



BUSINESS PLAN 2016/2017 – 2020/2021

JULY 2016

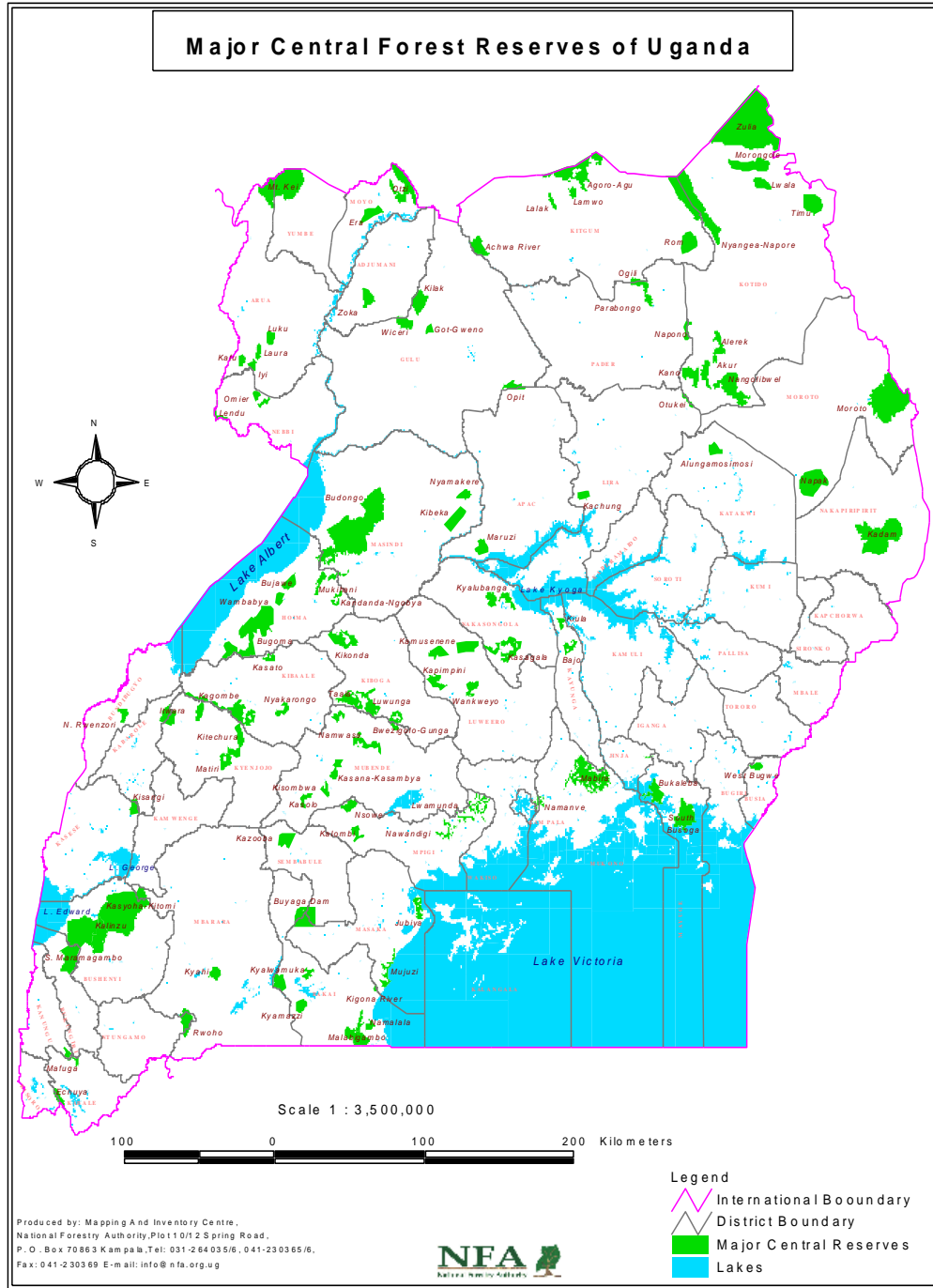


Figure 1: Map of Uganda showing the location of all the Central Forest Reserves

FOREWORD

Welcome to the Uganda National Forest Authority's (NFA) Business Plan for 2015 – 2019 which sets out a framework of the NFA for the next five years. The Business Plan is implemented through Annual Operational Plans which show the specific activities. The Annual Operational Plans will be updated each year. The Business Plan will guide the NFA and the stakeholders, namely, Government of Uganda, Ministry of Water and Environment and Development Partners.

This Business Plan is the third and builds on NFA experience since the inception in 2004. The first NFA Business Plan covered the period 2004 – 2009 and the second one covered 2009 – 2014. The 2015/2016 – 2019/2020 is a rolling plan and as such allows NFA to carry out its legal mandate dynamically with periodic reviews and relevant adjustments.

The Business Plan presents NFA's four output areas which are to Improve Management of the Central Forest Reserves, to Expand Partnerships, to Supply quality products and services and to ensure Organizational sustainability. Within each output area, a series of priorities are set and to which NFA will direct its resources.

One of the main challenges will be to maintain a robust organization able to deliver sustainable social economic and ecological benefits to the citizens of Uganda and the entire globe within the available resources. Another challenge is to raise the required resources to enable NFA deliver its mandate in a business-like manner. We shall develop a monitoring frameworks to measures progress.

We shall be more innovative, and adopt up to-date and cost-effective technologies. The Business Plan will be open to new opportunities identified in the five year period to be reflected in the Annual Operational Plans following regular Half Year and Annual Reviews. Based on our value of Excellence, in this period, research and timely information communication will be paramount. Good corporate governance will also be enhanced. NFA will continue to improve its private public partnership and other partnerships as well as its collaboration with the forest edge communities for improved forest protection and management.

The NFA Board will continue to strengthen and operationalize internal systems and procedures.

Finally, we will endeavor to deliver quality goods and services. This we are committed and we call upon all our stakeholders to support us in this commitment.

Gershom Onyango
CHAIRMAN BOARD OF DIRECTORS

I would like to thank all the individuals, institutions and stakeholders who were involved and contributed to the development of this Business Plan 2016/2017 – 2020/21 which is the third NFA business plan. The preparation of this Business Plan 2015 - 2019 is the collective effort of the National Forestry Authority (NFA) and its partners in the Forestry Sub-sector. The Business Plan process was participatory and consultative, using field and desk reviews, reviews of the past performance, focus group discussions and planning workshops.

NFA would like to thank the Private Sector, Civil Society Organizations, and all the Forest Sector Partners who contributed to the development of this business plan. We also acknowledge the guidance from the National Planning Authority on the national priorities and sector linkages for the forestry subsector. All your views were respectfully studied and taken into consideration

On behalf of NFA Management and staff, I wish to thank one and all, individuals and institutions for the participation in the workshop and meetings, input and for the guidance given to a drafting team that worked tirelessly in order to produce this Business Plan in time. The team that drafted this Business Plan included:

- Mr. Levi A. Etwodu, Director Natural Forest Management,
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- Mr. Edwin Edward Kayuki, Business Plan Facilitator.
- Mr. Paul Buyerah Musamali, Director Corporate Affairs.

NFA would like to thank Government of Uganda through the Ministry of Water and Environment and the Environment and Natural Resources subsector for availing the resources for facilitating the business planning process. Finally, I would like also to recognize the invaluable input, advice and guidance of the National Forestry Authority Board of Directors, chaired by Mr. Gershom Onyango.

EXECUTIVE DIRECTOR, NATIONAL FORESTRY AUTHORITY

FOREWORD	3
Acronyms	8
1.0 INTRODUCTION	11
1.1 Background to the Business Plan	11
1.2 Forestry Sector Reforms	11
1.3 National Development Priorities	12
1.4 National Forestry Authority Mandate	12
1.4.1 Functions of NFA	12
1.4.2 NFA Vision, Mission and Core Values	13
1.4.4 NFA Institutional Arrangements (Governance)	13
1.5 Performance of the Previous Bussness Plan 2009 – 2014	15
2.0 THE SITUATIONAL ANALYSIS	20
2.1 Political	20
2.2 Socio – Economic Issues	20
2.3 Technological Trends	21
2.4 Environmental Trends	22
2.5 Legal Framework	23
2.6 Forestry Resources Trends	23
2.7 Operating Environment	24
2.7.1 Stakeholder analysis	25
2.8 Swot Analysis	29
3.0 THE STRATEGIC DIRECTION OF NFA	32
3.1 Strategic Objectives and Key Interventions	32
4.0 Financial STRATEGY for the next five years	45
4.1 Funding Requirement	45

4.1.1 Non Tax Revenue Revenue Inflows Over the Five Year Period	45
4.1.2 Government of Uganda Revenue inflows	46
4.1.3 Donors Revenue Inflows	47
4.2 Income and Expenditure (P&L) Forecasts	47
4.3 Key Performance Indicators over the Period	48
4.4 Administrative Costs Assumptions	49
4.5 Tax Computations	49
4.6 Treasury Management Strategy	49
4.7 Market And Market Strategies	49
5. GENERAL RISKS AND ASSUMPTIONS	50
5.1 Assumptions	50
5.1 Risks	50
5.3 Financial sustainability to Mitigating the Risks	51
6.0 monitoring and evaluation ARRANGEMENTS	52
6.1 The Monitoring, Evaluation and Reporting Framework	52
6.2 Annual Operational Plans & Reports	52
6.3 Monitoring and Reporting	52
6.4 Reporting	53
6.5 Implementation of the monitoring plan.	53
6.6 Mid-Term Review	54

List of Tables

Table 1: Summary of physical performance 2004 - 2014.....	16
Table 2 Forest Cover in hectares per year	23
Table 3 Forest Cover Loss from 1990 to 2015.....	24
Table 4 Comparison of Forest cover between PAs and Private land	24
Table 5 Percentages of forest cover on private land and protected areas.	24
Table 6: Swot Analysis.....	29
Table 7; Strategies, Activities and Targets	34
Table 8; Non Tax Revenue (NTR) Revenue Inflows over the Five year period.....	45
Table 9: Forest Products Forecasted Sales	45
Table 10: Government of Uganda Revenue Inflows over the Five year period	46
Table 11: Donors Revenue Inflows over the Five year period	47
Table 12: Projected expenditure (P&L Forecasts over the period.....	48
Table 13: Key Performance indicators over the period.....	48

List of Figures

Figure 1: Map of Uganda showing the location of all the Central Forest Reserves.....	2
Figure 2: Revenue collection in millions over a 10 year period	17

ACRONYMS

AAC	Annual Allowable Cut
AIDS	Acquired Immunity Deficiency syndrome
BP	Business Plan
CBO	Community Based Organization
CFM	Collaborative Forest Management
CFR	Central Forest Reserve
CSO	Civil Society Organization
DFS	District Forest Service
EI	Exploratory Inventory
EIA	Environment Impact Assessment
EU	European Union
FBE	Forest Based Enterprises
FD	Forestry Department
FIS	Forest Information System
FMP	Forest Management Plan
FNCMP	Forest Nature Conservation Master Plan
FR	Forest Reserve
FSSD	Forestry Sector Support Department
GDP	Gross Domestic Product
GIS	Geographical Information Systems
GoU	Government of Uganda
Ha	Hectare
HIV	Human Immuno - deficiency Virus
HR	Human Resources
ISSMI	Integrated Stock Survey & Management Inventory
Km	Kilometer
LFR	Local Forest Reserve
LG	Local Government
MDG	Millennium Development Goals

MEA	Multi-lateral Environment Agreements
MFPE	Ministry of Finance, Planning & Economic Development
MWE	Ministry of Water and Environment
NA	Not Applicable
NAADS	National Agricultural Advisory Service
NaFORRI	National Forestry Resources Research Institute
NBS	National Biomass Study
NEMA	National Environment Management Authority
NFA	National Forestry Authority
NFP	National Forestry Plan
NFTPA	National Forestry and Tree Planting Act, 2003
NGO	Non-Governmental Organization
NORAD	Norwegian Agency for Development
NTSC	National Tree Seed Centre
PA	Protected Area
PES	Payment for Ecosystem Services
PFE	Permanent Forest Estate
PPPs	Public Private Partnerships
REDD	Reducing Emissions due to Deforestation and Degradation
RFM	Responsible Forest Management
RM	Range Manager
SPGS	Sawlog Production Grant Scheme
SWOT	Strengths, weaknesses, opportunities and threats
UBOS	Uganda Bureau of Statistics
UWA	Uganda Wildlife Authority
WWF	World Wide Fund for Nature.

Executive Summary

1.0 INTRODUCTION

This section contains the background to the Business Plan 2016/17 – 2020/21, forestry sub-sector, the National Forestry Authority (NFA), NFA development priorities, the NFA principal Mandate, NFA history, the core functions of NFA, NFA strategic objectives, an overview of the performance of the previous Business Plan, the process of developing the Business Plan and the critical success factors. The Business plan closely follows in step the NDP II which is the national guiding document and in this regard, the NFA Business Plan begins in FY 2016/2017 and will end in the FY 2020/21 after the NDP II ends.

1.1 Background to the Business Plan

This Business Plan is the third since NFA was established in 2003. The second one which was launched in 2009 and ended in 2014. The development of these business plans has involved from stakeholder consultations and been based on the national priorities as highlighted in the National Development Plans I and II and the Vision 2025 and 2040 and wealth Creation program of the National Resistance Movement Government, the Sustainable Development Goals, the Wealth Creation Strategy, and Environment and Natural Resources related strategic plan.

This business plan has been deliberately developed as a rolling plan and so the previous objectives, strategies, and activities have been maintained. Lessons learnt in the previous period were taken into account in developing this business plan.

1.2 Forestry Sector Reforms

The first Government forestry department in Uganda was first formed in 1898. Then the sector management was based on military strategy. During the mid-1970s, the forestry sector in Uganda was affected by the turmoil and general breakdown of law and order that ensued. As a result, illegal forestry activities namely illegal tree harvesting and illegal timber trade as well as encroachment occurred in the Government controlled Forest Reserves. The situation was not any better in the 1980s and 1990s due to the insurgency, war and rebel activities in different parts of the country and in neighboring countries. The Forest Department, also then, lacked the capacity to respond to and prevent the illegal activities and encroachment.

Illegal activities occurred because the local communities adjacent to the forest reserves were in search of livelihoods. Some of the people who carried out the illegal activities were working for illegal timber dealers who had financial resources. Criminals forged documents, concealed valuable varieties that they illegally harvested, under declared taxes and milled timber with chain saws. The continued degradation threatened the forest estate and there was a need to intervene through policy reforms.

The NFA is a result of the forestry sector reforms that took place 1998 – 2004. The reforms led to new forest legislation namely the National Forestry Policy (2001), the National Forestry Plan (2002), and the National Forestry and Tree Planting Act (NFTPA) 2003. The reforms also led to new institutional frameworks for management of the forestry resources and emergence of new forestry sector stakeholders.

1.3 National Development Priorities

The Constitution of Uganda 1995 under Section XXVII provides that the utilisation of the natural resources of Uganda shall be managed in such a way as to meet the development and environmental needs of present and future generations of Ugandans; and, in particular, the State shall take all possible measures to prevent or minimise damage and destruction to land, air and water resources resulting from pollution or other causes.

The Uganda Forestry Policy (2001) defines the overall goal of the forestry development as: *“An integrated forest sector that achieves sustainable increases in economic, social, and environmental benefits from forests and trees by the people of Uganda, especially the poor and the vulnerable”*.

Uganda Vision 2040 builds on the progress that has been made in addressing the strategic bottlenecks that have constrained Uganda’s socio-economic development since her independence, including; ideological disorientation, weak private sector, underdeveloped human resources, inadequate infrastructure, small market, lack of industrialization, underdeveloped services sector, under-development of agriculture, and poor democracy, among others.

The National Development Plan 2015/16- 2019/20 stipulates the Country’s medium term strategic direction, development priorities and implementation strategies. The thrust of the NDPII is to propel the country to middle income status in the next five years through prioritizing investment in five key growth drivers with the greatest multiplier effect as identified in the Uganda Vision 2040.

1.4 National Forestry Authority Mandate

The National Forestry Authority (NFA) is a government semi-autonomous organization established by the National Forestry and Tree Planting Act, 2003 (NFTPA) as part of reforms of the forestry sub-sector.

The Uganda Forestry Policy summarizes NFA’s principal mandate as: The sustainable management of the government’s Central Forest Reserves (CFRs) and the promotion and development of private forestry. As stated in the Uganda Forest Policy, NFA is expected to operate in a business-like manner.

1.4.1 Functions of NFA

NFA is mandated to manage 506 CFRs covering an area of 1,265,742 ha¹. Specific functions of the Authority are enshrined in Section 54 of the NFTPAs as:

- i. Develop and manage all central forest reserves (numbering 506) with a total area of about 1,265,742 ha.
- ii. Identify and recommend to the Minister, areas for declaration as central forest reserves including amendment of such recommendations
- iii. Promote innovative approaches for local community participation in the management of central forest reserves.
- iv. Prepare and implement plans for the central forest reserves and prepare reports on the state of the central forest reserves and such reports as the Minister may require.
- v. Establish procedures for the sustainable utilization of Uganda's forest resources by and for the benefit of the people of Uganda.
- vi. Corporate and coordinate with the National Environment Management Authority and other lead agencies in the management of Uganda's forests.
- vii. In conjunction with other regulatory authorities, to control and monitor industrial and mining developments in central forest reserves.

1.4.2 NFA Vision, Mission and Core Values

NFA Vision

"A sufficiently forested, ecologically stable and economically prosperous Uganda".

NFA Mission

"To manage Central Forest Reserves on a sustainable basis and to supply high quality forestry-related products and services to Government, and local communities".

NFA Core Values

NFA has three core values; these are Excellence, Integrity and Transparency. Everything NFA does is inspired by the vision, mission and core values:

- Excellence: We are committed to being outstanding in everything we do, in the provision of timely quality forestry goods and services at all times without discrimination.
- Integrity: We will ensure good code of conduct with maximum discipline, openness, and trust.
- Transparency: Ours is to remain accountable to all our partners, supporters and consumers of our goods and services.

1.4.4 NFA Institutional Arrangements (Governance)

¹

NFA falls within the Portfolio of the Ministry of Water and Environment (MWE) with the Minister as the political head. The Directorate of Environment Affairs is responsible for environmental policy guidance within the Ministry and Forest Sector Support Department (FSSSD) is responsible for the forestry policy guidance and regulation within the Directorate. By law, NFA reports to the Minister.

Within NFA, policy is set by a Board of Directors composed of seven members. At management level, NFA is headed by an Executive Director who together with 4 Directors, constitutes the Senior Management Team. The total NFA staff force currently is 326 strong:

i. The Executive Director's Office

The Executive Director is the Chief Executive of the NFA. He/she also serves as the Secretary to the NFA Board of Directors. The Executive Director's office comprises six (6) Units, namely; Public Relations, Marketing, Internal Audit, Legal Affairs and Procurement and human resources management. All of them report to the Executive Director.

ii. The Directorate of Corporate Affairs

The Directorate serves a secretariat function to the NFA, delivering expertise in corporate planning, reporting, environment impact assessment, monitoring and evaluation, information technology, consultancy services, Geographical Information Systems (GIS) and mapping, and Inventory and Surveys. These services are cross-cutting and are placed under one directorate to facilitate the standardization of systems and procedures across NFA.

The Directorate is headed by a Director, it has Managers and Coordinators who head the various units, and are supported by Specialists and Technicians.

iii. The Directorate of Finance and Administration

The Directorate is responsible for financial management, budgeting, maintenance of books of accounts, financial reporting and administration. It is responsible for the development and management of financial management systems, improving efficiency and effectiveness, guiding in prioritization of financial resource allocation, diversifying revenue sources, efficient management of assets, machinery, plants, equipment, vehicles and resource centers. The Directorate has 5 administrative units namely; the Financial Accounting, Management Accounting, Transport, Stores and Administration.

iv. The Directorate of Natural Forests

The Directorate Natural Forests is responsible for the overall management of all Natural Forests especially ensuring their physical integrity. The key functions include protection of forests against illegal activities, boundary demarcation and marking, management of private tree farming activities, conservation of natural forests and development of ecotourism business. Other functions include licensing of forest products and value addition, strengthening of partnerships with stakeholders especially forest adjacent communities, Forest management planning and revenue mobilization from products and services.

The Directorate comprises of seven units, namely; Boundary surveys, Land management, Utilization, Natural Forests, Ecotourism, Community Partnerships and Law Enforcement.

There are three coordination units for Natural Forests, Law enforcement and Forest Utilization that provide coordination functions, technical, administrative and management support to Range Managers. These are supported by subject matter specialists. At the field level, there are 9 Ranges, each headed by a Range Manager who reports to the Coordinator Natural Forests Management. Each Range Manager is assisted by a number of Sector Managers and Forest Supervisors who are the frontline field technical staff supported by Patrolmen.

v. The Directorate of Plantations Development

The Plantations Directorate is responsible for all activities geared at plantations development, promotion of private forestry, advisory services, harvesting activities and supply of products such as timber, seeds and seedlings to the market.

The Directorate is comprised of the three: Plantation Development including advisory services, Saw Milling and the National Tree Seed Centre. Each of these Units is headed by a Coordinator or a Manager and has subject matter Specialists. There are 7 Plantation Managers at field level, responsible for the main plantation areas. These are assisted by a number of Sector Managers and Forest Supervisors supported by Patrolmen.

vi. Collaboration and networking

NFA in its operations relates with various forestry subsector partners both under government and forest oriented partners. The Environment and Natural Resources subsector partners under the Ministry of Water and Environment include National Environment Management Authority, Uganda Wildlife Authority, Uganda National Meteorological Authority and Development Partners.

1.5 Performance of the Previous Business Plan 2009 – 2014

The legal requirement for NFA to operate in a businesslike manner influenced the development of the objectives, priorities and actions and budget projections of the Business Plan 2009 – 2014. To assess the performance, a mid-term review was conducted after the second year of the NFA business Plan 2009-2014, this was based on the monitoring and evaluation framework of the Business Plan. The review had three objectives:

- i. To review progress on the implementation of the Business Plan;
- ii. To document best practices, lessons learnt and recommendations for future improvement;
- iii. Review whether the strategies were realistic to cause any change in the way of conducting business at NFA.

The performance analysis for the Business Plan was based on the mid-term review and according to the strategic objectives and priorities set in the Business Plan 2009-2014. The four strategic objectives were:

- i. To improve the management of the Central Forest Reserves.
- ii. To expand partnership arrangements.

- iii. To supply forest and non-forest products and services.
- iv. To enhance Organizational sustainability.

The targets in the 2009 – 2014 Business Plan were adequate for the attainment of Responsible Forest Management (RFM) in CFRs in line with the NFA Mandate. The physical performance of the Business Plan in the review period (FY 2009/10-FY 2012/13) was at 43% and funding for the planned targets performed at only 25%.

Table 1: Summary of physical performance 2004 - 2014

Key Indicator	Baseline	2004	2009	2014	Remarks
Area of forest cover in plantations	13,000	19,550	36,464	73,000	Plantations ranged from one (1) year to twenty (20) years.
% of forest estate for conservation purposes	20	20	20	20	Areas zoned as Nature reserves exist on the grouping by most of them are degraded of the biodiversity.
Area of CFRs recovered from encroachment (Ha)	759,000	37.8%	85%		Most areas left to regenerate naturally (50,000 Ha).
New plantations established by NFA	3,300	2,123	1,370	13,000	Plantations ranged from one (1) year to twenty (20) years.
% of CFR area with new Forest Management Plans (FMP.)	2	40	100	44%	21 FMPs (344,652ha) approved by Minister, 10 (210,953ha) approved by Board but pending approved by Minister, MWE and 24 (706,390ha) are working drafts
Length of forest boundaries re-opened (Km)	1,700	2,675	6	968	Due to limited human and financial resources only 8.8% (986km) has been marked with pillars.
Volume of timber harvested in plantations	65,000	81,963	23,760	166,164	
Volume of timber harvested in Tropical High Forests	0	1,602	1,500	40,000	Reduction in harvest due to alternative revenue.
Total area of Central Forest Reserves managed under CFM agreements (Ha)	500	649	10,000	50,000	Areas of forest adjacent to CFM community
No of CFM agreements signed and being implemented	2	-	21	53	Signed and active agreements with local communities
Number of licenses issued out for private tree	2600	2603	3228	2429	Active farmers planting trees in CFRs

growing in CFRs-cumulative					
Area of CFRs licensed for the establishment of private forest plantations	44,000	12,548	25,400	60,000	60% area currently established with plantations in CFRs.
Licensed area planted by the private sector (%)	11,024	1,524 (29.7%)	4,573 (50.2%)	60,000	60% area currently established with plantations in CFRs
Number of seed sources established, marked and maintained in Central Forest Reserves by the NTSC.	-	10	50	10	Local seed sources are supplemented with imported seed from Brazil, South Africa and Australia.
Amount of quality tree seeds sold (kg).		2100	6,384	??	
Amount of seedlings sold to private tree planters and Government.	60,000	503,000	2,800,000	16,000,000 ??	
Staffing	0	353	353	326	
*Revenue	0	1.4Bn	68.26Bn	87.973Bn	

1.5.1 *Financial performance

At the inception of NFA, funding was obtained from the Development partners and Non-Tax Revenue (NTR) mainly as shown in **Figure 2** (based on audited accounts). Over the years grants/donor funding kept on dwindling due to change in priorities of these partners to fund other sectors. In 2011 Government stepped up it's funding of the NFA by taking up the wage bill and introducing a Community Tree Planting Program. With the increased demand of tree seedlings Government has been increasing the funding. NFA also greatly relies on the NTR collected from different revenue generating activities and spends it at source as per the mandate.

NFA Revenue collection in millions over a 10 year period

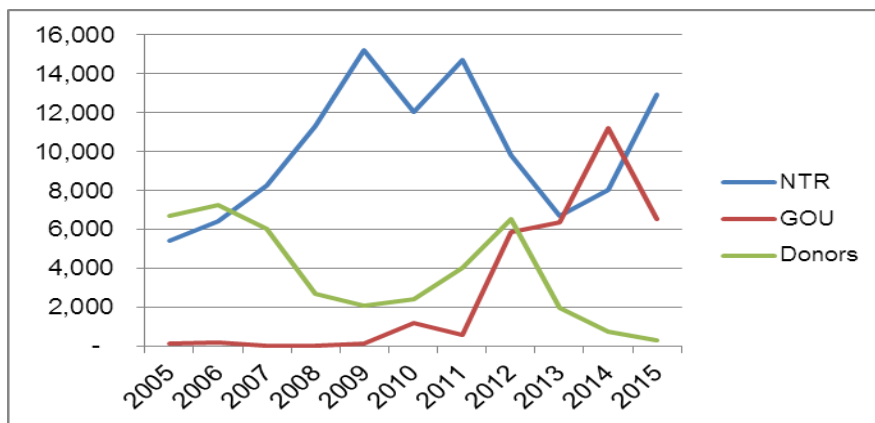


Figure 2; Revenue collection in millions over a 10 year period

As at June 2014, NFA relied on funding from the Non-Tax Revenue, Government and a few off budget support from external partners.

1.6 The 2015/16 – 2019/20 Business Plan

1.6.1 The Business Plan Development Process

This Business Plan 2015 – 2020 was developed through a participatory process which involved the NFA Management, the NFA Board of Directors, Water and Environment and Natural Resources sector stakeholders. Namely, the Ministry of Water and Environment, Forestry Sector Support Department, National Environment Management Authority, Uganda Wildlife Authority, Wetlands Department, Climate Change Department and, Uganda Tree Growers and Foresters Association among others. It was also based on the review of NFA's performance in the previous (2009 – 2014).

An internal mid-term performance review of the 2010 – 2014 plan was conducted in 2012 using the monitoring and evaluation framework. The findings of the review were used to improve performance and to address some of the challenges. Towards the end of the 2009 – 2014 Business Plan, a new Board of Directors was appointed. During the November 2014 NFA Board retreat a road map for the new Business Plan was developed.

The Business Plan task team guided by a Facilitator drafted the Business Plan. The draft was shared with various stakeholders and was later approved by the NFA Board of Directors.

1.6.2 Critical Success Factors

NFA functions are central because the forest sub-sector which it is a member is crucial as it contributes to society, the economy, and the environment. Forestry contributes 8.7%² of the Gross Domestic Product for Uganda. This includes ecosystem services which were roughly estimated at 3% of GDP. The forests and woodlands provide energy, forest products, business opportunities in industry, trade and agriculture, government revenue, construction, employment, maintain ecological integrity and climatic change mitigation. NFA, therefore, has many stakeholders and its functions impact on several livelihoods and sectors.

NFA's performance in the previous business plan was rated at 43% in spite of governance related challenges (delayed recruitment of substantive Executive Director after 2009, high litigation costs, the ban on licensing of 2008 and ban on removal of encroachers on CFRs) affected NFA's ability to mobilize enough resources. The key success factors included:

- i. The NFA mandate and the supportive legal framework.
- ii. The support from Government, the Ministry of Water and Environment, and collaboration with ENR subsector partners.
- iii. The Collaboration with Forest edge communities and Local Governments was vital. It generated more participation of communities in forestry programs such as CFM, the Community Tree Planting Program and forest protection.

² July 2011 NEMA Contribution of Forestry sub-sector to Uganda's economy

- iv. The support from international development partners boosted the NFA activities and capacities.
- v. The high expectations of local and international stakeholders in NFA's capacity to manage forests sustainably.
- vi. The priority setting, the technical capacity of NFA staff and the effective utilization of the limited resources
- vii. The government financial intervention though limited supported NFA to manage the "public good." However, there is need for additional support.
- viii. The enhanced public private partnership in forestry development has increased investment tree planting, and eco-tourism. Already the PPP has planted approximately 60,000 ha of commercial forests.

2.0 THE SITUATIONAL ANALYSIS

2.1 Political

The Political Environment for management of CFRs has been improving with more private investments in Commercial Plantations currently standing at about 60,000 Ha. However, conflicting political interventions have contributed to increased encroachment in CFRs which grew from 80,000 Ha in 2005 to the current area of about 300,000Ha. This also reduced the rate of Investments in commercial plantations that should now be standing at about 100,000 Ha. Nevertheless, NFA has been working well with the Districts (Local Governments) and other stakeholders to reduce the level of encroachment and other illegalities. There is still need to further improve the conditions for private sector investments in tree planting in CFRs.

The legal frameworks recognize the importance of forestry and forestry resources, and established structures and strategies for enhancing sustainable forestry resources and management which include promoting public private partnerships, conservation, and sustainable forest management.

The National Development Plan II identifies forestry as a crucial sector contributing about 8.7% of Uganda's GDP. Uganda Vision 2040 promotes the forestry sub-sector and demands for attainment of a green and clean environment with no water and air pollution while conserving the flora and fauna and adding value to the ecosystem. Institutions also recognize forestry as impacting the economy and people's livelihoods. The Uganda Investment Policy recognizes forestry as a potential sector for investment to provide goods and services. In spite of being a key subsector it receives limited resource allocation.

Access roads have been constructed in some of these forests making surveillance and law enforcement easier. The focus on forest products as a major source of revenue in the forest sub-sector also increases the vulnerability of forest products.

2.2 Socio – Economic Issues

The population of Uganda is 35 million (National Census, 2014), growing at a rate of 3.2% and adding approximately 1 million people annually. This high rate exerts pressure for land for settlements, agriculture, and grazing in CFRs resulting in degradation and encroachment. There is also unregulated population migration especially in Western Uganda which has contributed to degradation of CFRs in Bunyoro and Toro subregions. Rapid urbanization and industrial development have also added pressure on land and forests. Equally 90% of the population depends on wood fuel for domestic energy which has resulted in the depletion of the woody biomass for firewood and charcoal. This high consumption level of woody biomass has not been matched by investment into restocking of harvested areas leaving a growing gap that needs to be addressed. Unfortunately, there are few alternative sources of fuel other than fuelwood and charcoal. Even then the alternative

sources are inaccessible and not affordable to the larger proportion of the population. There is need to do compensatory planting of 100,000 Ha Per annum to provide for biomass energy needs in the medium term.

There is increased demand for timber for construction, furniture and industrial use. High demand and lucrative trade in timber have also attracted more people to engage in tree harvesting. Trade in timber is rated at over 80% (WWF- Timber Trade study 2012) and the situation is even worse for other products like charcoal and firewood. This has contributed to annual loss of revenue estimated at UGX 70 billion that could have been invested in re-planting.

The Construction and Furniture industry is growing at about 10% annually (UBOS year). This creates high demand for sawn wood estimated at about 400,000m³ annually consuming about 1,200,000m³ of Round wood. The bulk of this growing timber demand has been provided from hardwoods from private land but will in the near future be provided from plantations since the hardwoods on private land and CFR are getting depleted.

NFA has the responsibility to partner with the forest adjacent communities to improve forest management on one hand but also improve the livelihoods of the communities. Initiatives have been developed through CFM arrangements including supporting community tree planting in and outside the forest, beekeeping, Ecotourism and employment in the plantations and natural forests. These incentives however are still largely inadequate to ensure full participation in Forestry management and conservation. NFA will develop a benefit sharing guidelines to complement CFM in pursuit of sustainable forest management.

2.3 Technological Trends

Adaptation to new technologies has been slow in Uganda especially in the public institutions especially due to lack of financial resources, and technical capacity. For example, the current wood conversion technology applied in Uganda is found to be wasteful, but adapting not much can be done in the shortest run because new technology is neither easily available nor affordable. NFA still uses the potting methodology which is also slow and wasteful. Law enforcement also uses rudimentary approach to detect and monitor forest activities whereas there is new technology on the international market. New technology can be applied to improve road networks and to mark boundaries in the quickest way possible.

NFA is currently developing capacity through the GIS Unit to improve data collection and monitoring of the status of CFRs using modern IT and GIS technologies. Equally modern technologies will be utilized in communication and managing Ecotourism Development.

NFA has promoted commercial plantations through public private partnerships and as such private commercial plantations have been established. These commercial plantations are of high quality due to the use of improved planting materials including clones for Eucalyptus which are fast growing. The Private sector has acquired efficient saw-milling technologies that can utilize smaller diameter saw logs including thinnings and which attain recovery of over 40% for mature logs compared to the traditional 25% using hand saws. There has also been increased investment in Plywood industries. These too utilize thinnings from

Plantations. However, these industries currently lack sustainable sources of round wood hence the need for more investment in commercial plantations.

2.4 Environmental Trends

Uganda's natural environment resources namely, forests, water resources and wetlands, biodiversity and ecosystems, land, fisheries, oil and gas resources face increasing challenges, especially from increased pressure from high population growth and economic activities; poor disposal of solid and liquid waste from industries and human settlements. These have led to the decline in the quantity and quality of the natural resource base. Other perturbing issues include the increasing non organic waste e.g. plastics and polythene materials, electronic, radioactive, industrial and medical waste. Besides the traditional organic wastes, there is increase in the use of agricultural chemicals, cosmetics, GMOs (genetically modified organisms) and drugs). All these have contributed to the environmental degradation and the loss of biodiversity.

The climatic conditions have been unpredictable, often characterized by long droughts, floods and poorly distributed rains. These conditions affect establishment of plantations, and increase the frequency and the severity of Forest Fires. The unpredictable weather also indirectly causes displacement of populations into Forest reserves for agriculture and over dependence on forest resources for livelihoods.

The discovery of oil and gas reserves in the Albertine Rift Region will affect some CFRs reserves during infrastructure development but also exert pressure on the CFR resources as a result of population migration and increased demand for forest and non forest products on the CFRs. However, in the medium term oil and gas are anticipated to contribute to reduction of consumption of biomass energy by providing alternatives like Gas and Thermal Electricity especially for urban populations.

Government of Uganda is also committed to the principles of the Rio Declaration on Environment and Development, the Programme for the Further Implementation of Agenda 21 and the Plan of Implementation of the World Summit on Sustainable Development (Johannesburg Declaration on Sustainable Development) among others.

Government has also made efforts to respond to and adopt policies, programs, projects and interventions to alleviate the impacts of Climate Change. Uganda is signatory to the United Nations Framework Convention on Climate Change (UNFCCC) and it ratified the Kyoto protocol, and is party to a number of Multilateral Environmental Agreements (MEAs) which are linked to climate change.

Uganda's National plans and policies in response to climatic change include the National Adaptation Plan of Action (NAPA 2007), National Development Plan (NDP 2015/16 – 2019/20), the Renewable energy Policy (2007), the Disaster Management and Preparedness Policy.

NFA will utilize the opportunity of the Vision 2040 which commits Government to restore and add value to the ecosystems (wet- lands, forests, range lands and catchments) by

- Undertaking re-forestation and afforestation on public land,
- Promoting participation of the population in tree planting on both private and public land
- Enhancing private investment in forestry through promotion of commercial tree planting on private land and adoption of green agriculture practices.

This will lead to restoration of forest cover from the current 10 per cent of the total land area to the 1990 level of 24 per cent.

2.5 Legal Framework

The legal instruments which set out Government development objectives and direction for the forestry sub-sector in Uganda include the Uganda Constitution 1995, the National Development Plan 2015/2016 – 2019/20, the Uganda Vision 2040, the National Forestry Policy (2001) which aim at sustainable national development through environmental conservation, social development and economic development.

The National Forestry and Tree Planting Act, 2003, (NFTPA), is the main forestry law that provides the legal basis and institutional framework. Other laws, policies, regulations, and standards that are relevant to and guide the ENR and forestry sub-sector in particular include:

- The National Environment Act (CAP 153);
- Local Governments Act (CAP 243);
- Uganda Wildlife Act (Cap 200);
- Land Act (CAP 227);
- Water Act (152)
- Employment Act, 2006.

2.6 Forestry Resources Trends

The Forest cover in Uganda in 2015 was 1.8million ha (**Table 1**). This is a reduction from 2.3million in 2010, 3.6million in 2005 and 4.9million in 1990.

Table 2 Forest Cover in hectares per year

Year	Forest Cover per year (1990 – 2015)	
	Forest	Non Forest
1990	4,933,271	15,525,215
2005	3,602,365	16,845,444
2010	2,313,620	18,157,057
2015	1,835,147	18,635,716

Source: NFA-National Biomass Study Preliminary data (2015)

Land cover data available is for the years 1990, 2005, 2010 and 2015. Deforestation is calculated between 1990 and 2005, 2005 and 2010, 2010 and 2015 as well as overall deforestation from 1990 to 2015. Table 1 shows that from 1990 to 2005, forest cover loss amounted to 1.33million ha. Over the 15 year period, the annual deforestation rate stands at 1.8%. From 2005 to 2010, the forest lost was 1.28million hectares. Whereas the area of forest lost is almost the same as the one between 1990 and 2005, the latter on happened over a period of just 5 years as opposed to the former which was 15year. The annual

deforestation rate over the 5 years was 7.15%. From 2010 to 2015, the forest lost was 487,472 hectares making an annual deforestation rate of 4.14% or 95,694ha per year. Biomass studies show that almost all the natural forests outside protected areas had been cleared and most of the remaining forests were in protected areas; forest reserves or national parks.

Table 3 Forest Cover Loss from 1990 to 2015

Annual Rate of Forest Cover Loss per period			
Period	Forest loss	Def. Rate	Annual DR
1990-2005	1,330,906	27.0%	1.80%
2005-2010	1,288,746	35.8%	7.15%
2010-2015	478,472	20.7%	4.14%
1990-2015	3,098,124	63%	2.51%

Detailed studies have shown that the bulk of the deforestation was done in the 2 years of 2010 and 2011. Over the entire period of 25 years from 1990 to 2015, Uganda lost 63% of its forests at an annual rate of 2.51. **Table 3** shows the proportion of forests in protected areas and private land.

Table 4 Comparison of Forest cover between PAs and Private land

Comparison btw PA and Private Land per period			
Year	Protected Area	Private	Total
1990	1461029	3472242	4,933,271
2005	1461029	2141336	3,602,365
2010	1112758	1200862	2,313,620
2015	1009492	825656	1,835,147

Table 4 shows the proportion of forest cover on private land against that on government land in percentages. By 2015, forest share on private land had reduced from 70% to just 45% and that in protected areas had increased from 30% to 55% (Note that what increased in protected areas was the proportion but not acreage of forest).

Table 5 Percentages of forest cover on private land and protected areas.

Percentage of Protected Areas and Private Land by year		
Year	PA	Private
1990	30%	70%
2005	41%	59%
2010	48%	52%
2015	55%	45%

2.7 Operating Environment

2.7.1 Stakeholder analysis

The functions of forests are cross-cutting and as such generate a wide range of interests and roles of various stakeholder groups in the forestry sector who include local and international groups. These stakeholders include producers, consumers and processors of forest products and services, regulatory agencies and donors who support Climatic Change Mitigation activities, and Biodiversity Conservation such as WWF, IUCN and World Bank. Other stakeholders are interested in and support Forestry Governance and Advocacy such as Care International and some Embassies in Uganda who have supported NFA in improving CFM and also maintaining the integrity of the forests in CFRs.

Below is the description of the different stakeholders: -

i. Forest producers

These include farmers, commercial tree growers and forest owners. Many people have become interested in commercial tree farming and, therefore, increasing their stake in the forestry industry. They range from small to large scale tree farmers who have made large investments on large chunks of land which were hitherto empty. These produce mainly poles and timber. The forest producers are critical because they increase the tree cover and thus the bio-mass, but at the same time protect the CFRs indirectly since they produce the badly needed trees and poles. They also provide employment and the market for seedlings from the NFA seed centers.

ii. Seeds and seedling processors

Due to increased demand for tree seeds and seedlings, many people have invested in tree seeds and seedling development. They are found all over the country and supply the much demand seedlings to the consumers and such have supported NFA by boosting the supply of seedlings. However, the cheap seeds and seedlings are of questionable quality because many non-technical people have ventured into the lucrative business. This can, therefore, be an opportunity for NFA to train the seedlings processors to produce quality products. Unfortunately the imported seeds are expensive and so it is common for consumers to buy cheap poor quality products. NFA should advise on quality control so that farmers and consumers are not disappointed.

iii. Forest resource users

This category of stakeholders includes both commercial consumers, and the majority of the urban and rural poor who depend on firewood and other forest products for subsistence. These also include charcoal producers, pit sawyers, saw millers, timber and charcoal traders, who all derive their livelihoods from the forests and forest products.

Since the demand for these products is high, NFA can take advantage by making new innovations such as planting and popularizing bamboo and bamboo products, and developing alternative bio-fuels, or briquettes etc. Therefore, researchers and consumers can be able to work together to produce or introduce new products. There is high demand of the forest products which has to illegal activities in CFRs. The high demand for forest products gives NFA an advantage to promote commercial plantation development as a means to protect the CFRs.

iv. Regulatory Agencies

This stakeholder category is responsible for regulating forestry activities, determination of operating standards and guidelines, and planning for the forestry sub-sector. They also ensure compliance to technical standards and regulations during implementation of forest management activities, and as well as discipline in management of operations (accountability, transparency, integrity and professionalism). Some of the agencies are the Inspectorate of Government (IGG), Public Accounts Committees (PAC), FSSD, NEMA, and District Forest Officers (DFOs).

NFA is the lead institution in the forestry subsector and will observe discipline in management of its operations. NFA is supposed by law to work with Government to prepare technical guidelines and support the DFS in developing towards RFM. Therefore, NFA will initiate proposals towards this end and submit them to government and other public funding agencies.

v. Funding and Technical Cooperation Agencies, Governments

Several donors are interested in the activities of the forest sector and some have funded NFA and government ENR and the local and central government forest departments. Some of the agencies provide technical support and funding. They support forest management and utilization as well as technology transfer. The agencies include FAO, IUCN, etc. some of which have specialization, and are able to influence and build the capacity of NFA and the entire forestry sector.

These agencies include assistance and technical cooperation agencies, Government of Uganda Ministries, Local Government Finance Departments, International Private Organizations, Trusts, and Provident Funds like Insurance and Social Security Funds. NFA will map out these agencies and also strengthen and expand its partnerships with them. This will enhance good forest governance, and to increasingly demonstrate NFA commitment to RFM.

vi. Tenants

These stakeholders rent land and other NFA assets and thus have contributed to annual revenue. They include telecom companies which set their masts in NFA controlled areas and thus pay ground rent. NFA is yet to fully benefit from payments from eco-system services in its catchment areas which comprise hydro-services, minerals, fisheries, oil and gas and wildlife which would increase its financial sustainability.

vii. Competitors

There are competitors in the forest sector with NFA. UWA is one of the competitors because while they own the wildlife but its habitat is in the CFRs. Tree planters are also competitors because they own forest and supply similar products. The good part of this is that the competitors actually boost and complement the work of NFA.

viii. Policy Makers

This category of stakeholders decide on national and LG policies and laws affecting forestry, and solicit and allocate funds, among others. They include political leaders and government

technocrats like members of Cabinet, Members of Parliament, line government ministries and departments, and LG Councils, among others.

According to the NFP, NFA is the Lead Institution in the Forestry Sub-sector. Therefore, NFA will be proactive in guiding policy makers in making informed decisions that lead towards RFM.

ix. Producers

This category includes all stakeholders who are engaged in the primary production of forest products and services. Essentially, they grow & manage the forests & trees, and produce non-timber products. Among these are tree growers, private forest owners and managers of the PFE like UWA, Uganda Tree Growers Association (UTGA) and DFS to mention but a few.

Many of these producers use CFRs under license to grow their own forests and process products linked to forests and trees. The NFA in turn derives revenue from the licensing operation. Therefore, NFA will uphold and improve the current secure, transparent and enabling licensing mechanisms to ensure confidence of private sector and community in their investments. This group of stakeholders is one of those where the NFA will seek public-private partnership (PPP) arrangements in investment.

x. Service Providers

This category provides technical and technological support to the other stakeholders. They include NGOs (some of these have their main role as advocacy), government institutions who support forest/tree farmers & processors, researchers, and consulting companies, among others. NFA will establish partnerships with this group to provide RFM-related services to the local communities.

xi. Consumers

This group comprises all stakeholders who consume the forest products and services, local communities, people involved in utilizing forest services and products as raw materials or as biomass energy for processing. These include those involved in the construction and processing industry. Other consumers include schools, hospitals, hotels, and government institutions like Uganda Prisons & Uganda Peoples' Defence Forces.

Both consumers together and processors are the main NFA clients in terms of revenue. NFA will endeavor towards better understanding of this category of stakeholders in order to develop good customer relations and thus optimise on revenue. NFA will also position itself to provide technical support services to Government, LGs and communities on contract terms.

xii. Processors

This category of stakeholders add value to the primary forest products. They include saw millers & pit-sawyers, charcoal producers, veneer & plywood manufacturers, furniture

makers, honey processors, and processors of herbal medicines, among others. This stakeholder group will be targeted as a revenue source for NFA.

xiii. Research and Training Institutions

This category of stakeholders are engaged in development of technologies and the related capacity building. They include Research institutions such as NaFORRI, Universities, Research and Technical Training Institutions, and schools. Schools plant trees and teach children about the importance of trees and forests and some are involved in reforestation and protection programs. Some institutions train Foresters. Students also find internship placement in forest related institutions. These institutions innovate, help to solve management and processing problems, and impart skills and knowledge.

NFA will seek to enter into partnership with this group of stakeholders in pursuit of targeted research and skills development for value addition, commercial purposes and technological advancement. These are important for the growth of this sector. Currently bamboo and biofuels are of interest in order to protect the CFRs and the ecosystems.

xiv. Advocacy Groups

These groups are engaged in advocating for policies that facilitate RFM, and good governance, especially in support of the poorer & disadvantaged sections of society. These groups include advocacy NGOs, CBOs and the Media.

This group of stakeholders is important in helping the NFA to put up the case for the PFE and the need for provision of public funding to manage public goods. These organisations are key to enhancing the image of NFA. NFA will continue to observe good governance and regularly provide up to-date information to these organisations.

xv. Law Enforcement Agencies

These agencies enforce implementation of relevant laws and ensure that the criminals are apprehended and also tried in courts of law. The agencies involved include the Police, the judiciary and the Local Council Courts among others. These agencies help NFA to restore and maintain the integrity of CFRs. In order to effectively protect the CFRs, NFA will strengthen the working relationships with these stakeholders.

In this Business Plan period, NFA aims to increase its ability to prevent forest crimes but also to strengthen its legal department to minimize expenditure on litigation which has in the past grossly affected NFA's financial sustainability. NFA will increase its ability to handle forest crimes on the ground. Therefore, NFA will seek support from specialized agencies to train its staff in management of forest crimes.

xvi. Non-Governmental Organizations:

Sometimes referred to as Civil Society Organizations (CSOs). This category of stakeholders includes a wide range of organizations from community based to large international organizations. These are involved in awareness creation, advocacy work, tree planting, providing training, and research as well as technical and financial support. NFA can enter into a collaboration with these CSOs to improve forest governance and to increase

advocacy for conservation and protection of the integrity of the CFRs. Partnering with CSOs on technical terms also checks on the accountability and performance of NFA. CSOs also often generate new ideas and models.

xvii. The general public:

This includes the majority of the people and since government constitutional responsibility is to keep the biomass in trust, people are interested utilizing and conserving the forests. There are also individuals who are involved in a wide range of activities which include advocacy, training, research and protection services. Some of the individuals are involved in reporting forest crime.

NFA will continue show casing to the public the environmental and economic importance of forests so that the public gets interested in the green economy. The public includes all people in the country who may be either consumers, and or producers with varying interests.

2.8 Swot Analysis

In order to develop a responsive new Business Plan, NFA and Stakeholders conducted a SWOT (Strengths, Weaknesses, Opportunities and Threats) analyses based on the the PESTEL (political, economic, social, technological, environmental and legal) framwwork to assess the internal (strengths and weaknesses) and external operating environment (challenges and potential opportunities). The results were used to forge the way forward for the next five years for NFA.

Table 6: Swot Analysis

Internal environment	
Strengths	Weaknesses
1. A well-defined organizational structure, with well-articulated policies, processes, procedures and systems. 2. Competent staff with multiple professional experience. 3. Mandate to manage 506 central forest reserves and the valuable physical assets including both forest and non-forest products and services. 4. NFA staff are professional with high integrity and uphold values and that	1. Inadequate financial resources to finance and sustainably manage all the CFRs. 2. Inadequate staff capacity to effectively cope with emerging Management protocols and development challenges. 3. Inadequate market research and innovation. 4. Low staffing levels and poor office infrastructure 5. Unmarked CFR boundaries. 6. Lack of an effective communication staregy.

<p>make them accountable and transparent.</p> <p>5. Recognition by International bodies such as OECD due to high quality standards, exhibited in the seeds and seedlings.</p> <p>6. NFA is now a respected brand in the country, attracting private investment and promoting a vibrant Public Private Partnership.</p>	<p>7. Poor customer services systems (no proper records on all customers and consistent follow up).</p> <p>8. Poor infrastructure across the NFA CFRs (unclear boundaries, no forest stations, poor roads and equipment).</p> <p>9. Lack of a requisite forestry management information systems.</p> <p>10. Low capacity to managemet litigation.</p> <p>11. NFA is managing a Public Good which does not necessarily translate into revenue generation.</p>
<p>External environment</p>	
<p>Opportunities</p>	<p>Threats</p>
<p>1. Government willingness to support NFA to fulfill its legal mandate.</p> <p>2. High demand for forest products and services that extends beyond national borders to regional blocks such as the East African Community.</p> <p>3. Forestry is a central pillar to Uganda's economy contributing 8.7% of GDP.</p> <p>4. Support from national and international Development partners.</p> <p>5. Increased market for carbon credits for climatic change mitigation and adaptation globally.</p> <p>6. Availability of advancied forestry mapping and monitoring technology options.</p>	<p>1. Increasing population pressure on forestry resources likely to cause further biodiversity loss through illegal activities.</p> <p>2. High levels of poverty especially in countryside force populations to destroy forests in order to earn a living.</p> <p>3. Negative political intervention and policy changes shifts especially during elections period.</p> <p>4. Over dependence on biomass as a source of energy (firewood, charcoal).</p> <p>5. Frequent and high litigation costs and revenue loss in compensation and other judicial costs.</p> <p>6. Effects of climate change (drought and unreliable weather.</p> <p>7. Illegal forest land titling by District land Boards.</p> <p>8. Many people in the public and MDA have been introduced to GIS and can produce simple maps. Other maps especially digital ones are freely circulating among users. This poses a big threat to the high end GIS and Remote sensing which deals with primary data generation at national level for other people to use.</p>

3.0 THE STRATEGIC DIRECTION OF NFA

The main thrust of this Business Plan is to increase sustainable forest expansion, enhance responsible forest management and optimum utilization of forest resources. As was stated before, the achievement in the previous business plan was estimated at 43% mainly limited to financial constraints and so much of what was not implemented in the previous business plan has been integrated into this new business plan.

The new business plan is a rolling plan and retains the four strategic objectives in the previous plan for the next five years as detailed in the **Table 7**. The goal is to:

- i. Strengthen strategic partnerships for the expansion and protection of the forest estate to restore the integrity of CFRs, and enhance new investments, benefit sharing, and efficient resource utilization.
- ii. Enhance high quality sustainable forests and forestry with tangible ecological, social and economic benefits to all Ugandans.

3.1 Strategic Objectives and Key Interventions

Improved Management of the Central Forest Reserves: Improving conservation of biodiversity, sustainable yield of forest products and environmental health through agreed plans, research, investments, and responsible management. This will be achieved through these strategies:

- i. Restore the physical and ecological integrity of the CFRs
- ii. Promote the multiple Functions of Urban CFRs
- iii. Biodiversity Conservation and Sustainable Use
- iv. Develop Infrastructure effective Management of CFRs
- v. Responsible Management of CFRs.

2. Expanded Partnership Arrangements: Enhancing strategic partnerships for increasing the area of forest cover, responsible management of CFRs, new investments, benefit sharing, and efficient resource utilization:

- i. Expand the scope of CFM to other CFRs.
- ii. Enhanced collaboration with stakeholders through MOUs and Agreements;
- iii. Establish Forest Committees for better forest governance.
- iv. Expand public private partnerships for investment in CFRs.
- v. Establish mechanisms for networking with regional/international organizations.
- vi. Support community livelihoods and income initiatives.
- vii. Enhance corporate social responsibility.

3. Quality forest and Non-Forest Products and Services supplied: Providing both the public and private consumers, on commercial basis, with quality forest products, planting materials, forest services, and other non-forest products & services such as maps and technical advice, taking due consideration for the livelihoods of the forest adjacent communities:

- i. Enhance sustainable harvesting of forest products;
- ii. Develop mechanisms for payments for ecosystem services (Carbon REDD, water and ecotourism);
- iii. Improve quality and quantity of Seed and Seedling production;
- iv. GIS and inventory products and services;
- v. Forest consultancy services;
- vi. Value addition to forest products;
- vii. Establish and operationalize payment for eco-system services;
- viii. Mitigation and adapt to Climatic Change.

4. Organisational sustainability: Building sustainability of NFA that enhance environmentally conscious economic and social progress;

- i. Build staff capacity in management and innovativeness;
- ii. Mobilise financing for investment;
- iii. Improve Corporate Governance.

Table 7; Strategies, Activities and Targets

ACTIVITY	UNITS	TARGET	BUDGET FOR THE FIVE YEARS 2015/16 – 2019/20					Remarks
			2015/16	2016/17	2017/18	2018/19	2019/20	
Restore the physical and ecological integrity of the CFRs								
i. Undertake boundary re-demarcation, rationalization and regular maintenance	6000	Km	1,200	1,200	1,200	1,200	1,200	
ii. Remove encroachers from CFRs	200,000	No	20,000	30,000	80,000	50,000	20,000	
iii. Manage conflicts arising from forest management activities.	100	No	20	20	20	20	20	
iv. Restore formerly encroached areas	20,000	Ha	4,000	4,000	4,000	4,000	4,000	
v. Conserve bio-diversity								
vi. Strengthen law enforcement on illegal activities at all levels of management.	1.26m	Ha	800,000	800,000	800,000	800,000	1,000,000	
Promote the multiple Functions of Urban CFRs								
i. Develop management mechanisms for Mbarara, Mbale, Kabale, Fort Portal, Gulu, Kimaka, Ntugamo, Masaka, Masindi, Tororo and Mubende CFRs with Urban authorities and the private sector.	11	No	2	2	3	2	2	
ii. Zone and develop multiple use functions for urban CFRs to blend well with the urban landscapes and	30 CFRs- Integrate urban forests in the	No	5	7	8	5	5	

ACTIVITY	UNITS	TARGET	BUDGET FOR THE FIVE YEARS 2015/16 – 2019/20					Remarks
			2015/16	2016/17	2017/18	2018/19	2019/20	
environmental functions	Physical plans of Urban areas.							
iii. Pilot innovations like urban recreation and eco-tourism in Mbarara, Mbale, Kabale, Fort Portal, Gulu, Kimaka, Ntugamo, Masaka, Masindi, Tororo.	11 urban CFRs in Main towns in partnerships with Private Sector.	No	3	3	2	2	1	
Responsible Management of CFRs								
i. Review the FMPs of priority CFRs in line with the C&Is for certification	30	No	10	10	5	5	0	
ii. Develop and disseminate technical guidelines for field implementation of FMPs of priority CFRs in line with the C&Is for certification	10	No	2	2	2	2	2	
iii. Introduce the application of the National Forestry Standard	25 Test the National Forestry Standard in CFRS	No	5	5	5	5	5	
iv. Pilot process of certification by international agency in Kalinzu and Towa	2	No	1		1			
Biodiversity Conservation And Sustainable Use								
Restoration of Degraded Natural Forests								
v. Develop and implement effective protection	800,000 Ha protected from	Ha	800,000	800,000	800,000	800,000	800,000	

ACTIVITY	UNITS	TARGET	BUDGET FOR THE FIVE YEARS 2015/16 – 2019/20					Remarks
			2015/16	2016/17	2017/18	2018/19	2019/20	
measures to support natural regeneration	illegal activities to allow natural regeneration							
vi. Promote affirmative silviculture through enrichment, gap planting and tending	10,000 Kalinzu, Bugoma, Budongo, Itwara and Lake Shore CFRs	Ha	2,000	2,000	2,000	2,000	2,000	
vii. Support affirmative actions to increase the abundance of threatened/ endangered tree species	40,000 Seedlings of threatened species planted to enrich 10,000 Ha of natural forests.	No	8,000	8,000	8,000	8,000		
viii. Develop new eco-tourism sites package, promote and Market in partnership with the private sector	25	No	10	10		5		
ix. Maintain and improve current eco-tourism centres for privatization of services	4	No	1	2	1			
x. Identify and improve on the management of biodiversity corridors	3 Budongo-Bugoma, Itwara-Muzizi, Morongole, Nyangea-Napole-Kidepo	No	3	3	3	3	3	
xi. Pilot conservation-friendly initiatives in both Biodiversity corridors and Buffer Zones in CFRs	12 initiatives Conservation education, research and incentives	No	3	3	3	3	3	
xii. Develop and implement effective protection	800,000 Ha protected from	Ha	800,000	800,000	800,000	800,000	800,000	

ACTIVITY	UNITS	TARGET	BUDGET FOR THE FIVE YEARS 2015/16 – 2019/20					Remarks
			2015/16	2016/17	2017/18	2018/19	2019/20	
measures to support natural regeneration	illegal activities to allow natural regeneration							
xiii. Promote affirmative silviculture through enrichment, gap planting and tending	10,000 Kalinzu, Bugoma, Budongo, Itwara and Lake Shore CFRs	Ha	2,000	2,000	2,000	2,000	2,000	
xiv. Area Demo plantation established by NFA (Hardwoods)	1,750 Teak, Maesopsis and Terminalia.	Ha	350	350	350	350	350	
xv. Area of plantation established by private sector	50,000	Ha	10,000	10,000	10,000	10,000	10,000	
Sustainable Management of Woodland CFRs								
i. i. Determine levels of forest degradation and prioritize the CFRs for proper woodland management	Target CFR with area of >3000ha	Ha						
ii. ii. Develop and implement technical guidelines for woodland management in line with the FMPs.	1	No	1	1				
iii. iv. Support affirmative silviculture in woodlands	600 Ha woodland CFRs covering	Ha	100	100	100	100	200	
iv. v. Develop and pilot initiatives for economic utilization of woodlands (bee-keeping, ecotourism, sustainable fuel wood & charcoal production, oils and other products)	4 Support community enterprises in WNile and Achwa Ranges	No		2	2			
v. vi. Develop and implement		No						

ACTIVITY	UNITS	TARGET	BUDGET FOR THE FIVE YEARS 2015/16 – 2019/20					Remarks
			2015/16	2016/17	2017/18	2018/19	2019/20	
mechanisms for mitigating climatic change effects through responsible management of woodlands (e.g. sustainable charcoal production and regeneration)								
<i>Infrastructure Development for Effective Management of CFRs</i>								
i. Length of road constructed and maintained (Km)	200 Km of Forest Roads in Budongo, Kalinzu, Mabira and others.	km	40	40	40	40	40	
ii. Guest house renovation (No).		NO						
iii. Renovation of Range offices (No)	7	NO	3	4				
iv. Renovation of Forest Stations (No).	14	No	2	2	2	2	2	
Expand partnership arrangements								
i. MoUs with partners managed								
ii. No. of partnerships								
iii. No. licenses issued out for research in forest resources management.	150	No.	20	30	30	30	40	
Collaborative forest management								
i. Total area of Central Forest Reserves managed under		Ha	300,000	300,000	300,000	300,000	300,000	

ACTIVITY	UNITS	TARGET	BUDGET FOR THE FIVE YEARS 2015/16 – 2019/20					Remarks
			2015/16	2016/17	2017/18	2018/19	2019/20	
CFM agreements (Ha)								
ii. No. of households in CFM agreements			13,000	13,500	14,000	14,500	15,000	
iii. No of new CFM agreement to be signed	35 CFM agreements in Large CFRs	Nos	7	7	7	7	7	
iv. CFRs to be managed under CFM agreements	40 CFRs	No.	27	34	41	48	55	
v. Supply of Non-Wood Products and Services from CFRs								
vi. Supply of sawlogs from natural forests	200,000 m3 of round wood as AAC based on inventory	M3	40,000	40,000	40,000	40,000	40,000	
vii. Supply of sawlogs from Demo plantation	5000 of 2 nd thinnings	M3	0	1000	1000	1500	1500	
iii. Own milled timber	Sawmilling by Saw mill Manager.	M3	5,600	5600	5600	5600	5600	
ix. Utility poles	5000 Eucalyptus poles	Nos	1,000	1000	1000	1000	1000	
x. Supply of natural construction poles		Nos	2,000	2000	2000	2000	2000	
xi. Supply of plantation construction poles	50,000	No	10,000	10,000	10,000	10,000	10,000	
Promote supply of non-wood products and services from CFRs								
i. Telecom Masts	Nos		50	50	50	50	50	
ii. Area of Tree planting license s	Ha		6000	6600	7260	8000	8800	10% increament per year
Minerals								
iii. Stones & Rocks	Tons		100,000	100,000	100,000	100,000	100,000	

ACTIVITY	UNITS	TARGET	BUDGET FOR THE FIVE YEARS 2015/16 – 2019/20					Remarks
			2015/16	2016/17	2017/18	2018/19	2019/20	
iv. Sand & clay	Ha		3	3	3	3	3	
v. Fishing /landing sites	Nos		5	5	5	5	5	
vi. Fishing ponds	Nos		5	5	5	5	5	
Eco-tourism								
vii. License	No		24	26	29	32	35	
viii. Entrance fees / visitors	No		12	13	15	16	18	
ix. Accommodation bandas	No		9	9	9	9	9	Bandas for NFA managed sites
x. Guiding walks	No		2000	2000	2000	2000	2000	
xi. Nature walks & birding	No		2000	2000	2000	2000	2000	
xii. Researchers	No		30	30	30	30	30	
xiii. Grazing licenses(animals)	Nos		150,000	150,000	150,000	150,000	150,000	
xiv. Apiary	Tons		2	2	2	2	2	
xv. Sharpening of saws	No		50	50	50	50	50	
1. Increase level of investment in plantation establishment								
i. Map out areas for plantation establishment	12500	ha	2500	2500	2500	2500	2500	DP
ii. Establish seed stands, orchards	500	ha	100	100	100	100	100	DP
iii.								
iv. Develop quality and modern seed centres	4	No		1	1	1	1	DP
v. Raise seedlings for own planting	15,000,000	No.	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	DP

ACTIVITY	UNITS	TARGET	BUDGET FOR THE FIVE YEARS 2015/16 – 2019/20					Remarks
			2015/16	2016/17	2017/18	2018/19	2019/20	
vi. Raise seedlings for sale	10,000,000	No.	12,000,000	14,400,000	17,280,000	20,736,000	24,883,200	DP
vii. Raise seedlings for community	50,000,000	No.	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	DP
viii. Plant and replant harvested areas including bamboo	12,500	ha	2500	2500	2500	2500	2500	DP
ix. Reopen and maintain forest roads	350	km	350	350	350	350	350	DP
2. Increase forest productivity								
i. Weed the existing crop	13,000	ha	13,000	13,000	13,000	13,000	13,000	DP
ii. Carry out tending operations	8000	ha	8000	8000	8000	8000	8000	DP
3. Protect the existing crop against fires and diseases								
i. a)Forest fire protection(gang)	102,500	ha	15,500	18,000	20,500	23,000	25,500	DP
ii. b)Fire break opening	350	km	350	350	350	350	350	DP
4. Infrastructure development								
Renovate forest stations	35	No.	7	7	7	7	7	DP
Procure tools and equipment	Assorted	No.	100m	100m	100m	100m	100m	DP
5. Research and development								
i. Value chain addition	5	No.						DP

ACTIVITY	UNITS	TARGET	BUDGET FOR THE FIVE YEARS 2015/16 – 2019/20					Remarks
			2015/16	2016/17	2017/18	2018/19	2019/20	
ii. Training of staff in thematic areas	50	No.	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	DP
iii. Develop strategies and guidelines for improved plantation development	5	No.	1	1	1	1	1	DP

1. Undertake the inventory of all forests and prepare harvesting plans.	No	1		1					IS
2. Biomass monitoring for REDD+ and GHG inventories	NO	1			1				IS
3. Training of existing staff in international standards and good-practice in all units responsibilities	No	20	4	4	4	4	4	4	IS
4. Up-grade equipment and databases for inventory	No	2		1		1			IS
5. Develop an integrated forest information management system	No	1							IS
6. Bi-annual land cover mapping including forest cover assessments	No of times	2	10%	40%	50%	50%	50%	50%	GISM
7. Supporting the biomass assessment for estimation of carbon stocks and	Ha	7200	2000	1600		2000	1600		GISM
8. Assess CFRs in Karamoja for sustainable management.	CFR	6	3	3	6	6	6	6	GISM

9. Monitor NFA's carbon projects and	HA	3600	3600	3600	3600	3600	3600	GISM
10. Digitize all surveyed CFR boundaries	No	50	10	10	10	10	10	GISM
11. Prepare a Uganda forest atlas	No	1		1				GISM
12. Prepare state of the forests report	No	3	1		1		1	GISM
13. Up-grade equipment for both units	No	5	1	1	1	1	1	GISM
14. Train staff in international standards and good-practice.	No.	6	2	1	1	1	1	GISM
15. Develop a functional CFR Monitoring System	No	1						CCC
16. Develop a system for REDD+ safeguards	No							CCC
17. Develop criteria and indicators for sustainable management of forests	No			1				CCC
18. Prepare an ICT strategy	NO	1`	-	-	1	-	-	ICT
19. Use modern technologies to assist business units to enhance productivity.	No	5	1	1	1	1	1	ITC
20. Develop Monitoring and Evaluation framework	No	1	1					CP
21. Prepare annual Operating Plans based on the Business Plan targets	No	5	1	1	1	1	1	

22. Reporting on the performance of the Business Plan	No	5	1	1	1	1	1	
23. Conduct a Midterm review of the performance of the Business Plan	No	1			1		1	CP

4.0 FINANCIAL STRATEGY FOR THE NEXT FIVE YEARS

4.1 Funding Requirement

Over the five year period NFA will focus more on Non Tax Revenue (NTR) that is mandated within the NTPA Act to be collected (**Table 8**). The other source of income shall be the Government support through the Vote Account and Donor support. NTR shall range between 51-62% over the five years and is expected to be the lifeline of the NFA.

4.1.1 Non Tax Revenue Revenue Inflows Over the Five Year Period

As mentioned above, NTR shall contribute the bulk of resources ranging between 51-62% of the entire expected Cash inflow. This revenue shall be generated from licensing, engaging in Public Private Partnerships (PPPs), joint ventures, equities, consultancies, levying fees for ecosystem services, forest fares and probable compensations from other government entities.

Table 8: Non Tax Revenue (NTR) Revenue Inflows over the Five year period

Description	2015/16 (UGX 000's)	2016/17 (UGX 000's)	2017/18 (UGX 000's)	2018/19 (UGX 000's)	2019/20 (UGX 000's)
Forest Products Sales	10,589,249	11,698,889	8,645,511	8,840,040	8,762,818
Land Use Fees	3,594,468	3,643,231	3,704,955	3,834,452	3,927,307
Seed & Seedlings	3,979,350	4,750,220	5,489,664	6,727,477	8,023,252
Eco-tourism	1,750,000	1,868,500	1,990,250	2,088,750	3,538,750
Other Products & services	326,635	329,701	332,798	335,926	339,085
Sundry Income	234,060	323,056	336,447	350,453	365,103
Total Expected NTR Revenue	20,473,762	22,613,597	20,499,625	22,177,097	24,956,315

The key assumptions to collection of this NTR is based on the **Table 9** below. A number of forest products, seed & seedlings and Land use will be availed to the market from which cash inflows shall be realized. Harvesting in both Natural Forests and Plantations will be the prime revenue centers. Land use through licenses will be another reliable revenue source. In addition, sale of quality seed and seedlings both nationally and internationally will contribute tremendously to realization of the forecasted revenues.

Table 9: Forest Products Forecasted Sales

Column1	Measure	2015/16	2016/17	2017/18	2018/19	2019/20
Vol. harvested in natural forests	M3	40,000	40,000	40,000	40,000	40,000
Vol. harvested in plantations	M3	4,074	3,200	1,242	1,266	16,000
Vol. harvested from	M3					

thinning		29,760	26,798	51,467	25,328	51,723
No. of utility poles	No.	7,400	6,800	3,000	28,144	4,000
No. of construction poles	No.	466,873	10,520	8,452	10,313	8,757
Tons of stones & rock sold	TONS	100,000	100,000	100,000	100,000	100,000
No. of ha of sand & clay sold	HA	3	3	3	3	3
Grazing licenses issued	No.	20,000	25,000	30,000	35,000	40,000
M3 of Milled timber	M3	5600	5600	5600	5600	5600
Telecom masts licensed	No.	56	56	56	56	56
Area of Tree Planting License	HA	60,000	66,000	72,000	78,000	84,000
Seed sold	KG	9,062	10,875	13,050	15,660	18,792
No. of seedling sold	No.	6,690,624	7,690,494	8,531,952	10,774,343	12,797,576
Ecotourism Licenses operational	No.	24	26	29	32	29

Other key assumptions towards achievement of these forecasts are that the demand for forest products, especially, round-wood shall continue increasing leading to increase in prices for the products. The strengthening in the law enforcement to curb illegalities shall lead to offering of competitive prices, that technological advancements shall not negatively impact on usage of telecom masts and that new cost saving methods shall be used to raise quality seedlings for the market.

4.1.2 Government of Uganda Revenue inflows

It is envisaged that Government will continue to fund the Wage Bill, and the Development Activities through the Community Tree Planting Project (CTTP). Additional support to recurrent expenditure and taxes towards imported capital purchases is also expected. **(Table 10)** The projection has been based on the Medium Term Expenditure Framework of Government of Uganda for the next three years.

Table 10: Government of Uganda Revenue Inflows over the Five year period

Description	2015/16 (UGX 000's)	2016/17 (UGX 000's)	2017/18 (UGX 000's)	2018/19 (UGX 000's)	2019/20 (UGX 000's)
Government Support	7,623,000	7,623,000	8,140,000	8,423,500	8,721,175
Wage Bill	5,400,000	5,400,000	5,917,000	6,000,000	6,000,000
CTTP	133,000	133,000	133,000	133,000	133,000
Administration	2,090,000	2,090,000	2,090,000	2,290,500	2,588,175
Total Expected GoU Income	7,623,000	7,623,000	8,140,000	8,423,500	8,721,175

Government of Uganda (GoU) is expected to contribute 18-23%. This will be in line with the Community Tree Planting Programme, support towards the Authority's Wage Bill and Recurrent Budget.

4.1.3 Donors Revenue Inflows

Development partners are anticipated to support NFA activities which include the UNDP Charcoal Project to be implemented together with MEMD, the REDD+ Project to be implemented with Ministry of Water and Environment, the Bamboo Proposal expected to be funded by the Chinese Government, the Kidepo Landscape Project funded by UN, and the World Bank-Uganda Nile Basin Reforestation Project. The projections are presented in **Table 11** below.

Table 11: Donors Revenue Inflows over the Five year period

Decription	2015/16 (000)	2016/17 (000)	2017/18 (000)	2018/19 (000)	2019/20 (000)
UNDP Charcoal Project	1,501,200	2,276,300	2,300,200	1,141,380	3
REDD+ Project	1,440,000	302,953	0	0	0
FAO Project	108,000	0	0	0	0
Oil Support	0	0	0	0	0
Bamboo Proposal	0	7,084,791	7,025,979	6,493,814	4,638,439
Kidepo Landscape	0	409,734	0	0	0
Restore Integrity of forests	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Expected Income	5,049,200	12,073,778	11,326,179	9,635,194	6,638,442

The projects shall be expected to have a life span of three years subjected to extension of another two years period or for another phase. There are also expected to be projects whose cash-flow will not directly be received by NFA but whose implementation NFA will need to contribute. These may be in kind or as additional support through other implementers. These may include Lake Victoria Environmental Management Program (LVEMP).

Development Partners are envisaged to contribute 15-29% over the period. These resources shall be geared towards direct project forest field costs, capital infrastructural costs and direct administration overheads.

4.2 Income and Expenditure (P&L) Forecasts

Expenditure has been categorized mainly into four; namely, the payroll and personnel costs, the forest costs, administration overheads and capital investments. Resource allocation shall be in these four line items. Human resources being vital will range between 19-24% while forest costs that form the bulk of the core activities of the NFA shall take 49-65% of the revenue collected. Administration overheads shall be at 13% while investment in capital assets shall be 8-9%.

Table 12: Projected expenditure (P&L Forecasts over the period)

Description	2015/16 (UGX 000's)	2016/17 (UGX 000's)	2017/18 (UGX 000's)	2018/19 (UGX 000's)	2019/20 (UGX 000's)
Payroll & Personnel costs	7,813,460	7,971,832	8,204,375	8,453,585	8,858,031
Forest Costs	18,035,364	26,097,348	26,042,984	26,129,113	19,934,280
Administration overheads	4,293,846	4,886,953	5,018,682	5,328,835	5,422,460
Capital Investments	2,751,860	3,595,453	3,274,511	3,561,929	3,443,949
Total Expected Expenses	32,894,532	42,551,585	42,540,552	43,473,462	37,658,721

4.3 Key Performance Indicators over the Period

The key activities onto which financial resources shall be expended are as shown as below. Several activities will be carried out over the period and it is presumed that since these activities have a direct impact on the livelihood of neighboring communities and other stakeholders there is need to disclose the expected milestones.

Table 13: Key Performance indicators over the period

Performance Indicator	2015/16 (UGX 000's)	2016/17 (UGX000' s)	2017/18 (UGX 000's)	2018/19 (UGX 000's)	2019/20 (UGX000' s)
No of personnel employed	357	357	357	357	357
Area of plantations established	1,015	1,015	1,015	1,015	1,015
Area of plantations weeded	1,015	2,030	3,045	4,060	4,060
Area of plantations thinned	-	-	-	-	-
Boundary kms maintained & resurveyed	1,200	1,200	1,200	1,200	1,200
FMPs reviewed	5	5	5	5	5
Initiate Certification by international agencies	1	1	1	1	1
Identify & maintain new eco-sites	1	2	1	2	1
Restoration/Gap planting	2,000	3,000	3,000	1,000	1,000
CFM agreements signed	10	12	15	15	20
Area under CFM	200,000	250,000	200,000	300,000	400,000
Affirmative silviculture in woodlands	2,000	2,000	2,000	2,000	2,000
Kms of road maintained	40	40	40	40	40
Infrastructure maintained	-	2	2	2	2
MoUs managed	5	5	5	5	5

No of fleet procured-Vehicles	5	5	5	6	7
No of fleet procured-M/cycles	50	50	25	27	50

4.4 Administrative Costs Assumptions

Administrative overheads, which in most cases are fixed costs that support in the implementation of the key activities of NFA, are swayed by the level of inflation in the economy. Thus the assumption of incorporating a 5% increment in all costs to cater for inflationary increases.

4.5 Tax Computations

NFA is a registered tax payer and is entitled to; charge Value Added Tax (VAT) on all taxable goods and services, recover Pay As You Earn (PAYE) from its contracted employees' monthly salaries, and to recover Withholding Tax from its Suppliers and Contractors. Given the requirement of all Tax payers, NFA will continue to be compliant with the tax body that governs tax collection in the country, NFA shall fully comply with these regulations and all taxes due shall be recovered and remitted.

NFA being a government entity is not required to pay Income Tax and this has not been provided for in the projections above.

4.6 Treasury Management Strategy

With the enactment of the Public Finance & Management Act (PFM) 2015, all releases shall be managed by the integrated Financial Management System (IFMS) a tool administered by MFPED. NTR shall be collected and banked on a Local Collection Account prior to being transferred to the Government Consolidated Fund NTR shall then be released to the Single GoU Treasury Account of NFA as the case is for GoU releases based on quarterly basis. Grants shall be managed on separate individual project accounts in Bank of Uganda but it is also expected that releases shall be made every quarter.

4.7 Market And Market Strategies

NFA shall endeavor to provide quality and competitive products and services to the market. The products shall include round wood both soft and hard, construction and utility poles, milled timber, seed and seedlings and advisory services. The services shall include; various licenses, consultancy and advisory services. The NFA products and services shall be designed to suit the market demands. The targeted market shall be both national and regional, and NFA will continue with quality assurance having been admitted as a member of the OECD.

5. GENERAL RISKS AND ASSUMPTIONS

There are anticipated risks and consumption to achievement of this Business Plan. NFA is obliged to put in place mitigation strategies to enable success of this plan.

5.1 Assumptions

- a) NFA will enhance its centrality in its contribution to Uganda's economy (8%) as a crucial sector providing quality forestry goods and services for social, economic and environmental development. The forests are essential in providing raw materials for industrial and domestic use, taming and nourishing the environment as well as providing assets for the hospitality industry.
- b) Climatic change is central as both a national and an international concern. Developers and development partners will recognize and support NFA efforts towards climatic change mitigation. Redd+ and Carbon trade
- c) NFA will continue to strategically enjoy good political will from central Government. NFA needs this support to back it in her decision making and in the enforcement of its mandate in the central forest reserves.
- d) Government of Uganda will continue funding the core costs of NFA as it progresses towards business oriented operations until 2019. Government will in effect provide 100% financial resources in the initial three years of the business plan to enable NFA stabilize to be able to effectively carry out its core mandate.
- e) NFA will find more development partners to enhance its financial and human resources. NFA needs finances to invest in human resources development in order to increase her technical capacity to boost and increasingly optimize the NFA full potential.
- f) NFA will re-orient its operations and organizational structure to facilitate its new business model towards self-sufficiency.
- g) NFA will re-brand to reflect its new image as an accountable central sector-entity within the country's economy and national and global environment.

5.1 Risks

- a) The forecast on financing the business plan is that Central Government will continue funding NFA as it did in the previous business plans. However, government budget financing is mainly dependent on national priorities, the availability of revenue, the willingness to fund specific sectors and parliamentary approval of the budget allocation.
- b) Political interference, especially, in the current political electioneering process for the 2016 elections is likely where candidates may falsify NFA and forestry information as a means of canvassing. Forest encroachers and illegal forest operators may intensify during this period using petitions and appeals to gain support from politicians. The law enforcement unit and the security agents may focus all attention on national security in the electioneering process.

- c) Development partners may not have interest in funding a semi-autonomous entity with based on an assumption that NFA is self-sustaining and prospering.
- d) Forest encroachers and illegal forest operators may continue to sabotage the forestation programs. They may resort to violent behavior by setting fires and also harming NFA staff.
- e) Forest surrounding communities may not cooperate with NFA in protecting, expanding and maintaining the NFA mandated forest areas.
- f) There is lack of clear mandate between the District Forest Departments and NFA. Mistaken identity and potential conflict are likely.
- g) The increasing demand for forest products and services, the forest situated resources such as land and minerals, the expanding industrial demands and the increasing demand for human settlements due to the increasing population may exacerbate the forest encroachment and illegal activities.
- h) ENR partnerships may not flourish enough to enable co-management and co-sharing economic and social benefits from forests.

5.3 Financial sustainability to Mitigating the Risks

The financial sustainability will be achieved through the development and implementation of a funding strategy based on the following strategies:

- i. Improving, develop and implement mechanisms for own revenue generation;
- ii. Implementing fund-raising activities to support specific management activities;
- iii. Developing and implement innovative mechanisms for funding management for forest-based public goods. e.g. carbon financing, nature for debt swaps;
- iv. Developing and implement mechanisms to access funding from Development Partners;
- v. Developing a strategic and strong Public-Private Partnership;
- vi. Reviewing our existing Act and policy to make provisions for flexibility on the new funding sources and innovations;
- vii. Adopting timely reporting and accountability.

6.0 MONITORING AND EVALUATION ARRANGEMENTS

Implementation of the business plan will be through the institutional organizational arrangements described in SECTION 1 and 2. The strategic direction for maximizing revenue collection shows that NFA will engage in some activities which compete with private businesses. In order to avoid the bureaucracies associated with public bodies, NFA will strengthen each of the revenue-generating units and make them self-accounting to facilitate faster decision-making. NFA will also introduce performance-related pay based on output. Any revenue-generating unit that exceeds its targets will be paid for extra output at agreed rates.

6.1 The Monitoring, Evaluation and Reporting Framework

NFA will strengthen its Monitoring, Evaluation and Reporting systems and mechanisms. The Secretariat will disseminate the M&E Framework and the M&ER tools to capture all relevant information per Directorate, and or Unit. The M&E unit will orient all staff to acquaint them with the relevant tools and systems and to report regularly. Baselines will also be required where necessary.

6.2 Annual Operational Plans & Reports

Rolling Annual Operational Plans and Budgets will be developed using participatory approaches in the preceding financial year at least six months earlier so that they can be reviewed and approved by the Board before the commencement of the financial year. The BP will be operated through annual operations plans (AOPs) and budgets following the normal NFA financial procedures available at the Directorate of Finance and Administration. Each new AOP will be prepared on the basis of the provisions of this BP, the FMP, and lessons learnt from the previous AOP.

At the end of each financial year, Annual Reports will be compiled and disseminated to relevant ENR entities and other relevant offices and stakeholders. New plans will be based on the previous ones.

6.3 Monitoring and Reporting

Based on the business plan monitoring and evaluation framework, monitoring will be undertaken to ensure achievement of objectives by tracking the inputs, activities, and outputs with the aim of determining whether implementation is on course. A monitoring plan will be developed in the first quarter of the first financial year based of the M&E framework. Monitoring will inform management of the current and potential problems. It will also enable

management to take corrective actions to allow adherence to the business plan strategies and priorities.

Evaluation will be conducted to measure the variances between what was planned and the actual results. It will assess and measure the organizational performance levels. During this business plan period, M&E will be done at various levels: -

- Field staff shall be required to produce and share with the NFA Secretariat activity and financial specific reports and quarterly performance reports.
- Technical departments shall also produce and share both activity- and financial specific reports quarterly.
- The Directorate of Corporate Affairs will assess completeness, adherence to the proposed reporting schedules and the reported constraints and challenges.
- Top management – will provide feedback on operational and strategic issues.
- The M&E team will ensure data quality assurance, analysis, and conduct dissemination of the results to relevant stakeholders

6.4 Reporting

Regular reporting will follow the normal NFA reporting procedures laid down in the Communication Strategy available within the NFA Public Relations Manager's portfolio. The reports will cover the targets in the Performance Contract between NFA & GoU. In addition, the NFA Monitoring Team (composed of the M&E Specialist, the relevant Coordinators and the NFA Internal Auditor) will prepare monitoring reports.

Government has also established a Performance Review Committee chaired by the Permanent Secretary, MWE. This committee will report separately to the relevant organs of government.

6.5 Implementation of the monitoring plan.

Monitoring will involve all Management, Staff and Board at different levels through field visits, and by different teams, namely monitoring teams, NFA Board Directors, Performance Agreement Monitoring Committee, Value for Money Audits.

a) Field Visits

Headquarter staff, including members of the Senior Management Team, will visit the field regularly to inspect activities at forest level. In the same way, Range and Sector Managers will also monitor forest-level activities.

b) Monitoring Team

NFA will constitute a monitoring team composed of the M&E Specialist, the Internal Auditor and the relevant subject matter Coordinator/Specialist. Assessment of BP performance will

be done once a year, just before starting work on preparing a new AOP. Experiences and lessons learnt will feed into the new AOP.

The Team will undertake a mid-term evaluation at the end of year 2 of the BP performance so that it can be reviewed to take into account emerging issues, lessons learnt and experiences gained.

c) NFA Board of Directors

One of the roles of the Board is to monitor performance of the NFA. Once a year, the Board will formally assess performance based on the monitoring plan.

d) Performance Agreement Monitoring Committee (PAMC)

NFA signed a performance agreement with GoU. Performance under this contract is monitored through a Committee set up by GoU. This Committee carries out a formal monitoring exercise once every six months. This arrangement will continue unless the provisions of the performance contract change.

e) Value for Money Audits

This type of monitoring will be carried out by the NFA's Internal Audit Unit according to an Audit Plan. This plan will be prepared quarterly and become the aggregated Annual Audit Plan.

f) External financial audits

It is regular practice by NFA to have external auditors review the financial records of the financial years. The main purpose being assessing financial performance, financial management practice and records, asset use and value and value for money. Therefore in the business plan period, five (5) external audits will be conducted and the reports made available to the public.

g) Staff appraisals

6.6 Mid-Term Review

A Mid-term Review of the Business plan will be conducted in the third Financial Year to assess whether the implementation is on course. Where relevant adjustments will be made and incorporated into the next financial year (fourth year). Emerging issues and lessons learnt during the first two years of implementation will be documented and appropriate actions taken. The M&E periodic reports will also feed into this review.

Monitoring and Evaluations Risks and Assumptions

For the success of the M&E plan

- i. It is anticipated that NFA top management and key stakeholders will appreciate and support the plan,

- ii. There will be access to and timely release of the required funds.
- iii.** Level of commitment of the NFA staff and the ability to operationalize the plan.