biodiversity. The businesses forming part of the Forum can then be invited to review and discuss the national guidelines that will be drafted during Year Two of the project. Businesses are extremely knowledgeable and have a vast amount of practical experience. It would therefore be valuable to have their input into the draft guidelines as well as to document some of their experiences.

### **Who should host the Forum?**

It is important to find a business that will be the champion for the Forum, such as the Private Sector Foundation in Uganda (FSFU) or the Uganda Chamber of Commerce (UCC). Another option could be the US Chamber of Commerce that WCS is currently engaging with or even the Ugandan Investment Authority. It was decided that a good way forward would be to follow the structure and objectives of the UK Natural Capital Committee, which is an advisory body made up of independent and engaged individuals. We felt it would work well to set up the Uganda Natural Capital Forum in a similar way.

### **Who is the target audience and what event should be held to launch the Forum?**

The Uganda Natural Capital Forum must be open to all sectors. It will not only be focused on the concept of 'no net loss of biodiversity' in Uganda but rather on the value of biodiversity. Multiple sectors will have different values for biodiversity, all of which need to be accounted for in the Forum. Therefore, it is best to start off the Forum with a few key messages. It is also important to engage with local government, for example the six Districts that are involved with Bujagali and the Kalagala Offset. They have a vast amount of knowledge about how things work on the ground.

It was decided that a breakfast event for the private sector (including banks and small to medium sized enterprises), hosted by WCS and NEMA, could be a good starting point to launch the Natural Capital Forum in Uganda. Thereafter, a committee will be set up to continue the discussions, with quarterly meetings. However, it is also important to gain an understanding of what natural capital is before a committee is established. This launch event will be a useful way to identify who the key champions will be on the committee and clarify the meaning of Natural Capital and why it is important for Ugandan businesses. Before this launch event, a smaller committee will need to be established to arrange the launch event.

The first half of the meeting was concluded with Julia and Beatrice agreeing on drafting a short document about the Uganda Natural Capital Forum.

### **Meeting with the Uganda Chamber of Commerce**

The Uganda Chamber of Commerce is an umbrella organisation for all private sector businesses in Uganda and was founded in the 1930's. They have 87 branches throughout the country and 10 regional offices. They are a member of the East African Business Council, which works closely with the East African community. They are also a member of the Pan African Commerce and work closely with the African Union. They are also a member of the Islamic Chamber of Commerce Industry and Agriculture. They work with Chambers in many different countries and promote trade between Uganda and the rest of the world. Unlike many other Chambers of Commerce, membership for businesses is purely voluntary and there are different levels of

memberships based on how big the business is. The Chamber of Commerce works closely with the Government of Uganda to promote trade and investment in Uganda.

Martin (from the Uganda Chamber of Commerce) said that in order to engage with the private sector, the first step is to raise awareness and unpack the complex conservation issues as simply as possible so that a diverse range of people will understand them. He said that it is important to stratify target audiences so that we can amend our messages accordingly. He recommended that we engage with a communication expert who will help us simplify terms and jargon so that an average business person can understand them. Although English is widely spoken in Uganda, there are also over 30 different languages in the country and some of the smaller businesses only speak local languages. This therefore needs to be taken into account during the Forum's communication strategy. To create awareness, target audiences need to be categorised (for example, highly educated, semi-literate, illiterate etc.) as they will have different levels of understanding when it comes to conservation issues. Secondly, in order for the Forum to be successful we need to show how taking biodiversity issues into account will have a benefit for the private sector. If businesses think that activities will secure their investment and lead to a profit, they are more likely to support them. Thirdly, all business activities are governed by the Environmental Act. The enforcement measures as per the act need to be emphasised as well as the fact that they need to operate in a sustainable way that benefits conservation.

Martin also mentioned that the National Planning Authority Board in Uganda represents some businesses and may be a good organisation to target when looking at developing the Forum, as well as the Uganda Investment Authority. The meeting concluded with Martin offering to produce a short concept note on the support the Uganda Chamber of Commerce could offer the project, for the project team to review.