AIDE MEMOIRE

UGANDA: FOREST CARBON PARTNERSHIP FACILITY (FCPF)
REDUCING EMISSIONS FROM DEGRADATION AND DEFORESTATION+ (REDD+)
READINESS PREPARATION SUPPORT (P124296)
IMPLEMENTATION SUPPORT AND UN-REDD NATIONAL PROGRAMME JOINT MISSION
October 2-6, 2017

I. INTRODUCTION

1. A World Bank1 implementation support mission took place in Kampala, Uganda between October 2 and October 6, 2017. The mission was undertaken jointly with representatives of the UN-REDD2 Programme. The objectives of the mission were to (i) support initiation of activities funded with the FCPF additional funding (US$3.75 million); and (ii) provide technical support to the formulation of the National REDD+ Strategy. The mission also followed up on the implementation of the Forest Investment Plan, the planned land degradation analysis in the Albertine region and refugee natural resources impact assessment in Northern Uganda3. This Aide Memoire summarizes the mission’s key findings, agreements reached, and recommendations. The key findings of the draft Aide Memoire were reviewed at the wrap-up meeting held on October 5, 2017 chaired by Mr. Alfred Okot Okidi, Permanent Secretary, the Ministry of Water and Environment (MWE). The disclosure of this Aide Memoire was discussed with the Government of Uganda (GoU). It was agreed that the Aide Memoire is classified as Public.

2. The mission expresses its sincere appreciation to Mr. Alfred Okot Okidi, Permanent Secretary, MWE; Mr. Paul Mafabi, Director Environment, MWE; Ms. Margaret Adata, Commissioner, Forestry Sector Support Department (FSSD), MWE; Ms. Margaret Athieno Mwebesa, Assistant Commissioner for Forestry and REDD+ National Focal Point (NFP), FSSD, MWE; Mr. Xavier Mugumya, Climate Change Coordinator, National Forestry Authority (NFA) and Alternate REDD+ National Focal Point; and other individuals with whom the mission members interacted. A complete list of the people met is attached as Annex 1.

II. KEY FINDINGS

3. **Final Approval of the Additional Funding (AF) Grant.** The FCPF AF grant in the amount of US$3.75 million, with the closing date of December 31, 2019, was approved by the World Bank. [The Grant Agreement was countersigned on October 18, 2017.] The mission

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1 The World Bank team consisted of Ross Hughes (Sr. Natural Resources Management Specialist, Task Team Leader), Herbert Oule (Sr. Environmental Specialist), Lesya Verheijen (Sr. Operations Officer), Christine Kasedde (Environmental Specialist), Marco van der Linden (Sr. Carbon Specialist), Grace Munanura (Sr. Procurement Specialist), Paul Kamuchwezi (Sr. Financial Management Specialist), Robert Griffin (Carbon Finance Specialist, working remotely), Nicholas Soikan (Social Development Specialist, working remotely), Phoebe Atuhairwe (Team Assistant), and Yesmeana Butler (Program Assistant, working remotely).

2 The UN-REDD team consisted of Rebecca Tavani (Lead Technical Officer, FAO), John Begumana (MRV Expert, FAO), Tasila Banda (International Technical Advisor, UNDP), Sheila Kiconco (National Technical Advisor, UNDP), Daniel Omodo McMondo (Programme Analyst, Energy and Environment, UNDP), Onesimus Muhwezi (Team Leader, Environment, Climate and Disaster Resilience, UNDP), Sophie Kutegeka (Head of Office, IUCN, representing UNEP), Cotilda Nakycyune (Senior Programme Officer, IUCN, representing UNEP).

3 Funded by the Bank executed TerrAfrica trust fund grant.
noted that the AF grant includes a retroactive financing clause (for eligible payments after July 1, 2017, up to US$300,000) to enable continuity of activities with the previous grant.

4. **Completion of Payments and Documentation under Original FCPF Grant.** The mission notes that there remain pending payments under the original FCPF grant that need to be processed as direct payments before the disbursement period ends on October 31, 2017. This requires urgent attention from the MWE and the Ministry of Finance, Planning, and Economic Development (MoFPED) as these payments will not be eligible for Bank financing if not made before the disbursement deadline. There is also an undocumented balance of US$20,888 in the FAO Designated Account (related to the FAO Framework Agreement) that must be documented before October 31, 2017 to avoid a lapsed loan situation.

5. **Implementation of AF funded activities.** Planning for AF funded activities is well advanced. The GoU team is encouraged to initiate all procurement processes as soon as possible. It was agreed that all procurements will be initiated by October 31, 2017.

6. **Forest Investment Plan (FIP).** Uganda’s FIP was endorsed by the Forest Investment Program Sub-Committee in June 2017. The FIP received exceptionally positive feedback from the donors (it was presented together with the Strategic Program for Climate Resilience). However, there was no financing approved for the implementation as the Forest Investment Program has not been replenished. Uganda was encouraged to continue developing the landscape projects proposed in its FIP and submit these for funding to the Green Climate Fund (GCF), the Global Environmental Facility (GEF), and other donors. The mission re-emphasized that grant availability from the GCF for Uganda is likely to be limited, and, as agreed during the FIP and PPCR processes, it is important that the focus is placed on using possible GCF financing to leverage other sources of financing to meet the challenges of forest management at landscape scale. The projects identified in the FIP are a Government-expressed priority, including for consideration of the GCF and GEF pipeline.

7. **Proposed TerrAfrica Studies.** The Bank team secured financing from the TerrAfrica Leveraging Fund to conduct analysis of (i) impacts and intervention options for natural resources management associated with the recent refugee influx in Northern Uganda and (ii) land degradation in the Albertine landscape (as analytical underpinning for the Albertine landscape project). Terms of reference have already been prepared and discussions were held with sector Teams, the WB Country Management Unit, UNHCR, IUCN, and FAO to refine and finalize the scope of this analysis. The assessment is expected to inform design of interventions funded under the IDA18 Refugee Sub-Window and is expected to start in late October / early November 2017.

8. **Progress of the UN-REDD Support.** UN-REDD national programme outcomes supported by the the UNDP, UNEP, and FAO are all well on target for completion by December 31, 2017.

III. **CONTEXT**

9. **REDD+ Readiness.** The REDD+ Readiness Phase in Uganda started in March 2010. It involved an analysis and description of the actions necessary to prepare Uganda for REDD+ and completion of the Uganda’s REDD+ Readiness Preparation Proposal (R-PP). The final R-PP was
approved on June 22, 2011. The donor financing is complemented by GoU financing under a dedicated budget code.

10. **FCPF support to REDD+ Readiness.** The Grant Agreement for the REDD+ Readiness Grant (US$3,634,000) was signed in June 2013 and became effective in December 2013, following fulfillment of the effectiveness condition on procurement. The original grant closed on June 30, 2017. The Project Development Objective of the FCPF grant is to design a socially and environmentally viable national strategy for reducing emissions from deforestation and forest degradation as compared to a reference level. The AF grant in the amount of US$3.75 million was approved by the FCPF governing body (in May 2016) and the World Bank (in September 2017).

11. **The UN-REDD Programme** provides additional support, and, wherever possible, missions and support are fielded jointly. UN-REDD Programme support will end on December 31, 2017.

12. **FIP grant.** Uganda received a preparation grant from the Forest Investment Program, in the amount of US$250,000, to support preparation of its Forest Investment Plan. This recipient executed grant closes on April 30, 2018. FIP support is provided jointly by the WB and the African Development Bank.

IV. **OTHER MISSION FINDINGS AND AGREEMENTS REACHED**

13. **Completion of Activities Under Original FCPF Grant.** All activities under the original FCPF grant were completed before the Grant Closing Date of June 30, 2017. Some payments to consultants remain outstanding (see Key Issues). All payments and documentation of outstanding advances must be completed before the disbursement deadline of October 31, 2017.

14. **ER Programs Potential.** The mission reiterated that GoU should seek potential donors to support investments in the Albertine region as well as approach potential buyers for emissions reduction credits that will be included in the ER Programs. The upcoming UNFCCC COP will be a good opportunity to seek both buyers for ERs as well as donors for potential investments in REDD+ (as part of the priority financing actions identified in the Uganda Forest Investment Plan).

15. **ER Programs Design.** The mission updated GoU on existing and upcoming sources for results-based payments for ERs. This included the Biocarbon Fund which buys emissions reductions at landscape level support (but is currently fully-committed); a recently announced GCF REDD+ window which will provide global financing of up to $500 million for purchases of REDD+ emission reductions (ERs); and a forthcoming mechanism to be funded by the International Civil Aviation Organization that will come into operation shortly, details of which have yet to be released. Currently, Uganda is working towards putting in place all the necessary elements of its REDD+ framework that will enable access to these funds (these are stipulated under the Warsaw Framework). The AF support will enable GoU to put these outstanding elements in place by the end of 2019. During the early stages of ER program design, the

4 Uganda’s REDD+ Readiness process is supported by several financing packages: the FCPF REDD+ Readiness grant (US$3.634 million); the UN-REDD National Programme (US$1.8 million) signed on September 4, 2015 and closing on December 31, 2017, and the Austrian Development Cooperation grant (Euro 650,000), which ended in June 2017.

5 https://www.icao.int/Newsroom/Pages/Historic-agreement-reached-to-mitigate-international-aviation-emissions.aspx
Government team is encouraged to pursue design requirements of the different results-based payment sources for ER programs, to ensure that design is tailored properly to their requirements. Given high levels of uncertainty over future REDD+ financing, it will be important to manage expectations carefully.

16. **National REDD+ Strategy and SESA.** The draft National REDD+ Strategy and Strategic Environmental and Social Assessment (SESA) have been prepared with support from the original FCPF grant. These are currently being internalized by the GoU; for the REDD+ Strategy, the report prepared by the consultants offers a range of options and policy recommendations that the Government needs to streamline into a concise Strategy document. The Government / FSSD/REDD+ Secretariat expects to complete this work before the UNFCCC COP. Further refinement of the REDD+ Strategy and the SESA report as well as preparation / update of the required safeguards frameworks (the ESMF, the Process Framework, the Resettlement Policy Framework, and the Indigenous Peoples Planning Framework) will be supported by the AF grant. Additionally, in order to help Uganda comply with Cancun safeguards, the Safeguards Information System for Uganda REDD+ will be developed.

17. **National Forest Monitoring System** (NFMS). Under the global framework for REDD+, participating countries are required to prepare and submit to the UNFCCC Forest Reference Emission Levels (FRELs) as benchmarks for assessing each country’s performance in implementing REDD+ activities. The previous FCPF grant supported the development of the initial FREL and this was submitted to the UNFCCC in early 2017, based on data from the National Forest Inventory (NFI) conducted in 2015 (also supported by the FCPF and with technical support from FAO). The AF grant will support an update of the FREL by supporting a substantial program of data collection as part of the NFI. This data is needed in order to improve accuracy of emissions data, especially those caused by forest degradation. NFI field data will also be supplemented by additional remote sensing data and analysis (including use of radar data). The AF will also be used to finalize design and operationalize the NFMS. The GoU intends to contract-out technical support as part of continuity of work for the implementation of these activities to the FAO under a Technical Assistance (TA) Agreement. Detailed discussions on the proposed work plan, time table, and budget for this assignment were held during the mission and it was agreed that the draft TA agreement will be submitted for the Bank clearance by October 31, 2017.

18. **Readiness Package (R-Package) Submission.** The mission discussed arrangements for preparation of the ‘R-package’ that will consolidate and take stock of the current status of the REDD+ Readiness process. Uganda intends in principle to submit its R-Package to the FCPF in early 2018. It was agreed that R-Package preparation should be synchronized with the final evaluation of the UN-REDD National Programme scheduled for November 2017. The TORs for the facilitator required for the R-Package development process will be submitted for Bank review by October 15, 2017.

19. **Indigenous Peoples Support.** The mission met with the Uganda Civil Society Coalition on Indigenous Peoples, represented by Pro-Biodiversity Conservationists in Uganda, United Organization for Batwa Development in Uganda, and Karamoja Women Cultural group. This coalition received a direct grant of $49,000 from the FCPF-funded Pan-African Forest-
Dependent Indigenous Peoples Capacity Building Program on REDD+. They provided an update on their activities which included development of the information, education, and communication materials, community meetings with the indigenous people’s (IP) communities, trainings of trainers for the IP representatives, radio talk shows in local languages, among others. Their activities reached 1,973 people so far; a total of 38 IP representatives were trained as trainers. The mission encouraged the REDD+ Secretariat to ensure close coordination with information and communication activities supported by the UN-REDD National Programme.

20. **Financial Management.** As per above, all financial documentation, accountability and payments pertaining to the original Readiness grant (that closed on June 30, 2017) must be completed before October 31, 2017. All advances made to the MWE Designated Account have been documented / accounted for. The advance to FAO designated account for their contract still has an outstanding balance of US$20,888 to be accounted for before October 31, 2017 to avoid a lapsed loan situation. There are five remaining payments and reimbursement to the project account. These must be processed through direct payments/reimbursements before October 31, 2017 since all adjustments to the minimum application amount has been made by the Bank to facilitate such processing.

21. The GoU team is reminded that the audit report for the financial year 2016-2017 is due no later than December 31, 2017.

22. **Procurement.** There were gaps noted in the contract management role of the Client in the just-ended Grant with the consultants continuously not able to achieve milestones for submission of deliverables which was attributed to inadequate follow up on the client’s side, particularly not providing comments on deliverables timely. It was agreed that given the new Grant has a low number of activities, the Government team will endeavor to put in place measures to address this shortcoming.

23. Another area of improvement on the Client’s side is ensuring extension is sought and obtained timely for contracts that based on noted progress cannot be completed within the initially envisaged duration. The request for contract extension should be initiated at least one month before contract expiry to allow time for due process.

24. Government will also revise the Procurement Manual, by updating the current manual while customizing to the new Procurement Framework.

25. Procurement under the Grant will follow be implemented in accordance to the Procurement Regulations under the New Procurement Framework (NPF), including the requirement for procurement processing to be conducted through STEP. The mission reviewed the procurement plan the Client in the PPSD. It was agreed that the Client will finalize the procurement plan and submit it through STEP by October 11, 2017. In addition, the Client will attend training on the New Procurement Framework on October 17 2017.

26. **Safeguards.** FCPF AF activities trigger two new safeguards policies – OP4.10, Indigenous Peoples and OP4.12, Involuntary Resettlement; this requires preparation of the Process Framework (to cover potential access restrictions issues), the Resettlement Policy Framework (to cover potential involuntary resettlement issues), and the Indigenous Peoples Framework (due to involvement of the groups of people that qualify under the Policy definition of Indigenous Peoples). The SESA report needs to be finalized and the Environmental and Social Management Framework needs to updated. Any future investment projects/ER programs identified in the strategy will conduct Environmental and Social Impact Assessments (ESIAs). The mission agreed with the GOU team to fast track the preparation of all safeguard instruments and submit to the Bank by 30th November, 2017.
Forest Investment Program support

27. **FIP Preparation Grant Utilization.** At the request of the GoU, the FIP preparation grant (TFA2648) was extended to April 30, 2018 to allow further elaboration of the investment project proposals and further dissemination of the FIP document. FIP support for the rest of the grant period will focus on the preparation of the landscape project concepts, in synergy with the PPCR team (for submission to the GCF and other donors), printing of the FIP document copies, and targeted dissemination of the FIP to the MOFPED and the Parliamentarians. The TORs for the consultant to support preparation of the Albertine project concept was reviewed by the Bank.

28. **FIP studies.** The FIP preparation grant support preparation of three studies (on the forestry expenditure review, on the private sector involvement, and on the engagement with forest dependent communities). These studies will inform the FIP projects design. It was also agreed that these will be shared with wider forest sector stakeholders and posted on the REDD+ Uganda website.

UN REDD Programme support

29. **COP 23.** One of the Objectives of the UN-REDD Programme support to the country is to ensure that “the national REDD+ Strategy enjoys strong international recognition and mobilizes support for the investment phase”. Uganda REDD+ readiness process has reached advanced stages and the COP provides an important opportunity to showcase progress as well as to strengthen the partnership amongst various actors that will be useful during the implementation phase. The UN-REDD Programme will support participation of the Uganda REDD+ team at the UNFCCC COP 23 in November 2017.

30. **The ToRs for Terminal Evaluation of the UN-REDD National Programme** have been drafted, presented to the NCCAC which approved them. The mission agreed that the evaluation of the UN-REDD National Programme and the preparation of the R-Package under the FCPF be carried out at the same time and preferably linked to the same consultancy. The mission will be reviewing the ToRs and provide online feedback to the UN-REDD Team.

31. **The Self-Selection for the CSOs and IPs representation.** This process is aimed at ensuring legitimate representation of indigenous people and CSOs including in committees and various thematic taskforces and working groups. The results of the self-selection exercise were in the form of recommendations for: i) two additional members to the NCCAC, and ii) additional three members to the NTC, bringing the total number to nine, each bringing a unique set of relevancy and constituency representation. On October 2nd, 2017, the outcome of the self-selection was presented to the NCCAC for approval and endorsement.

V. **NEXT STEPS**

32. The mission agreed on the following next steps:

<table>
<thead>
<tr>
<th>Action</th>
<th>To be completed by</th>
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<tbody>
<tr>
<td>1. Submit procurement plan through STEP</td>
<td>October 11, 2017 [Done]</td>
</tr>
<tr>
<td>2. Initiate all procurement processes under the FCPF AF grant</td>
<td>October 31, 2017</td>
</tr>
<tr>
<td>3. Complete all payments and documentation for expenses under original FCPF grant</td>
<td>October 31, 2017</td>
</tr>
<tr>
<td>4. Submit TA Agreement with FAO for Bank clearance</td>
<td>October 31, 2017</td>
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<tr>
<td></td>
<td>Task Description</td>
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<td>-----------------------------------------------------------</td>
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<td>5.</td>
<td>Submit R-Package TOR for Bank clearance</td>
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<tr>
<td>6.</td>
<td>Complete REDD+ Strategy and SESA revisions</td>
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<tr>
<td>7.</td>
<td>Submit safeguards frameworks for Bank clearance</td>
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**ANNEXES**

Annex 1. List of persons met
Annex 2. Updated procurement plan for FCPF AF
Annex 1. List of persons met

1. Alfred Okot Okidi, Permanent Secretary, MWE;
2. Paul Mafabi, Director, Environmental Affairs, MWE;
3. Margaret Adata, Commissioner, FSSD / MWE;
4. Margaret Mwebesa, Assistant Commissioner, National Focal Point for REDD+, FSSD / MWE;
5. Xavier Mugumya, Climate Change Coordinator, Alternate National Focal Point for REDD+, National Forestry Authority;
6. Alex Muhweezi, Lead Technical Advisor, REDD+ Secretariat, MWE;
7. John Diisi, Head of GIS Unit, NFA;
8. Bob Kazungu, Sr. Forestry Officer, FSSD, MWE;
9. Levand Turyomurugyendo, Consultant, Forest Landscape Restoration Mechanism, FAO;
10. Evelyn Atuhaire, Economist, FSSD, MWE;
11. Nathan Makuvegye, Project Manager / Secretary, Civil Society Coalition on Indigenous Peoples in Uganda (CSCIPU);
12. Margaret Lomonyang, Chairperson, CSCIPU;
13. Robert Tumwesigye, Project team members, CSCIPU;
14. Paul Twebaze, Executive Director, PROBICOU;
15. Mariam Magezi, Project Accountant, FSSD, MOWE;
16. Jens Hesemann, Senior Field Coordinator, UNHCR;
17. Mohamad Abdel-Al, Senior Technical Coordinator, UNHCR;
18. Panta Kasoma, Executive Director, the Jane Goodall Institute, Uganda.
### Annex 2. Updated Procurement Plan for FCPF AF

<table>
<thead>
<tr>
<th>Component 1: Coordination and Monitoring of REDD+ Readiness Process</th>
<th>Estimated Cost</th>
<th>Market Approach</th>
<th>Selection Method</th>
<th>Review by Bank</th>
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<tbody>
<tr>
<td>1. Lead Technical Advisor</td>
<td>110,000</td>
<td>National</td>
<td>SSS</td>
<td>Prior</td>
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<td>2. Communications / Project Officer</td>
<td>86,000</td>
<td>National</td>
<td>SSS</td>
<td>Prior</td>
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<tr>
<td>3. Short Term TA to support ER Program design</td>
<td>54,000</td>
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<td>IC</td>
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<td>4. Assessment Facilitator for the R-Package</td>
<td>35,000</td>
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<td>5. Office equipment (goods)</td>
<td>6,000</td>
<td>National</td>
<td>Shopping</td>
<td>Post</td>
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#### Component 2: Stakeholder Engagement and Feedback in Readiness Process

6. Support to implementation of Uganda REDD+ Gender Strategy (integrating Gender into REDD+ processes) & Capacity building for IP organizations

<table>
<thead>
<tr>
<th>Estimated Cost</th>
<th>Market Approach</th>
<th>Selection Method</th>
<th>Review by Bank</th>
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<tr>
<td>100,000</td>
<td>National</td>
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#### Component 3: REDD+ Strategy and SESA


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<th>Market Approach</th>
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#### Component 4: REDD+ Implementation Framework (ER Programs)

8. Design options / outline designs for ER Programs – 2-3 packages

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#### Component 5: National Reference Scenario and Inventory of Forest Resources

9. Single package though FAO framework TA agreement

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<th>Market Approach</th>
<th>Selection Method</th>
<th>Review by Bank</th>
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<tbody>
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<td>1,400,000</td>
<td>NA</td>
<td>UN Agencies / SSS</td>
<td>Prior</td>
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