

**PARLIAMENT OF THE REPUBLIC OF UGANDA**

**REPORT OF THE COMMITTEE ON ENVIRONMENT AND NATURAL  
RESOURCES ON THE NATIONAL FORESTRY AND TREE PLANTING  
(AMENDMENT) BILL, 2024**

**OFFICE OF THE CLERK TO PARLIAMENT  
PARLIAMENTARY BUILDINGS  
KAMPALA**

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**APRIL, 2024**

**LIST OF ACRONYMS**

<b>NFA</b>	<b>National Forestry Authority</b>
<b>NDP III</b>	<b>National Development Plan III</b>
<b>RAPEX</b>	<b>Rationalization of Government Agencies and Public Expenditure</b>

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**1.0 INTRODUCTION**

**Rt. Hon. Speaker and Hon. Colleagues,**

The National Forestry and Tree Planting (Amendment) Bill,2024 was read for the first time on 9<sup>th</sup> April 2024 and referred to the Committee on Environment and Natural Resources for scrutiny. The Committee considered the Bill in accordance with Rule 189(c) of the Rules of Procedure of Parliament, and hereby reports.

**2.0 BACKGROUND TO THE BILL**

The Bill is premised on the Government Policy on Rationalisation of Government Agencies and Public Expenditure (RAPEX) policy which was adopted by Cabinet on the 22<sup>nd</sup> February 2021.

Government has overtime realised a proliferation of agencies established through Acts of Parliament, Executive Orders, and administrative arrangements.

This proliferation of agencies has led to overlaps in mandates and uncertainties regarding jurisdiction. The high administrative costs associated with these agencies have strained the national treasury, compromising effective service delivery and stretching the Government's capacity to sustain them. Additionally, the generous salary structures within these agencies have created disparities between their employees and those in the traditional civil service, resulting in demotivation among public servants.

**3.0 OBJECT OF THE BILL**

The Bill intends to amend the National Forestry and Tree Planting Act,2003, Act 8 of 2003 to dissolve the NFA and transfer its functions into the Ministry responsible for the environment to give effect to the Government Policy on rationalization of Government agencies.

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#### 4.0 THE UGANDA NATIONAL FORESTRY AUTHORITY (NFA)

The National Forestry Authority was established under section 52 of The National Forestry and Tree Planting Act, 2003. NFA is mandated among others to;

- (a) develop and manage all central forest reserves;
- (b) identify and recommend to the Minister areas for declaration as central forest reserves, and the amendment of those declarations;
- (c) promote innovation approaches for local community participation in the management of central forest reserves;
- (d) prepare and implement management plans for central forest reserves and to prepare reports on the state of central forest reserves and such other reports as the Ministry may require;
- (e) establish procedures for the sustainable utilization of Uganda's forest resources by and for the benefit of the people of Uganda; and
- (f) co-operate and co-ordinate with the National Environment Management Authority and other lead agencies in the management of Uganda's forest resources;

#### 5.0 COMPLIANCE OF THE BILL TO THE NATIONAL DEVELOPMENT PLAN III (NDP III)

The National Forestry and Tree Planting (Amendment) Bill aligns with the goals of the National Development Plan III by prioritizing efficiency, resource optimization, and institutional harmony. NDP III highlights the need to strengthen conservation, restoration of forests, wetlands, water catchments, hilly and mountainous areas, promotes rural and urban plantation development and tree planting including the local and indigenous species, formulate economic and social incentives for plantation forests, promote application of performance based sustainable forest management criteria for all forest sector development aspects, establish dedicated fuel wood plantations necessary to contribute to

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**8.1 Mainstreaming the Functions of the National Forestry Authority into The Ministry Responsible for The Environment. (Purpose of amendment of Act 8 of 2003)**

The objective of the Bill is to amend the National Forestry and Tree Planting Act, 2003 (Act 8 of 2003) to mainstream the functions of the National Forestry Authority established under the Act into the Ministry responsible for the environment.

**Committee observations**

**i. Overlapping forestry mandate with district forestry services**

The Committee noted that in 1998, Government took a decision to transform the then Forestry Department into two institutions i.e. National Forestry Authority (NFA) and District Forestry Services (DFS) with the aim of strengthening, streamlining and increasing efficiency in the management of forests in the country.

The Committee observed that whereas the mandate of NFA is to manage the 506 Central Forest Reserves (CFRs) covering an area of 1.265 million hectares (ha) which accounts for about 26% of the total forest cover in Uganda, that of the District Forest Services is to manage 196 Local Forest Reserves (LFRs) covering 5,000 Ha (0.02%) of the total forest cover and providing forestry extension services and oversight on 48% of forests cover existing on private land. These two mandates do not overlap at implementation and there was no evidence adduced to show that the Ministry responsible for the environment shall satisfactorily implement the mandate of NFA upon rationalization.

The Committee noted that most of the District Forest Reserves that were under the purview of the Ministry of Water and Environment are no longer in existence, whereas the Central Forest Reserves under the National Forestry Authority are in existence across the country, although some have been encroached upon.

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**ii. Financial sustainability vis-a-vis the Need to Relieve Government of financial drain on its resources**

The Committee noted that NFA has positioned itself to mobilize its own resources for forestry management and with minimal support from government, the institution can be self-sustaining in the medium term. The Institution's Non Tax Revenue (NTR) has increased from 9.521 billion in 2018/19 to 10.441 billion in 2019/20 to 12.106 billion in 2021/22 to 14.018 billion in 2022/23. This is an increase of 37% over the years despite the impacts of the COVID-19 pandemic as seen in the table below;

<b>NFA NON TAX REVENUE COLLECTION</b>			
<b>YEAR</b>	<b>NTR COLLECTED (BILLIONS)</b>	<b>NTR DEBTS RECOVERED (BILLIONS)</b>	<b>TOTAL (BILLIONS)</b>
2018/19	8.93	0.585	<b>9.521</b>
2019/20	9.601	0.84	<b>10.441</b>
2020/21	9.248	0.023	<b>9.271</b>
2021/22	11.343	0.763	<b>12.106</b>
2022/23	12.11	1.908	<b>14.018</b>
<b>TOTAL</b>	<b>51.238</b>	<b>4.119</b>	<b>55.357</b>

The Committee therefore noted that with the improved institutional image, ability to attract funding from development partners, the institution can generate its own NTR and be self-sustaining in the near future. The Committee noted the following as some of the strategies NFA has developed to increase NTR-

- i. Investments in forest plantations.** NFA has established over 14,000 hectares of plantation in Lendu, Katuugo, Mbarara, Mwenge, Mafuga and South Busoga plantation areas. The commercial tree plantations have started to reach maturity for harvesting periods of 15 - 20 years and will increase the institution's NTR. It is estimated that revenue from harvest of commercial plantations will on average be about UGX 6 billion per annum in the medium to long term.

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ii. **Investments in ecotourism infrastructure.** NFA is developing new tourism products in key central forest reserves notably in Budongo, Bugoma, Kalinzu and Echuya. The products include; bicycle trails, the first ever canopy walks in Kalinzu and Budongo, zip line, chimp habituation and bird watching. From these products, the authority expects to generate up to 5 billion per annum in the medium to long term, the activities also require close supervision to ensure maximum return on investment, thus the need for sustained and continued existence.

iii. **Support and management of Tree farmers/planters in central forest reserves.** There are over 5,100 tree farmers allocated over 200,000 hectares of land in the targeted plantation/restoration areas in CFRs across the country. These and other land use activities fetch over UGX 6 billion annually in form of license fees. This clientele base needs a versatile human resource personnel and structure to ensure that continued Non-Tax Revenue (NTR) is collected. Already a number of Tree Framers are expressing fears that their plantations may be vandalized and destroyed when the Authority is mainstreamed.

iv. **Ability to attract external funding from Development Partners.**

NFA have developed capacity to network and attract external funding from development partners and donors such as USAID, World Bank, UNHCR, Swedish International Development Agency (SIDA) and other local Corporates to bridge the funding gap. NFA has already laid strategies to attract funding from development partners to the tune of over UGX 54 billion in the medium terms to implement the planned activities (**Table 1**). This opportunity may be lost once the Authority is mainstreamed into the Ministry.

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Table 1: Funding secured from development partners

Development Partner	2021/22	2022/23	2023/24	2024/25	2025/26
	Bns	Bns	Bns	Bns	Bns
World Bank-IFPA -CD	32.215	16.822	16.070	15.310	11.297
SIDA	4.288	-	-	-	-
Irish Aid	-	4.612	2.947	-	-
USAID	2.000	2.000	2.000	2.000	2.000
UNHCR	2.310	3.519	2.790		
INBAR	0.265				
<b>Total external funding</b>	<b>41.078</b>	<b>26.953</b>	<b>23.807</b>	<b>17.310</b>	<b>13.297</b>

**1. NFAs' Uniqueness in Addressing Climate Change and its Impacts**

The Committee noted that the world is currently grappling with the challenges posed by climate change. It is a known fact that one of the most effective ways of removing carbon from the atmosphere is through afforestation, reforestation and improving forests management and conservation. Many countries are strengthening forestry management by establishing semi-autonomous institutions such as the National Forestry Authority. In the East Africa region, Uganda was the first to establish a Forestry Authority. Kenya and Tanzania made several benchmarking visits to Uganda and established their own semi-autonomous forestry service agencies in 2007 and 2011 respectively.

The Committee noted that as the world takes steps to trade in carbon under the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, Uganda has also through NFA, developed capacity to undertake Monitoring, Reporting and Verification of Carbon and Uganda's emissions are

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projected to reach 143 MtCO<sub>2</sub>e by 2030 from 115 MtCO<sub>2</sub>e in 2023 and 236.4 MtCO<sub>2</sub>e by 2050 under the Business-as-Usual Scenario. To mitigate these emissions, NFA intends to implement mitigation actions to reduce emissions. When all the planned and intended mitigation actions have been implemented, Uganda's emissions will be reduced by 24.2% by 2030, and this reduction will come from Forestry. NFA has lined up mitigation actions to reduce emissions by 2030 to 108 MtCO<sub>2</sub>e

Activities	Mitigation action	Description and impact
Forestry, Land use & Agriculture		<p><b>Climate smart agriculture</b> – It has three mitigation actions, which all aim to reduce the need for agricultural expansion to forest areas by intensifying and increasing agricultural production on existing agricultural land. This in turn reduces deforestation.</p>
	Sustainable Land Management/Use and Agroforestry Practices	<p>It entails growing and managing a combination of fruit trees, fodder trees, fuelwood and construction wood species to address all kinds of tree product needs for the households, so that these would not need to be collected from either forests or non-forest areas.</p> <p>45% of farming households in Uganda have already adopted these practices, so this action will target the remaining 55%.</p>

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		It is planned that 40% of the trees planted through the programme, contributing about 1.2 MtCO <sub>2e</sub> reduction per year by 2030.
Forestry – Conservation (with agroforestry)	<b>Sustainable fuelwood and commercial charcoal production –</b> It has three interlinked mitigation actions, which aim to address the energy poverty in the context of climate change by promoting sustainable fuelwood and charcoal production, which in turn will reduce deforestation.	
	Commercial small-holder and community bioenergy woodlots	The aim is to produce woodfuel in tree-based bioenergy woodlots all over Uganda. The focus here is on 20 % of the farmer households, which amounts to 866,246 households, each with about 1 ha of farmland. This will allow use of the one hectare of each household for energy wood, fodder and crop cultivation.  If 5% of trees planted through the programme go towards this initiative, then it can potentially result in reduction of about 1.7 MtCO <sub>2e</sub> per annum by 2030.
	Commercial small-holder and community poles & timber plantations (with coffee agroforestry)	This programme will focus on trees, giving the farmer households tree seedlings with focus on the pole or timber incomes or on agricultural crops growing in the shade of the trees.




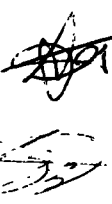
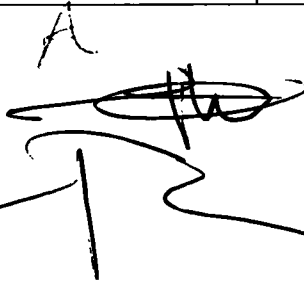
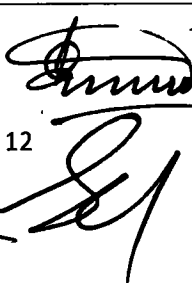
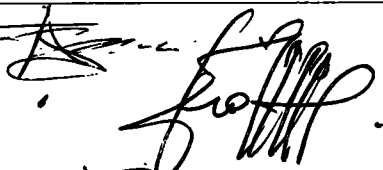


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		5% of the trees planted through the programme are planned to go towards this action, contributing 1.7 M tCO <sub>2</sub> e per annum to the country's NDC target by 2030.
	Improved charcoal kilns linked to bioenergy woodlots-Carbon projects	In this mitigation measure, one of the two previous measures (particularly the energy woodlot in 2.1) is used to supply the improved charcoal kiln with a sufficient amount of sustainable wood to make this efficient and sustainable. It has the potential to reduce emissions by a further 1.9 MtCO <sub>2</sub> e per annum by 2030.
Forestry - Plantations	<b>Large-scale commercial timber plantations</b> – This strategic option contributes to an Inclusive Green Economy through promoting responsible investments in large-scale commercial transmission pole and timber plantations in Uganda with over 14,000 hectares planted under NFA and 200,000 hectares of forest plantation under private farmers in Central Forest Reserves.	
	Commercial transmission pole and timber plantations	It is envisaged that 15% of the trees will go towards this initiative annually, abating approximately 5 MtCO <sub>2</sub> e per annum by 2030.
	Commercial pole and sawlog plantations	This measure will produce more wood products than is current practice in Uganda. The new products will stem from

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		<p>selling small pieces of wood as small poles, fuelwood or charcoal.</p> <p>It is envisaged that 15% of the trees will go towards this initiative, abating approximately 5 MtCO<sub>2</sub>e per annum by 2030.</p>
Forest land - Restorations	<b>Restoration of natural forests in the landscape</b> – This strategic option aims at restoring and rehabilitating natural forests within the context of climate-smart landscape.	
	Designated areas for natural forest regeneration	10 % of the trees to go towards regeneration of degraded forests, with an abatement potential of about 0.3 MtCO <sub>2</sub> e per annum by 2030.
	Restoration of degraded protected natural forest	10% of the trees to go towards restoration of degraded tropical high forests (TFHs) and woodlands restored, resulting in GHG mitigation of 0.3 MtCO <sub>2</sub> e per annum by 2030.
Energy Efficiency	Energy Efficient fuelwood and charcoal stoves	This entails substituting traditional fuelwood and charcoal stoves with energy efficient stoves in various institutions across the country. Implemented incrementally, this mitigation option has the potential to reduce annual emissions by 3.5 by 2030.

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## 2. Cost Benefit Analysis of the Decision to Mainstream NFA

The Committee noted that there may not necessarily be significant economic gains in the short and medium term arising out of mainstreaming NFA into the Ministry. That whereas mainstreaming NFA will eliminate the Board of Directors and some members of senior management, these costs are relatively very small in comparison to the overall cost of sustainably managing and developing central forest reserves. There will also be severance costs for the exiting staff hence no substantial cost saving. Further to this, the cost benefit analysis was done before government enhanced the salaries of Scientist staff.

The Committee noted that the mainstreaming costs will be higher under the Ministry because over 80% of the NFA staff are scientists and are currently earning salaries under the Scientists scales.

The Committee observed that at the current staffing level of 364 contract personnel, the annual wage bill is UGX 8.264 billion. The Board and Committees annual budget is UGX 362 million. The total annual budget for remuneration of the contract staff and Board of Directors is UGX 8.626 billion. If the current staff are paid under the salary scale for scientists (all foresters are scientists) the expected wage bill will be over UGX 11.181 billion. This excludes the salary of the non-scientists staff. The total number of current staff in approved posts is 364 with a total annual wage bill of 8.264 Billion.

## 3. Impact of mainstreaming on forest cover

The Committee noted that the mainstreaming and transitional period thereunder is likely to pose a threat to forest cover, which NFA has tried to keep at bay over the years including-

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- i. **Deforestation and forest degradation:** NFA has managed to keep at bay the numerous land grabbers who in a number of instances apply for court injunctions to enable them take over forest reserves for personal gains. About 120 illegal titles created in forest reserves was cancelled in 2019

and the process to cancel additional over 400 illegal titles in CFRs is ongoing. There is high risk that this process will be jeopardized with mainstreaming the Authority to the Ministry and hence loss of government forest land and resultant forest degradation.

- ii. Reduced investments in plantations development:** There is a general feeling of uncertainty amongst the commercial tree farmers that mainstreaming NFA to the Ministry may expose their plantations to risk of land grabbers, encroachment and theft of the assets as a result of reduced protection. These investors may therefore lose confidence in the investment climate leading to reduction in forest cover.
  
- iii. NFA still resolving encroachment problems:** In 2017 Government lifted the ban on licensing new investments in CFRs and NFA made new offers for over 40,000 hectares. The Authority is still sorting out the encroachment problem and licensing new investments. Sensitization of encroachers and local leaders has been done in many areas and this process is still ongoing.
  
- iv. Loss of employment opportunity;** NFA currently employs 364 full time contract staff who are paid salaries through the government payroll. In addition, NFA has engaged services of about 400 patrolmen from the communities neighboring the central forest reserves who are paid monthly patrol allowances. There is likeliness that some of these staff will lose employment with the restructuring and mainstreaming. This will result in loss of livelihoods and may cause social disruption.

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## Committee Recommendations

- i. **The Committee recommends that the National Forestry Authority be retained as a semi-autonomous entity and not be mainstreamed into the Ministry responsible for environment as proposed in the Bill.**
- ii. **The Ministry responsible for environment should stick to its core mandate of policy formulation, establishment of standards, resource mobilization, offering support supervision and allow NFA to do its mandate of managing and conserving forest cover in the country.**
- iii. **Government should empower NFA to fully execute its mandate to sustainably manage Central Forest Reserves and enable it oversee over 150,000 hectares of private forest and also spearhead the recovery of the country's forest cover which has increased from 2015.**
- iv. **The National Forestry and Tree Planting Act, 2003 should be amended to mandate the National Forestry Authority to manage the district forest reserves.**

## 9.0 CONCLUSION

Rt. Hon. Speaker and Hon. Members,

I wish to inform the House that the Committee recognizes the potential of the National Forestry Authority to generate revenue for the country as well as its immense contribution in mitigating the effects of climate change.

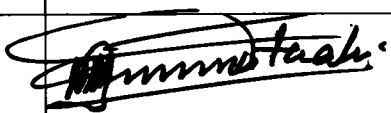


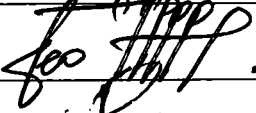

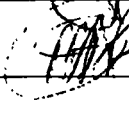
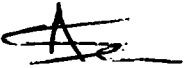

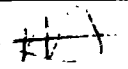
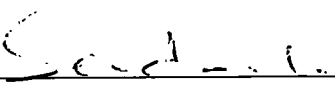
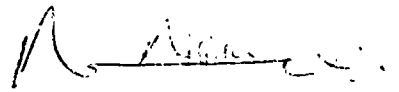
The Committee is therefore constrained to agree with the principles of rationalizing NFA to the Ministry as proposed in the Bill.

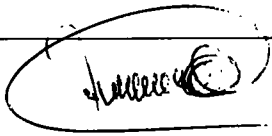
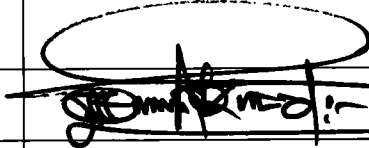

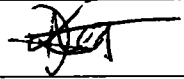
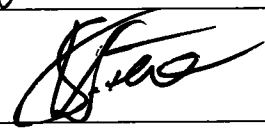

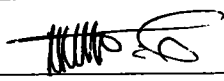

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**SIGNATURE SHEET FOR MEMBERS OF THE COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES FOR THE REPORT OF THE COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES ON THE UGANDA NATIONAL FORESTRY AND TREE PLANTING (AMENDMENT) BILL, 2024**

S/N	NAME	PARTY	SIGNATURE
1.	Hon. Otiam Emmanuel Otaala (Chair)	NRM	
2.	Hon. Igeme Nathan Nabeeta (Deputy)	NRM	
3.	Hon. Acan Joyce Okeny	NRM	
4.	Hon. Feta Geoffrey	NRM	
5.	Hon. Ngoya John Bosco	NRM	
6.	Hon. Bagiire Aggrey Henry	NRM	
7.	Hon. Wambede Seth	NRM	
8.	Hon. Agasha Juliet Bashiisha	NRM	
9.	Hon. Tumwesigye Josephat	NRM	
10.	Hon. Ssentayi Mohammed	NRM	
11.	Hon. Ssemwanga Gyavira	NRM	
12.	Hon. Karubanga David	NRM	
13.	Hon. Sendawula Christine Bukenya	NRM	
14.	Hon. Akamba Paul	NRM	
15.	Hon. Mugumya Clare	NRM	

16.	Hon. Ruhunda Alex	<b>NRM</b>	
17.	Hon. Dr. Magolo John Faith	<b>NRM</b>	
18.	Hon. Orone Derrick	<b>NRM</b>	
19.	Hon. Apollo Yeri Ofwono	<b>NRM</b>	
20.	Hon. Twinomujuni Francis Kazini	<b>NRM</b>	
21.	Hon. Kwizera Eddie Wagahungu	<b>NRM</b>	
22.	Hon. Ariko Herbert Edmund	<b>NRM</b>	
23.	Hon. Katalihwa Donald Byabazaire	<b>NRM</b>	
24.	Hon. Ogwari Polycarp	<b>NRM</b>	
25.	Hon. Natumanya Flora	<b>NRM</b>	
26.	Hon. Angura Fredrick	<b>NRM</b>	
27.	Hon. Kaaya Christine Nakimwero	<b>NUP</b>	
28.	Hon. Kanyike Ronald Evans	<b>NUP</b>	
29.	Hon. Nalule Asha Aisha K.	<b>NUP</b>	
30.	Hon. Tebandeke Charles	<b>NUP</b>	
31.	Hon. Aol Betty Achan	<b>FDC</b>	
32.	Hon. Nyakato Asinansi	<b>FDC</b>	
33.	Hon. Akena James Jimmy	<b>UPC</b>	
34.	Hon. Musilan John	<b>INDEP.</b>	
35.	Hon. Adidwa Abdu	<b>INDEP.</b>	
36.	Hon. Katenya Isaac	<b>INDEP.</b>	

37.	Hon. Kamuntu Moses	<b>INDEP.</b>	
38.	Hon. Musana Eric	<b>INDEP.</b>	
39.	Hon. Bahireira Tumwekwase Sylvia	<b>INDEP.</b>	
40.	Hon. Lutamaguzi Semakula Paulson Kasana	<b>DP</b>	