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## FOREST LAW ENFORCEMENT AND GOVERNANCE Uganda Country Assessment and Issues Paper

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## ACRONYMS

AAC	Annual Allowable Cut
AFLEG	Africa Forest Law Enforcement and Governance
BAPWA	Bushenyi All Pitsawyers and Wood-users Association
CBO	Community Based Organisation
CFM	Collaborative Forest Management
CFR	Central Forest Reserve
COC	Chain of Custody
CSO	Civil Society Organisation
DFS	District Forestry Service
EC	European Commission
EDF	European Development Fund
EI	Exploratory Inventory
EMPAFORM	Strengthening and Empowering Civil Society for Participatory Forest Management in East Africa
FD	Forestry Department
FID	Forestry Inspection Division
FLEG	Forest Law Enforcement and Governance
FMP	Forest Management Plan
FPDF	Forest Produce Declaration Form
FR	Forest Reserve
FRMCP	Forest Resources Management and Conservation Programme
FS	Forest Supervisor
IDP	Internally Displaced People
ISSMI	Integrated Stock survey and Management Inventory
LIL	Low Impact Logging
NEMA	National Environment Management Authority
NFA	National Forestry Authority
NFTPA	National Forestry and Tree Planting Act, 2003
NGO	Non-governmental Organisation
NTFP	Non-timber Forest Products
PA	Protected Area
PFE	Permanent Forest Estate
SFM	Sustainable Forest Management
SM	Sector Manager
TMF	Tropical Moist forest
UN	United Nations
UNCED	United Nations Conference on Environment and Development
UNFF	United Nations Forum on Forests
UWA	Uganda Wildlife Authority
VAT	Value Added Tax

## EXECUTIVE SUMMARY

### Introduction

Over the last decade there has been increasing international concern about the extent and impact of illegal logging and trade in timber and other forest produce. The Yaoundé Declaration at the Ministerial Conference on African Forest Law Enforcement and Governance (AFLEG) in 2003 emphasised the fundamental role of governments to provide effective governance, including laws, policies and institutional capacity to enforce those laws in order to eliminate illegal logging, and the associated trade and corruption in the forest sector.

Poor forest governance and illegal forest activities have led to massive destruction of the forests and trees, the result of which are having serious ecological and social-economic consequences. Hostilities that result from poor forest governance and growing conflicts between forest managers and communities are also a major source of forest destruction. Forest destruction is increasingly making it difficult for Ugandans who live in rural areas and the urban poor to access the goods and services offered by forests.

In addition to the direct economic benefits like timber, poles, firewood, and medicines, forests provide ecological services and render support to other sectors like agriculture, water and health. Even as the forest resources get depleted, there is increasing pressure to change their land use for commercial agriculture. In the recent past, this has generated a lot of conflict within various stakeholders in government and civil society.

### Law Enforcement

The conflicts arise from, but often also lead to, forest crimes like encroachment, illegal harvesting and trade, especially timber, charcoal, firewood & more recently, rattan cane and some other non-timber forest products. Since mid-70s, forest law enforcement has been characterised by highs & lows in commitment & effectiveness among state organs. The local people are the most visible law breakers, sometimes directly involved in a desperate search for basic income, but in most cases working as agents of the richer traders. The local people mostly suffer the brunt of law enforcement agencies in place of the rich, while the latter lose very little from their illicit business. The other people who break the law include uncontrolled but licensed operators, some employees within the forestry management institutions, political leaders (on their own or as manipulated by their electorate) and other influential but corrupt people in society.

In Uganda the main cause of forest crimes is corruption that cuts across all levels of society, including forest managers, politicians, law enforcement agencies, investors and local people. The search for political success leads to manipulation of the people by politicians but the people also often use the power of the vote to manipulate the vote seekers. That is often the reason why government is constantly vacillating in its commitment to the integrity and responsible management of forests, especially always around election times. Other causes of forest crime include uncontrolled migration, insecurity in some areas, inadequate capacity of forest management institutions to enforce the laws and weak inter-agency collaboration. For trans-boundary forests, the neighbouring countries do not have common legal mechanisms to deal with forest crimes across national borders.

## **Forest Governance**

Before the forestry sector reforms of 1998 – 2004, forestry was the sole responsibility of the then Forestry Department (FD). FD was supposed to manage forest reserves (FRs), carry out extension services and regulate the sector. Inadequate resources, corruption, low staff morale and political meddling led to institutional weaknesses within the FD which undermined efficiency, transparency, accountability and professionalism in the forestry sector. By the mid-1990s, society had lost confidence in the ability of the FD to carry out its responsibilities effectively. The situation was exacerbated by weak checks and balances from civil society to hold Government to account. However, in the recent past, civil society organisations (CSOs), and especially the media, have increasingly become vocal in holding government agencies accountable for their actions.

On the private sector side, involvement in forest management has been extremely weak, to the extent that even today, those who invest in commercial plantations still look to government institutions to help them (without paying for the service) carry out activities that should be carried out solely by the private sector. The private sector, including local people and commercial investors, are poorly organised resulting in their inability to pool resources to raise investment levels, penetrate quality markets and advocate for their incentives under the various government policies.

## **Managing Forest Law Enforcement and Governance**

In an effort to promote good forest law enforcement and governance (FLEG), Uganda has developed many environment-related policies and laws, reflecting Government's commitment to sustainable utilization of the forest resources. The Constitution of Uganda (1995) recognises the value of forests to progressive and sustainable national development and provides for their sustainable management. It also provides for Government or a local government to hold forests in trust for the people and protect them for the common good of all citizens. To a large extent, the policies and laws under the Constitution complement each other.

The forestry policy and law encourage public participation in the management and conservation of forests and trees, and promote the decentralisation and devolution of functions, powers and services within the forestry sector. The Uganda Forestry Policy (2001) and the National Forest Plan (2002) recognise the multi-stakeholder nature of forestry and clearly define the roles and responsibilities of central and local government agencies, donor agencies, the private sector, non-governmental organisations (NGOs), community-based organisations (CBOs), and local communities in the management of forestry resources. The National Forestry and Tree Planting Act (2003) identifies specific bodies responsible for management of forests and provides for inclusive participation of stakeholders, especially including local communities, in decision-making.

There are a number of other environment-related legislations which impact on forest management and which support good governance. Others are cross-sectoral instruments that directly or indirectly impinge on forest management and utilisation. These include the Leadership Code, the Office of the Inspector General of Government, the Ministry of Ethics & Integrity, Parliamentary and Local Government Accounts Committees, and the other routine law enforcement agencies within the Justice, Law and Order System. Given that these instruments are largely young (many came into force with the 1995 Constitution), practical implementation of the law enforcement and governance

provisions is still evolving. However, hard lessons are being learnt as confidence grows in the democratic systems of governance.

Specifically with respect to forestry, the National Forestry Authority (NFA) has set up a law enforcement section to look after Central Forest Reserve (CFRs). The section inherited from the former FD an elaborate system of verifying the origins of timber with a view to eliminating illegal timber on the market. Because the District Forestry Services (DFS) are under-resourced, the Minister has asked the NFA to assist the local governments and the then Forestry Inspection Division (recently turned Forestry Sector Support Department) to monitor compliance with the law outside CFRs, but most local government officials view this as an intrusion into their mandate. For National Parks and Wildlife Reserves (NPs/WRs), Uganda Wildlife Authority (UWA) operates a section similar to that of NFA.

In accordance with the policies and laws, NFA has put in place mechanisms to improve revenue collection through FLEG. These include competitive bidding for the sale of forest produce from CFRs and NPs/WRs, and paying attention to staff discipline in a decentralised revenue collection approach. While NFA has fully embraced these mechanisms, the local governments have not yet adopted them, because the DFS are seriously under-resourced.

Under-resourcing notwithstanding, the mechanisms to prevent forest crimes can be expensive even for CFRs alone. It can involve large numbers of patrol persons and other resources like vehicles. In order to promote stakeholder participation and sharing of costs, NFA is promoting Collaborative Forest Management (CFM) to involve communities themselves in protecting the forests. In return the communities enjoy benefits as negotiated and enshrined in the CFM agreement.

Partnership building with other law enforcement stakeholders is another strategy to reduce conflict in resource management. These stakeholders play different roles in FLEG, but their performance is determined by their internal capacities. However, the NFA, NEMA and UWA have shown that it is possible to forge formal institutional partnerships with other law enforcement agencies to curb forest crime. Because poachers in NPs/WRs can be armed with sophisticated weapons, UWA operates in close association with UPDF. On the other hand NFA operates closely with the police to deal with the relatively less lethal forest crimes. NEMA has an environment desk within the police headquarters in Kampala to help deal with environment crimes.

Forest crimes are often linked to poor governance. Currently, the CSOs are doing a commendable job of advocacy and holding Government institutions accountable. This was seen when the media and a number of national NGOs challenged Government during the public debate on changing land use of some CFRs to commercial agricultural production. This is likely to have far-reaching impacts on the governance of forest resources in Uganda.

### **Analysis of FLEG Arrangements and Impacts**

Uganda's policies and laws relating to management of forests provide for effective governance and forest management and utilisation. The gazettelement and management of a permanent forest estate (PFE), prescriptions for permitted and forbidden activities, and punishments for offences are to a great extent sufficiently provided for in the various laws. The main weaknesses rest in the implementation of these policies and laws. Among the factors limiting implementation are political meddling, limited institutional capacity, lack of practical knowledge of environmental laws within law

enforcement agencies, and poor detection of offences. The impacts of effective FLEG can be seen through the following:

### ***Improved Revenue***

When the Law Enforcement Section was introduced by the former FD and later strengthened under NFA, official revenue collection progressively rose from US\$ 148,300 in fiscal 1995/96 to US\$ 2,309,300 in 2005/06 (nearly 16 times). On the other hand revenue from impounded timber sold by public auction progressively dropped from 25% of total revenue in 1995/96 to 8% in 2005/06. This shows that legitimate business increases with effective FLEG.

### ***Good Returns on Investment***

Effective FLEG results in good returns on investment, as seen through price raises whenever illegal timber on the market reduces. In some instances, the price per piece of timber has risen by 300% in times of strict law enforcement. This has led to more timber processors turning to legitimate business because it is worth the investment. This then increases official revenue collection without necessarily cutting down more trees.

### ***Promotion of Tree Planting***

The confidence of the private sector in tree growing has shot up so that within 3 years of the sector reform, the private sector had established about 10,000 ha of new timber plantations worth Shs. 12 billion (US\$ 6,562,000). Most of these plantations are in grassland CFRs being established under license. The private sector was reacting to government commitment which was unwavering until the 2006 elections, the Sawlog Production Grant Scheme, which provided a financial incentive for commercial timber growers and a transparent & legally binding licensing arrangements of the NFA.

### ***Recovery of Degraded Forests***

Degraded forests recover with effective FLEG. The NFA showed this in 2004/05, at the height of government commitment to making the new NFA work. Many formerly encroached natural forests began to recover through natural regeneration aided by enrichment planting. However, this trend was reversed with the elections of 2006.

On the other hand, the effects of poor FLEG has led to a number of challenges to forest management and investment. The following examples demonstrate some of the challenges:

### ***Frustrating Procedures***

The public procurement systems under the Public Procurement and Disposal Act, 2003 were made too detailed and burdensome, in an attempt to curtail corruption. This is making it difficult for the NFA to sell its plantation timber. As a result, NFA can only sell less than 50% of the annual allowable cut, leaving the rest to deteriorate. This has forced it to go into sawmilling itself, thus raising other governance issues such as competing with its own clients on more favourable terms which in turn has made the sawmills which private processors had bought to become redundant.

## ***Social Stress***

Intense social stress between the institutions managing forests and the local people has been escalating. After a government directive to halt removal of encroachers from FRs, people poured into these protected areas and became hostile to any efforts at stopping them from entering. As a result, the NFA has been waging running battles with local people, often encouraged by politicians, and people (on both sides) have sometimes been hurt in the scuffles. Because of uncertainty of the Government position on protected areas, even the alliance with other law enforcement agencies, which the NFA had painstakingly stitched together, started to crumble.

## ***Reduced Forest-related Livelihood Opportunities for Local Communities***

Increased forest crimes lead to forest destruction, which in the long term negatively affect community livelihoods because the resources become less and more difficult to reach. Currently, the estimated livelihood value in the formal sector is UGX 139 billion (US \$76 million), while the informal sector value is UGX 412 billion (US\$ 225.3 million) (including subsistence and environment benefits).

## ***Threat to Investment in Forest Sector***

Some conflicts between government policies inhibit investment. For example, the practical application of the policy to commercialise agricultural production and the drive towards industrialisation are at odds with the forestry policies, sometimes leading to investors questioning the legitimacy of the protected areas. As a consequence, the private investors have expressed doubt about the long-term ability of the NFA to guarantee their investments. Similarly the Development Partners started to ask why they should invest their money into a sector that was clearly not a priority to Government.

## **Projects and Special Programs Dealing With Governance**

The report also describes a number of programmes dealing with FLEG. They include:

1. Macro-programmes on governance – mechanisms to address illegal and unethical dealings in government business include the Leadership Code, Office of the Inspector General of Government, a Ministry of Ethics and Integrity, and a Parliamentary Public Accounts Committee.
2. Forestry Sector Reform – aimed at improving forest governance, enhance efficiency, transparency, accountability and professionalism and to build confidence among all forestry stakeholders.
3. Forest Governance Learning Group – aimed at creating opportunities to raise a voice for forestry, penetrate all sections of decision makers and raise the forestry sector profile.
4. Collaborative Forest Management – as a mechanism to give forest adjacent communities the opportunity to participate in decision making regarding the management of the forest near them.

Chapter six describes case studies that show experiences in FLEG in Uganda. They are Decentralisation of Management of Forests and Chain of Custody for Independent Verification of Legal Sources of Timber.

## **Recommendations of Options for Action**

1. To enable the law enforcement agencies deal with FLEG effectively, Government should provide strong, consistent and open political support to the forest management authorities and the law enforcement agencies.
2. Institutions responsible for forestry should forge stronger partnerships among law enforcement agencies at local, national and regional levels for purposes of joint planning, sharing of information, raising awareness, harmonizing activities and optimizing use of resources.
3. Incentives such as easing access to benefits from the forests by local communities should be provided to foster support for FLEG.
4. Promotion of tree growing by the private sector should also target the high value natural forest tree species like Mahoganies, Mvule, Albizzia, etc. Fiscal incentives should be provided to encourage private investment in these high value natural forest species.
5. Effective FLEG generates revenue directly. Mechanisms for ploughing back part of this revenue to finance FLEG should be developed and applied.
6. Collaborative forest management initiatives should aim at providing financial benefits for the communities
7. The East African Community should enact a regional instrument to regulate cross-border trade and movement of forest products/materials, taking into account the recommendations of the East African Legislative Assembly sitting in Mombasa in 2004). The instrument should also provide for respect of rule of law and upholding transparency, integrity and professionalism in FLEG by national governments

## CHAPTER 1: INTRODUCTION

### 1.1 BACKGROUND

The United Nations Forum on Forests (UNFF) and its predecessor Inter-governmental Panel/Forum on Forests (IPF/IFF) have been the main avenues for the international forest policy dialogue since the United Nations Conference on Environment and Development (UNCED) in 1992. The discussions that have spanned over 15 years have produced 270 proposals for action, some relating to Forest Law Enforcement and Governance (FLEG), to address the challenges of illegal logging and trade in forest produce. In addition, the G-8 (1998) recognised that illegal logging robs national and sub-national governments, forest owners and local communities of significant revenues and benefits, damages forest ecosystems, distorts timber markets and forest resource assessments and acts as a disincentive to sustainable forest management (SFM). Illegal use of forests is the greatest challenge to forest management in Africa. Associated with it are problems of evasion of royalties, stumpage and taxes, unfavourable pricing structures that do not reflect the true value of tree products, lack of awareness of the importance of forest products at local and national levels and limited incentives to support sustainable forest use.

There is concern about the serious threats to African forests and the multiple obstacles to forest law enforcement, which inevitably lead to the degradation of forests and the unsustainable exploitation of wildlife. This concern was echoed at the Ministerial Conference on Forest Law Enforcement and Governance held in Yaoundé, Cameroon in 2003. The Yaoundé Statement emphasised the fundamental role of governments to provide effective governance, including laws, policies and institutional capacity to enforce those laws in order to eliminate illegal logging, and the associated trade and corruption in the forestry sector.

In East Africa, progress is being made in policy and legal reform with greater attention paid to both communities and the private sector roles in FLEG. Increasingly, government forestry authorities are assuming more of policy and enabling environment supporting roles than one of direct forest management. The role of FLEG in East Africa is not solely for governments, as forest and timber issues affect and are affected by many different actors, in particular local people and the private sector. Uganda has embraced the call to integrate FLEG into national forest programmes (NFP). The Uganda Forestry Policy (2001) recognises the roles of the central and local governments, the private sector, non-governmental and community based organisations (NGOs/CBOs). Uganda has continued to respond to international concerns for SFM for which it was known as early as 1930's. However, like many other African countries, Uganda has faced many challenges related to FLEG. Illegal logging and trade in timber particularly increased between 1970's and 1980's, and it has since remained a challenge to forest managers. The increasing degradation of the forest resources due to illegal activities and the impact of poverty and population pressure remain real challenges to contend with.

The increasing forest degradation led to the forest sector reforms of 1998 - 2004). The reforms resulted in development of a new Forestry Policy (2001), the National Forestry Plan (2002), the National Forestry and Tree Planting Act (2003) and a new institutional framework for the management of forestry resources in the country. The reforms recognised the multi-stakeholder nature of forestry, identified key institutions responsible for forest resources management, and enhanced participation of various stakeholders in decision making processes and forestry developments.

## 1.2 FORESTS IN UGANDA

Although Uganda is considered forest rich, one key problem facing its forests and forestry sector is the rapid decline in forest cover. According to FAO (2000), Uganda's forest loss has been estimated at 50,000ha per year while government of Uganda (GoU) estimates in 2000 put annual loss to range between 70,000 - 200,000ha per year. These figures reflect annual deforestation rates of 0.10% - 3.15%. Table 1 shows the estimated changes in forest cover over the years. The variations may have as much to do with actual changes in cover as the capability and accuracy of collecting data. About 70% of the forests are found on private lands or "former public land" with the remaining 30% being managed in Protected Areas (PAs) by the National Forestry Authority (NFA), Uganda Wildlife Authority (UWA) and the Local Governments. Most of the THFs on private land and "former public land" are degraded while 17% of those in protected areas are degraded. The main reasons for the degradation include uncontrolled harvesting for timber, woodfuel and encroachment for agriculture and human settlement.

**Table 1: Forest Cover over Years (hectares)**

OWNERSHIP & TYPE		YEAR							
		1921	1934	1940	1961	1965	1974	1985	1996
<b>State Forests</b>	THF	530,000	478,100	611,240	663,040		625,190	732,000	510,000
	Woodlands	-	-	873,866	787,360	1,157,730	895,042	768,000	1,174,500
	Plantations	308	1,876	4,304	12,950		30,000	28,000	19,100
<b>Communal /Private</b>	THF	77,600	18,130	35,483	-		150,000		416,250
	Woodlands	-	-	171,199	-	7,972,020	-	200,000	4,231,500
	Plantations	-	-	1,472	-		20,000		15,900
<b>TOTAL COVER</b>		607,908	498,106	1,696,09		9,129,800			6,367,250
<b>As % of dry land area</b>		2.5%	2.4%	8.5		48%	45%		32%

Source: Forest Department Annual Reports

## 1.3 PROBLEMS OF POOR FLEG

### 1.3.0 Introduction

Illegal harvesting of forest produce is one of the main problems that has led to forest degradation in Uganda. This has been manifested in various forms. In most of the cases, poor governance is a lead factor contributing to inadequate law enforcement to halt these illegalities. However, there is historical evidence indicating positive progress in FLEG.

#### 1.3.1 Illegal Logging and Timber Trade

Starting in 1970s when there was a general breakdown of law and order in the country, illegal harvesting of timber became a major challenge in Uganda. By the end of the 1980s and into the mid-1990s, illegal forest harvesting and encroachment were the major forest protection issues. They

challenged the very existence of the FD, so that during the latter half of the 1990s, it became clear that the FD, as a line government department, was unable to carry out its mandate in general and handle the issues of encroachment and illegal logging in particular. Most of the illegal logging is carried out by pit-sawyers. Very little pit-sawing was done until 1970's, when the sawmilling industry collapsed in keeping with the general economic collapse in the country. Pit-sawing increased tremendously between 1985 and 1995 due to increased demand for timber for the various sectors, especially the construction industry. By 1990, almost all the timber consumed in the country came from pit-sawing. The people who do it illegally include:

- Local communities in search of basic income;
- Local communities working as agents of distal traders;
- Local and national political leaders;
- Some individuals in security agencies;
- Some employees in the forestry sector;
- Uncontrolled licensed pit-sawyers; and
- Refugees and Internally Displaced Persons (IDPs).

At the moment illegal pit-sawing poses one of the greatest administrative challenges to forest managers in Uganda. The illegalities manifest in the form of:

- Stealing trees in the forest with or without the connivance of government officials;
- Falsification of documents with respect to volumes of timber, species (high value species being declared as low value) and timber sizes;
- Forging of hammer marks;
- Bribing of officials to allow them move illicit timber;
- Under-declaration of taxes; and
- Milling timber with chainsaws (licensed pit-sawyers or not).

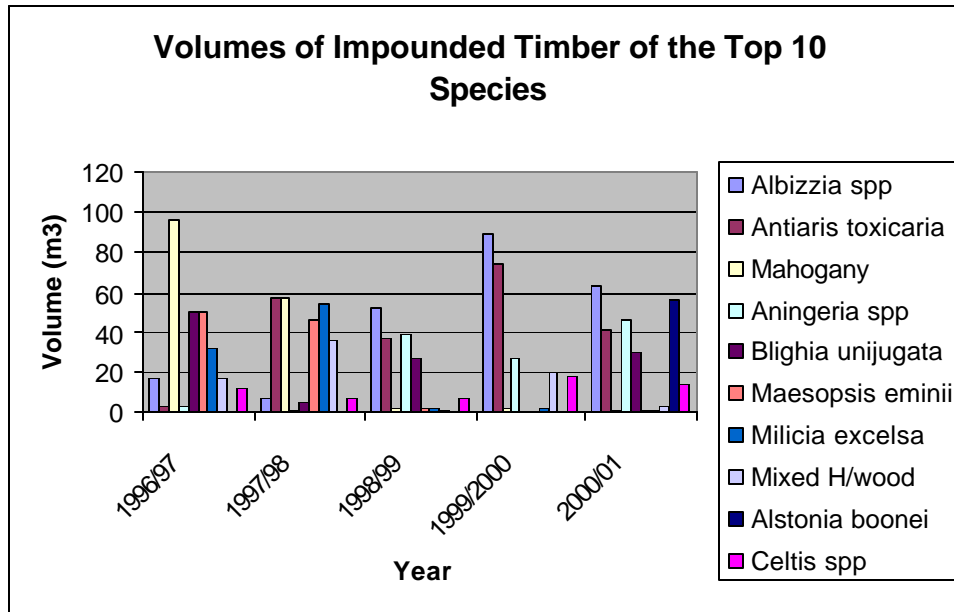
The introduction of chainsaws in late 1980s worsened the problem of illegal harvesting, as it is wasteful. While there is no clear law outlawing use of chainsaws in milling logs into timber, there are technical guidelines which allow use of chainsaws only for felling, snedding and bucking. Out of concern over waste associated with chainsaws, the Minister declared chain-sawn timber contraband, to "...be confiscated at site, together with the power-saw and any other vehicles used for transportation. This is in addition to heavy fines and prosecution." (Public Notice of 12 November 2004). This ban applies to timber sawing whether the activity is licensed, on private land or in PAs.

The unsustainable harvesting of forest products has led to qualitative forest degradation through creaming off of all the valuable tree species, especially mahoganies, Mvule (*Melicia excelsa*) and Musizi (*Maesopsis eminii*). Figure 1 shows the top 10 species of the timber that was impounded over a period of five years, indicating the trends in the species being harvested illegally (see also Annex 1). The trends show that:

- (i) More than 50 species are harvested or traded illegally and the top 10 are natural forest species;
- (ii) The first two top species harvested illegally are medium quality rough construction timbers, a symptom of a vibrant construction industry and, therefore, the prices were worth risking engagement in illegal activity. Since these species are common in all parts of Uganda, most likely this timber was coming predominantly from central Uganda where the construction industry is most vibrant and the economic transport distances make it profitable for an illegal operator;
- (iii) When illegal harvesting and trade in mahoganies, *Milicia spp* and *Maesopsis spp* was brought under control after 1997/98 (also possibly because it had been over-harvested and therefore was scarce),

people quickly adapted to the hitherto lesser-known *Aningeria spp* for furniture, and *Alistonia spp* for rough construction.

Figure 1: Top 10 Recorded Impounded Timber by Species, 1996/97 - 2000/01



### 1.3.2 Illegal Harvesting Of Other Forest Products

Apart from timber, there are many other forest products that are often removed from forests illegally for both commercial and domestic use. They include charcoal, firewood, rattan, sand, clay, poles and others. Illegal charcoal burning in Central Forest Reserves (CFRs) is widespread especially in the reserves within 50km of the main urban areas where there is high demand as almost every household in urban areas uses charcoal. The public does not take this offence seriously as it touches directly on the livelihoods of everyone, although it is more destructive than timber harvesting as it takes mainly saplings and juveniles irrespective of species. The exorbitant cost of modern cooking appliances, electricity and gas compounds the problem.

Rattan cane is another non-wood forest product (NWFP) illegally harvested. In the past, a number of forests in Uganda supported large stocks of wild rattan but they are declining rapidly due to commercial exploitation, to the extent that it is now depleted outside PAs. The trade chain started in central Uganda forests in the late 1980s but due to depletion, the focus has now shifted to the west. It is believed that the remaining rattan in Uganda is found in limited quantities only in Budongo and Bugoma CFRs. Generally, the quantity and quality of rattan delivered to the market has also declined substantially since 2002. As wild populations of rattan are decimated from the forest, the rattan traders and carpenters are progressively being forced to harvest other materials (especially vines) that are considered substitutes to rattan. The climber (*Alchornea cordifolia*) is already being harvested as a rattan substitute in central Uganda.

Sand mining and brick-making around major urban areas cause serious damage to the land when it is done illegally because it does not provide for restoration work after extraction. Some of these activities, especially around the major urban areas of Kampala, Entebbe and Jinja are backed by influential people in society.

Firewood for commercial purposes is more destructive than that collected for domestic use by people living near the forests. The firewood is often sold to small-scale industries and services (bakeries, brick-making, breweries, hotels, schools, *sauna* clubs, tea factories and hospitals) and for normal domestic use by urban dwellers. In CFRs within 80km of Kampala, illegal firewood harvesting is one of the most destructive illegal activities in forests. In an attempt to meet their insatiable needs, the illegal loggers transport small logs (billets) disguised as firewood. The logs are eventually converted into rough construction timber at site.

### 1.3.3 Trade In Endangered Species

Timber species that are threatened in the Uganda home range include *Diospyros mespiliformis*, *Drypetes gerradii*, *Entandrophragma cylindricum*, *Funtumia africana*, *Guarea cedrata*, *Khaya anothotheca*, *K. grandifolia*, *K. senegalensis*, *Ocotea usambarensis*, *Olea hochstetteri*, *Premna angolensis* and *Vitex keniensis* (Simon Grove, 1995). There is brisk illegal local and regional trade in the *Khaya* and *Entandrophragma* species to the extent that, in an attempt to keep the remaining trees to re-seed the forests, these species are now not included in any list of trees to be harvested after stock-mapping.

In the 1960's the minimum diameter at breast height for cutting these high value species was more than 100 cm, but with the dwindling stock this was reduced to 70 cm in 1970's, and has now stabilised at 80cm. In the 1990s, there was a lot of trade in the bark of *Prunus africana* (a CITES listed species), which was illegally harvested especially from the Kalinzu-Maramagambo CFRs. It should also be noted that in Uganda, some tree species like *Cordia spp.* and *Aningeria spp.*, have been cut in the recent past to a level where they are considered locally threatened.

### 1.3.4 Illegal Forest Produce and the Market

The combined effects of deforestation and high consumption result in accelerated imbalance between national demand and supply of forest products. Forest produce from licensed and unlicensed sources finally ends up in same market. Because it is obtained without paying for the raw material and it invariably avoids taxes, it is cheap and thus distorts the market. In November 2004, the Minister of Water, Lands and Environment voiced government concern on this matter at the height of the forest sector reform when the NFA had just come into being (**Box 1**).

#### **Box 1: Extract from Public Notice on Forest Produce** (12<sup>th</sup> November 2004)

"... Law enforcement, especially regarding chain of custody for forest produce from all these sources (ed. Central forest reserves, local forest reserves, community forests, private forests) is problematic as the various responsible bodies have differing degrees of readiness to operate effectively. Of all responsible bodies, only the NFA and UWA have the needed capacity to undertake law enforcement. District Local Governments are losing considerable revenue and private forest/tree owners are not getting the true market prices. Consequently, there is flooding of the domestic market with contraband forest produce. The market is turbulent, unpredictable and characterised by daily speculation and market forces are not free to operate. This environment has led to proliferation of impostors and conmen who are terrorising the unsuspecting public in the name of law enforcement. The resulting systemic instability is also proving a disincentive to investment and market-oriented sectoral growth and development. From a macro-economic point of view, this will harm the construction industry and confound the ideals underlying the forest sector governance reforms that the government has painstakingly carried out since 2000".....

Source: Public Notice of 12 November 2004

### 1.3.5 Encroachment

In Uganda, encroachment on CFRs is one of the main causes of deforestation. It tends to start with illegal logging, especially in forests near high population centres. Often, illegal logging is closely followed by charcoal burning and firewood cutting. This leads to quantitative degradation as all the remaining trees, poles, and saplings are taken. Once the forest cover is denuded, it is easier for cultivating encroachers to take over. The cultivators normally sneak in and clear the forest in valleys to grow seasonal high value crops on small pieces of land. When they remain unchecked, they graduate to growing annual and perennial crops. This then completes the process of deforestation. Many CFRs in central Uganda are rapidly reaching this status. Deforestation on private lands, mainly due to conversion of forests to agriculture is even more serious than in CFRs.

Encroachment leading to deforestation in Forest Reserves (FRs) started during the politically turbulent 1970's. In 1986-92, the government seriously addressed itself to the problem of encroachment in protected areas (PAs) resulting in eviction of encroachers in, among others, Kibale, Mabira, and Mt. Elgon Forest Reserves (from about 30,000 ha). Eviction notices were issued for other places where eviction never took place. Cabinet also approved the cancellation of all illegal leasehold titles in PAs. The FD (and later NFA), then embarked on recovery programmes of the affected FRs through encroachment planting and protection. Today, many of those areas, which were recovered have become fully reforested. The current Mabira Ecotourism Site is a good example of restoration of formerly encroached areas. Although these programmes were interrupted during the 2001 election period, they resumed with full government support when the elections ended. However, the process was again interrupted during the 2006 elections and since then government support has reduced considerably. Table 2 depicts the situation of encroachment by 30<sup>th</sup> September 2005.

**Table 2: Summary of Current Situation**

<b>Individuals, Activity &amp; Structures</b>	<b>Number in the Forest Reserves</b>
Encroachers	178,888
Households	8,957
Area under Cultivation (ha)	56,237
Livestock being grazed	133,903
Individual houses	34,816
Schools	70
Churches	58
Mosques	10
Land titles/leases	100
Permanent houses	1,427
Cattle Dips	374
Health Centres	11
Cattle kraals	3,453
Markets	12

Source: NFA Database

The number of encroachers includes not only those settled in the reserves, but also those living close and cultivating in the reserves. However, the households are of those settled within the reserves, while cultivated areas were estimated from land under various agricultural crops during the time of registration. Cultivation and livestock grazing are the two major activities in most encroached CFRs. It should be noted that there a number of encroachers that refused to be registered. Thus, the total picture is worse than that shown above, probably by about 15%.

## 1.4 SOCIO-ECONOMIC AND ECOLOGICAL IMPACTS OF FLEG

### 1.4.0 Introduction

Almost all Ugandans (23 million) depend on forests and trees to varying degrees. About 3.2 million people live in villages adjacent/neighbouring forest reserves and hence derive their livelihoods through forest products and services. In addition, about 6 million people live within access of the many private forests. Over three quarters of the remainder of the population use trees on-farm for firewood, poles, energy and other uses (MWE, 2006)<sup>1</sup>. Forests provide incomes through employment or the sale of forest products. The forests provide about 1 million jobs, 100,000 of these being full-time wage earners. The income derived from the sale of non-timber forest products is estimated to be about USD 40 million per year.

Forest products are some of the most important free goods produced by nature, which are critical to poor subsistence households. About 35% of the population of Uganda below the poverty level mostly depend on these for shelter and food security. Poor forest governance and illegal logging have led to massive destruction of the forests and trees, the result of which have serious social, economic consequences, some of which are catastrophic.

#### 1.4.1 Social-economic Impacts

In Uganda, estimates put consumption of sawlogs for timber at 750,000m<sup>3</sup> per year and sustainable production at 250,000-300,000 m<sup>3</sup> annually (MWLE 2002)<sup>2</sup>. The construction industry, which continues to grow at a rate of about 10% annually, is the main driver of this demand. A considerable proportion of this timber is put on the market illegally, aided by corrupt government officials and often the law enforcement officers themselves. That is part of the reason why Uganda's deforestation rate is among the highest in the region (Table 3).

Table 3: Forest Cover Changes in Selected Countries

Country	1993 (World Resources Institute)	2000 (FAO)
Uganda	-1%	-2%
DR Congo	-0.6%	-0.4%
Tanzania	-1.2%	-0.2%
Kenya	-0.6%	-0.5%

In order to limit the indiscriminate harvesting of these forests, the then Forestry Inspection Division (FID), now Forestry Sector Support Department (FSSD) of the MWE has been issuing licenses based on estimated forest area/timber volume in each district. However, license or not, people have been selling their trees. The situation has been exacerbated by the pressure from local governments for more licenses to generate revenue to run local government programmes, particularly following abolition of graduated tax. As a result, statistics at the NFA show that the volume of timber harvested and moved by licensed pitsawyers jumped from 55,000m<sup>3</sup> during FY 2004/05 to 100,000m<sup>3</sup> during FY 2005/06 (NFA Annual Report, 2005/06). This is probably much higher than the annual

<sup>1</sup> Ministry of Water and Environment (2006). Environment and Natural Resources Investment Plan, December 2006 Draft

<sup>2</sup> NFP 2002

allowable cut from these highly degraded forests. Moreover, this does not take into account the unrecorded timber that is used locally or moved illegally.

Of late, Government has encouraged tree growing to meet the increasing demand for timber. To this end, NFA has offered licenses to 550 companies/people (many of them medium scale enterprises) to plant 50,000 ha in CFRs over the next 10 years in various parts of the country (NFA Databases, 2007). This is worth an investment of about US\$ 45 million. Over 60% of this money will go directly into the pockets of local people in terms of wages and local contracts. However, community hostility, often fuelled by politicians, makes it difficult for these licensees to proceed with their investment. While community hostility is a law enforcement problem that can easily be solved (NFA had done it in 2005 through community education), it is compounded by governance issues at national and sub-national levels.

### 1.4.2 Ecological Impacts

Out of 8 bio-geographical zones in the continent of Africa, 5 are represented in Uganda. This gives the country a wide range of ecosystems that contain internationally significant biodiversity, most of which is found in forests and makes Uganda one of the most species-rich countries in the world for its size. It has 315 species of mammals, over 1,000 species of birds and 1,200 species of butterflies. With only 0.02% of the world's land area, Uganda contains 11% of the world's bird species, and 7% of the world's mammal species. With such rich biodiversity, there is high tourism potential and considerable economic value in the plant and animal genetic resources.

The contribution of forests and trees to the performance of other sectors such as agriculture and health is often taken for granted or poorly understood. Virtually all FRs (1.2 million hectares) serve the important functions of protecting biodiversity, water catchments, riverbanks, lakeshores and stabilising of steep slopes. The whole country would be rendered unviable for cattle grazing and agriculture if these CFRs were destroyed (Box 2). The Government's 'water for production' programme in support of the Poverty Eradication Action Plan (PEAP) would be rendered unviable because it requires these natural regulators and reservoirs. Already the impacts on water levels are being seen through drying up of the usual water sources like wells and springs in the cattle corridor, stretching as diagonal from northern Tanzania, through Rakai in south western Uganda to Karamoja in north-eastern Uganda. Boreholes are drying permanent rivers and streams in the Albertine rim have become seasonal while seasonal ones have dried up.

#### Box 2: Impact of Forest Degradation on Water Supplies

There are over 1.3 million people in Mubende, Kiboga and Kibale Districts. They depend on the water that is caught by the forests in the Mubende – Kiboga hills, which constitute an important part of the R. Kafu watershed. The forests in these hills and valleys ensure that the boreholes, wells and dams in the area are constantly refilled for all these people and even others beyond. Today the leaders in Mubende and Kiboga admit that water has become a major concern, following forest clearance. Boreholes and dams constructed recently at great expense are drying up.

In the Eastern Region, the 5800 ha of West Bugwe and Igwe Luvunya CFRs stand between the harsh Karamoja weather and the more friendly weather of the Central Region and these are badly degraded. The forests and wetlands ringing L. Victoria stand between the survival and extinction of the fish in the lake. Millions of people depend on this lake for their livelihoods. Fish exports account for a significant part of Uganda's national revenues. The forests and wetlands hugging the River Nile stand between the poisons generated by our activities (domestic and agricultural) and the river's fresh waters, which provide sustenance to our people in the Nile valley. Millions of people live along the Nile. We cannot guarantee their survival when the lake becomes a death trap.

In Masindi and Hoima Districts, private forests are being exterminated to grow sugarcane and tobacco. This is money in the pocket today but tomorrow cannot not be guaranteed. Remember the children of Israel who complained to God that they were tired of manna without meat. When He gave them quail, they were so greedy that they ate it until they grew sick and many died (Numbers 11:31-34).

From: Brief to His Excellency the President on Encroachment and Functions of Central Forest Reserves in Uganda, NFA June 2005

The government's development agenda is founded on poverty reduction through agricultural modernisation and industrialisation in an "integrated and self-sustaining economy." Uganda's economy has suffered from frequent droughts in the recent past and the country is facing acute shortages of electricity as a result of reduced volume of water in Lake Victoria. Over 95% of Uganda's total energy demand for domestic and industrial use is supplied by wood biomass and the country's mainstay, agriculture, is entirely rain-fed.

## CHAPTER 2: UNDERLYING CAUSES OF ILLEGAL LOGGING AND OTHER CRIMES

### 2.0 INTRODUCTION

This chapter describes the underlying causes of forest crimes in Uganda. The crimes include breakdown in law and order, corruption, political interference and population movement. They also include oscillating government positions on implementation of forestry policies, inadequate institutional capacity, insecurity in some parts of the country, and inadequate mechanisms to regulate movement of and trade in trans-boundary forest resources.

### 2.1 BREAKDOWN IN LAW AND ORDER

Uganda experienced a break down of law and order during the 1970-80s. In early 1970s, the then GoU encouraged the growing of agricultural crops in FRs in a campaign to increase agricultural output. That marked the sad beginning of mass encroachment, which successive governments have never managed to eradicate. This was also the first time that illegal logging by pit-sawing became common practice, which later became difficult to control.

### 2.2 CORRUPTION

Annexes 2-8 show the various forms of corruption in the forestry sector. They have all manifested in Uganda at one time or another. Together with the breakdown of law and order aforementioned dawned corruption. As the economy tottered on the brink of collapse, civil servants at all levels supplemented their meagre salaries by engaging in forestry corruption in all its forms. Law enforcement organs became extortionists and there was nobody to “police the police.” Between 1996 and 1998, FD put concerted efforts in law enforcement in a bid to control the situation. This resulted in increased revenue and improvement of prices of timber on the market. Later, there was a resurgence of corruption among some government officials, especially during the forestry sector reform period when there was uncertainty over job tenure. The GoU took action against this during 1999/2000 and removed the entire top leadership of the FD. In due course, it was the saw-millers and pit-sawyers who benefited from this move. They took advantage of the absence of executive authority and illegally cut down plantations, reducing the area from about 6,000 ha in 1999 to less than 3,500 in 2004. This was the worst period for forest management in Uganda since it was started in 1898.

In 2003, NFA was established and it became operational early 2004. NFA inherited an extremely bad situation with regard to FLEG. However, in less than 6 months, this situation was reversed into what was internationally acclaimed as the “Uganda miracle.” The situation continued to improve by leaps and bounds until early 2006 when corruption started showing its ugly face within the ranks of NFA senior management. The situation was not helped by the departure of all founding senior staff by the end of the year, which saw a transition into another vacuum of executive authority. Corruption in all its forms is once again taking root and NFA values of *excellence, integrity* and *transparency* remain a practical challenge to those in charge of the sector. The FRs are taking a beating and are under threat more than ever before.

## 2.3 POLITICAL INTERFERENCE

Political interference with the administration and management of the forestry sector had never been as overt as it is today. Previously, individual politicians or high-ranking government officials would cause problems for the FD and later NFA. It was still possible to keep these individuals at bay as long as the official government position was clear and supportive. Today official statements coming from government indicate a shift in its position on the sanctity of PAs and particularly FRs. Dismembering the “Permanent Forest Estate” (PFE) is even an hidden intention in the 2006 election manifesto of one of the political parties in the country. The effect has been a slow but discernible disintegration of the alliance of the law enforcement agencies that the NFA has painstakingly stitched together since 2004, a reversal of all the achievements NFA made in the first two years of its establishment and undoing the positive legacy of 100 years of technical forest management in Uganda.

## 2.4 POPULATION MOVEMENT

In some parts of south-western Uganda, population increase and decrease in land productivity have acted as *push factors* and forced people to move out in search of agricultural land for cultivation and grazing. There is also steady migration from Rwanda and Burundi virtually for the same reasons. In fact more than 80% of the encroachers have moved from somewhere (NFA, 2005). Both the foreign and national migrants have moved to especially the central parts of Uganda where some local leaders knowingly allocated them land in CFRs, which are relatively more fertile, in exchange for “tithes” and votes. It is rare to find any of the indigenous local people encroaching FRs, but they are the most vociferous defenders of encroachers. Fertility and absence of activity have acted as “*pull factors*” in this regard. Pioneer migrants have then invited relatives to come and buy ‘cheap’ land. Sometimes, as soon as the migrants realised that they had been duped, they also sold to other unsuspecting migrants, making the situation more complicated. However, population increase should not be used in isolation to explain encroachment. There is still good empty land, which can take these people if migration were well managed but this is not to say that it will not become a problem for future generations.

## 2.5 SHIFTING GOVERNMENT POSITIONS ON FORESTRY

Since Uganda got independence, successive governments have vacillated with regard to commitment to implementing the forest policy and law. There has been debate and argument among government functionaries to change land reserved for forestry to commercial use and agriculture. This has made it difficult for institutions responsible for forest management to plan and operate effectively. Conflicts associated with land use are closely related to poor law enforcement and forest governance. For instance, through a High Court ruling, the allocation of Butamira CFR was declared illegal. To-date the GoU has not complied with this ruling, nor has it followed the established legal procedures to change the land use. Consequently, the public is widely interpreting this as a lapse in good governance.

In another case, the resignation of the entire top technical management of NFA because of disagreements on legal procedure certainly points in this direction. If the GoU gets its way, it will have far-reaching negative implications for the PFE and sustainable forest management (SFM) in Uganda. This is the fact pointed out in the Report of the Inter-Ministerial Technical Committee established to assess the Mabira CFR, to wit “... *It is going to make it extremely difficult for the NFA*

(or indeed any other institution of Government) to keep local people from entering FRs elsewhere in the country. For example, there is civil disobedience in South Busoga FR, with people blatantly challenging government over the legality of its mandate to hold a FR that was gazetted 84 years ago...” In addition, there is a standoff between the GoU and the public regarding change of land use of CFRs on Bugala Island in L. Victoria and Mabira CFR. While GoU would like to give the land to oil palm and sugarcane growing respectively, the public wants to maintain the status of these FRs. Similar problems are being experienced throughout the country. Annex 9 lists the CFRs that have been proposed for or threatened with degazettement.

In the late 1990s, GoU decided to allocate land to individuals and companies in a quest to involve the private sector in commercial tree farming. The trees belong to the farmers but the land remains the property of GoU. Lately, some of the land allocated has been invaded by cultivators and grazers following attempts by GoU to change land use of some FRs while disregarding the due process of the Constitution and the law on land, forestry and environment. People feel “*what is good for the goose is good for the gander.*” The haphazard and half-hearted approaches by GoU in dealing with investors in tree farming, wood industry and eco-tourism discourages investment. For example, local tree growers in Butamira and Namanve CFRs were forcefully dispossessed of their land and these cases are often cited by private tree growers and encroachers alike for their actions that may not be in line with the law.

## **2.6 INADEQUATE CAPACITY AND WEAK INTER-AGENCY COOPERATION**

Forestry sector reforms of 1998-2004 led to devolved forest management to a number of responsible bodies (RBs), including NFA, UWA, District Forestry Services (DFS), Private Forest Owners and Community Forest Owners. The Forestry Sector Support Department (FSSD) of the Ministry of Water and Environment (MWE) plays the supervisory role over all the RBs. While NFA and UWA have effectively enforced the law in PAs, the situation is still far from being satisfactory outside the PAs. Different RBs have varying comparative advantages and, often complementary, capabilities. Thus, cooperation, coordination and pooling of resources could be more effective in law enforcement and lead to a win-win situation for all. Also, there are many agencies in the country that have law enforcement as a core mandate. They include National Environment Management Authority (NEMA), the Police, Internal Security Organisation (ISO), and the Uganda People’s Defence Force (UPDF). Close cooperation and coordination with these agencies would lead to efficiency and would yield synergies. NFA has had such cooperation with various agencies but cooperation is now being undermined by vested interests of selfish government and political leaders at all levels.

## **2.7 INSECURITY**

Uganda is estimated to be hosting slightly over 1.4 million internally displaced persons (IDPs), the majority of them residing in camps. Where FRs are located near IDP camps, the FRs have been wiped out by cultivation and uncontrollable harvesting for woodfuel and building poles. Often, illegal logging and poaching is the easiest way of getting income, shelter and energy, among others. That is one of the main reasons why CFRs in Northern Uganda are degrading at a fast rate. It has been noticed, however, that FRs in remote insecure areas have recovered and are flourishing as a result of absence of people due to insecurity (Agor-Agu, Rom, Kadam, Pian Upe). When peace returns to conflict areas, deforestation is as instant as it normally occurs around IDPs.

## **2.8 UNREGULATED TRANS-BOUNDARY FOREST MANAGEMENT AND TRADE**

At the regional level, there have been initiatives for collaboration between institutions. For example, the East African Cross-border Biodiversity Conservation Project (1998 - 2003) promoted collaborative forest management on both sides of the borders of the three East African neighbours (Kenya, Tanzania and Uganda). However, the collaboration has been limited to a few cross-border PAs (Sango Bay and Moroto sites). A more recent initiative is the on-going Mt. Elgon Regional Ecosystem Conservation Programme (2005-2009) with similar activities.

Currently, there is no formal regional mechanism to regulate cross-border trade and movement of forest produce. Consequently, forest produce illegally acquired from one country is normally considered legal import in the receiving country. This makes it difficult to regulate trade in forest produce. In addition, there are different, often conflicting policies and procedures, regarding entry and exit of forest products into and from neighbouring countries. The case in point is the manner in which the East African countries handle timber from the Democratic Republic of Congo (DRC) and South Sudan.

In 2004, civil society organisations led by Uganda Wildlife Society developed an initiative aimed at safeguarding the continuity of East Africa's permanent forest estate. It was discussed by the East African Legislative Assembly in Mombasa and agreed that the process should progress towards enacting a regional law. However, the process has not progressed as anticipated.

## CHAPTER 3: FOREST GOVERNANCE POLICIES AND INSTITUTIONS

### 3.1 LAWS GOVERNING LAND OWNERSHIP AND ACCESS TO RESOURCES

#### 3.1.1 The Constitution (1995 as revised in 2005)

The Constitution of Uganda (1995) gives ownership of natural resources to the people while GoU holds them in trust for all citizens. In its Objectives XIII and XXVII, and others related thereto such as IX, X and XI in the statement on "National Objectives and Directive Principles of State Policy" and Article 237 (2)(b) of the Constitution, the value of forests, among other natural resources in sustainable and progressive national development is recognised. Article 237, clause 2 (b) further authorizes GoU or a local government to hold forests in trust for the people and protect them for the common good of all citizens. The Sixth Schedule of the Constitution gives the GoU the responsibility to manage National Parks (NPs), "*forest and game reserve policy*" and "*...the environment.*" Although the 1995 Constitution did not specifically mention custodianship of forests initially, it was revised in 2005 to place only the "*forests, other than, forests, national parks and wildlife reserves managed by the government*" under the management of regional governments.

#### 3.1.2 Uganda Forestry Policy and National Forestry Plan

Subsequent to the promulgation of the Constitution, GoU launched, *inter alia*, a programme for public sector reforms aimed at promoting decentralised accountable governance, increasing the roles of civil society and the private sector, using sector-wide approaches and fighting poverty. The forestry sector is among those that were reformed. A new forest policy, law and strategic sectoral plan in form of the National Forest Plan (NFP) are in place and structural and functional realignment and reconfiguration have been done.

The forest policy aims to enhance governance of the forest sector through "partnerships", with a pointer to having new institutional relationships, enhanced efficiency, transparency, accountability and professionalism and building confidence in forest stakeholders. Specifically, the policy proposes to reform the central and local governments' roles with the view that more forest resources should be managed through devolving responsibility, wherever practical and advisable, to District Local Governments (DLGs), the private sector and local communities. The policy is further committed to supporting decentralised management in the areas of decision-making, regulation and arbitration, with appropriate systems of accountability to forest stakeholders. The policy puts a strong emphasis on public involvement in SFM with a focus on equity and defined rights, roles and responsibilities of partners as a basis for sharing forest benefits to improve livelihoods.

The policy commits government to the goal of "*an integrated forest sector that achieves sustainable increases in the economic, social and environmental benefits from forests and trees by all the people of Uganda, especially the poor and vulnerable*", in line with Uganda's Vision 2025. Key strategies of implementing the policy include management of forests on government land through partnerships, support to private forest owners, especially through provision of technical education and "*collaborative forest management.*" The NFP re-echoes and amplifies these provisions.

### 3.1.3 National Forestry and Tree Planting Act, 2003 (NFTPA)

The Act is an enabling law that provides new and positive opportunities for better management of the forestry sector to balance the traditional “regulatory” functions of government. It provides for collaboration of all sectoral partners, an invigorated private sector and an empowered civil society. The NFTPA clarified institutional roles and responsibilities, including those for law enforcement. On the basis of Article 237, Clause 2 (b) and the Forests Act, 1964, Statutory Instrument No. 63 of 1998, as saved by the NFTPA created 192 Local Forest reserves (LFRs) totalling just below 5,000 ha and 506 CFRs totalling about 1.2 million hectares. The LFRs are managed by the DFS. The NFTPA also provides for declaration of community and private forests. So far this provision has not been invoked, although some NGOs are trying to work through the provision of “Communal Land Associations” (under the Land Act) to establish community forests.

The NFTPA created the NFA to manage CFRs and the DFS to manage LFRs and regulate forestry activities on private lands. The Minister remains with the overall responsibility to ensure that the PFE is managed responsibly. The NFTPA saved all the Subsidiary Legislation under the repealed Forests Act (1964) to the extent that was consistent with the former. Section 13 of the Act prescribes that a RB should manage, maintain and control FRs according to Management Plans (FMPs) and guidelines on generally accepted principles of forest management. Section 32(1) prohibits a number of activities in a FR, unless permitted in accordance with the FMP. These activities include *grazing and livestock farming, planting or cultivation of crops, camping, erecting a building or enclosure for commercial, recreational, residential, industrial or for hunting purposes, construction or re-opening a road, tracks, bridge, airstrip or landing sites*. Section 14 (1) again prohibits cutting, disturbing, damaging, burning or destroying any forest produce, or removing or receiving any forest produce without due permission. The same Act gives various responsibilities to “authorized persons”, who are defined as “... a forest officer ... police officer, or other person designated by the Minister under Section 51 ... of this Act.” Other offences and how to deal with them are detailed in Part IX. In reality encroachers in FRs are carrying out all these prohibited activities.

### 3.1.4 Other Laws Relevant to FLEG

A number of other laws relevant to FLEG exist. These include:

- The National Environment Act (Cap. 53);
- Uganda Wildlife Act (Cap. 200);
- Local Governments Act (Cap. 243);
- Land Act (Cap. 227);
- The Traditional Rulers (Restitution of Assets and Properties) Statute (Cap. 247) (Box 3);
- The Inspector General of government Act (Cap. 167);
- The Leadership Code (Cap. 168);
- The Magistrates Act (Cap. 16); and
- The Police Act (CAP 303), and The Evidence Act (CAP 6).

### Box 3: The Role of Traditional Rulers in Uganda's PFE

In July 1993, the Traditional Rulers (Restitution of Assets and Properties) Statute was gazetted. This would have paved way for the traditional rulers to reclaim the forests that belonged to their kingdoms before 1967. But today, the traditional rulers do not have legal authority to hold CFRs or LFRs because the Local Governments Act does not legally define traditional institutions as LGs. Consequently, in 2001, an executive order under a memorandum of understanding between the GoU and authorities of Bunyoro Kingdom providing for the return of some of the FRs to the king could not be effectively implemented. Although the Head of the FD wrote to the kingdom allowing them to take over management of Mukihani FR, the GoU Solicitor General advised that the kingdom **could not** hold FRs in trust for the people of Uganda. However, the FD did not have sufficient political backing to reclaim the reserve. Taking advantage of the impasse, the kingdom simply continued to allow timber harvesting in an uncontrolled manner, resulting in the decimation of the forest plantation (3,619 ha) to the financial advantage of a few individuals and not even the kingdom as an institution.

Source: NFA Technical Reports (June 2005)

## 3.2 POLICY INCONSISTENCIES

An example of lack of internal consistence and coherence within the policy domain is the universal primary education (UPE), expanded recently to embrace also universal secondary education (USE). Construction of school buildings, equipping them with furniture and providing meals, all require massive volumes of wood, which puts considerable pressure on Uganda's dwindling forest resources. There is no conscious corresponding policy response to ensure additional tree planting and forest management to cater for suddenly increased demand.

"Mailo" (*freehold*) land tenure under which a few absentee landlords hold titles over large tracts of land in perpetuity (*de jure owners*) although most of the land is actually occupied by tenants (*de facto owners*) is another case in point. Tenants are supposed to pay only USD 0.50/= per year irrespective of size of area of land occupied. This has pitted tenants against landlords and compounded the ages-old problem of tenants and landlords in some parts of the country. The uncertainty spills over into FRs as individuals on both sides attempt to secure government land with the hope that in due course they can acquire it under a more secure tenure.

There is no clear law outlawing the use of chainsaws in milling timber. Because of its wastefulness, technical guidelines allow use of chainsaws only in felling the trees and crosscutting them into logs. To address the weakness in the law, the Minister, in his Public Notice of 12 November 2004 declared chainsawn timber as contraband and "*... will be confiscated at site, together with the power saw and any other vehicles used for transportation. This is in addition to heavy fines and prosecution.*" This ban applies to timber sawing whether the activity is licensed or not, on private land or in FRs.

During the 1990's, GoU sought to reform its function in order to increase its responsiveness to the actual national needs, enhance governance and bring rationalisation. In theory, this implied important shifts in the role of government responsibility for managing and conserving forests, embracing more of a facilitation role in a centripetal direction. In practice, however, the responsibilities for forest management, protection and research have been balkanised and scattered among a variety of government institutions with overlapping, competing and often opposing mandates and interests. The institutions are now paralysed by the conflict between their sectoral policies and laws on one hand and government behaviour on the other and are fast becoming paper tigers unable to fulfil the responsibilities vested in them.

For instance, there is an eclipse of the commanding importance of wood energy, the fact that it provides over 90% of the energy consumed in the country notwithstanding. GoU policy on and investment in energy revolves around fossil fuels and electricity generation and yet these meet the smaller proportion of the aggregate national energy demand. Policy decisions on these are taken oblivious of the direct implications such are going to have on tree resources in the country. There also some legal difficulties with two definitions in the Uganda Wildlife Act in as far as FLEG is concerned. One is for "*specimen*", which is given as... any wild plant..., alive or dead, whether or not native to Uganda, and any readily recognisable part or derivative of such plant.... The other is for "*wildlife*" which is given as... any wild plant...of a species native to Uganda... In both cases, the definitions clearly include plant specimens and plant species from forests including FRs, respectively. Subsequent use of these terms in the Act is oblivious of the existence of forests outside the jurisdiction of UWA, where wild plant species are also found and existence of NFA, DFS other RBs which have a mandate for managing forests.

### **3.3 REGULATION OF THE INDUSTRY**

Regulation of the timber industry begins with the determination of an Annual Allowable Cut (AAC) after an inventory. Harvesting cannot exceed AAC. Guidelines have been developed to regulate harvesting and conversion of timber, especially for natural forests. In plantations, the guidelines are included in the bid document. The guidelines are part of the harvesting licence issued. Some of the practices regulated in the guidelines include:

- Specified number of hand saws to be used (in case of pitsawing);
- Type of machinery permitted;
- Species and volumes to be harvested;
- Environmental conditions to be observed; and
- Health and safety of personnel.

### **3.4 MONITORING SYSTEMS**

Since the mid 1990s, Uganda has developed a timber monitoring system which tracks timber from the forest (stump) to the market (vendor). Generally, monitoring is based on a system of stock inventory, marking and documentation of produce. Forest produce in transit must be from a licensed source, accompanied by forest produce movement permits and receipts on which taxes have been paid and the necessary hammer marks in case of timber put. This system has been refined over time to comply with internationally accepted standards for independent verification of legal sources of timber and "chain of custody." The "chain of custody" is founded on:

- Exploratory inventory to establish the total standing timber volume and the AAC;
- Stock-mapping to identify the trees to be harvested in accordance with approximate AACs;
- Controlled harvesting using technical guidelines, licence conditions and field inspections;
- Marking and documentation to identify legal timber at source, in transit and on the market;
- A Timber Tracking Unit with a mandate to inspect, monitor, and stop movement and trade in illegal forest produce nationwide; and
- Committed leadership to ensure that the system is implemented and modified as the need arises.

## **3.5 REVENUE COLLECTION AND AUDITS**

### **3.5.0 Introduction**

Prior to 1995, revenue collection within the forest sector was low, mainly due to corrupt tendencies within the law enforcement agencies and limited institutional capacity to supervise and to track compliance. When NFA started operations in 2004, it revamped the then limping law enforcement to secure its revenue. The effect of improved systems is clearly seen as described below. On the other hand, the revenue collection systems in the DFS have not been improved to-date mainly because of the limited attention given to the latter.

### **3.5.1 Revenue Collection by NFA**

NFA has put in place a number of mechanisms to improve revenue collection. In order to strengthen its capacity to collect revenue, NFA re-established the Law Enforcement Unit, which monitors the movement of forest produce and the physical and legal integrity of CFRs. All the illegal forest produce impounded is publicly auctioned to maintain transparency and generate the best prices that the market can offer.

Competitive bidding has also been adopted for the sale of timber and other forest produce and services. This limits corruption and provides realistic market prices. For example, when competitive bidding was introduced in 2004, the price of a cubic meter of roundwood of Pine rose from UGX 28,100 to an average of UGX 70,000. NFA has also encouraged decentralised revenue collection for forest produce by field staff, with the incentive of tying expenditure to revenue collection. The staff developed innovative mechanisms to generate revenue as a boost to their performance. This was also enhanced by improved staff discipline at all levels. At first, all payments for roundwood attracted value added tax (VAT). Later, Uganda Revenue Authority exempted roundwood from payment of VAT but by June 2006, NFA had collected VAT to the tune of over UGX 1 billion. This went directly to the Consolidated Fund, showing the immense potential for forestry to contribute to the national economy, and hence raise the profile of the forestry sector.

The NFA is audited by three sets of auditors. There is an Internal Auditor who is largely independent of management and reports to the Board although he works closely with management on a day-to-day basis. He has proved very helpful in tracking down attempts at fraudulent activities and often nipped them in the bud. Slightly different from the Internal Auditor is the Finance Committee of the NFA Board of Directors. The committee helps the Board to monitor how management is implementing the work plan approved by the Board. It also advises management on how to maximise revenue collection. The Internal Auditor normally reports to this committee for operational purposes. As a statutory requirement, the Auditor General carries out complete audits (financial and value for money) of the NFA once a year. For the first two years, which have been audited, there have been no serious queries for the NFA to answer showing that it has generally followed established financial procedures and it can show good value for money spent. The other auditors come from the European Commission (EC), which finances the Forest Resources Management and Conservation Programme (FRMCP).

### **3.5.2 Revenue Collection on by Local Governments**

By 2002, 40% of total revenue collected by the FD was given districts in accordance with the collection within a given district and considerable proportion of this came from forest products outside PAs. During the forestry sector reform process, revenue from forests outside PAs was seen as one benefit for the local authorities and an incentive to protect and support the forest owners to manage their forests responsibly and was thus left to them to collect. As it turned out, the local authorities were not as vigilant in collecting these revenues as had been expected largely because of corruption. The little revenue collected does not get into the treasuries of the local authorities.

## **3.6 TIMBER SALES AND AUCTION POLICIES**

### **3.6.0 Introduction**

The marketing of forest produce has gone through a number of systems, each of which provides important lessons. These include sale of logs through fixed prices, sale of standing volume through fixed prices and now competitive bidding.

#### **3.6.1 Sale of Logs through Fixed Prices**

Prior to 1999, logs were sold after felling and crosscutting by sawmills. Any defective volume found was replaced by allocating more trees to the sawmill. In addition, sawmills were allowed to take roundwood and pay later after being invoiced. Unit prices were administratively and legally fixed and did not take into consideration market forces. Anecdotal evidence indicates that the prices were far below what the open market was "willing to pay." This arrangement was abused by the FD staff and licensees, who connived to over-estimate defect and exaggerate compensation. Even then, by 1999, FD had uncollected bills of over UGX 500 million.

#### **3.6.2 Sale of Standing Volume through Fixed Prices**

To improve the system, the FD changed its strategy and started selling standing volume accompanied by payment in advance of felling. Although pricing by Statutory Instrument was maintained, the prices in 2000 attempted to incorporate market considerations for the various categories (classes) of timber species. This resulted in price hikes that led to widespread complaints by the pitsawyers/sawmills, citing prices that had been arbitrarily raised as being too high. Although these prices were maintained, there was connivance between the timber dealers and corrupt FD officials to under-declare volumes.

#### **3.6.3 Sale of Standing Volume through Competitive Bidding**

Section 42 of the NFTPAs obliges RBs to award licenses through competition. Accordingly, when NFA started operations in 2004, it designed a bidding system through open public tendering for standing volume in plantations. Felling coupes were made small to enable all interested parties to participate. The bidding process involved:

- Demarcation of lots in the field;
- Establishment of reserve prices for various species on basis management cost recovery and a 10% profit;
- Development of a standard bid document;

- Advertising the coupes through newspapers;
- Receiving sealed bids and evaluating them using technical and financial criteria;
- Awarding of successful bids through a Contracts Committee;
- Awarding licenses with conditions to ensure responsible harvesting;
- Monitoring the performance of the harvesting licenses (payment, technical conditions); and
- Revising the procedures in consultation with the clients themselves.

It is noteworthy that through this system, the price per m<sup>3</sup> of pine rose from UGX 28,100 (Statutory) to UGX 120,000 in some coupes. It has since dropped down to an average of 70,000 per m<sup>3</sup>. Even then it has been estimated that in the two years of operating this system, only about 111,000 m<sup>3</sup> have been bought (NFA Annual Report, 2005/06) compared to about 200,000 m<sup>3</sup> AAC, which should have been sold. The reasons range from overpricing during bidding, a lot of cheap timber from private/community lands and inability of the bidders to engage in big production to take advantage of economies of scale.

NFA also mills timber from patches that cannot be sold through the bidding process (scattered, isolated, low quality) or coupes which bidders have not taken. Initially, all the timber from the NFA sawmilling operation was sold by public auction. Later it was decided that the NFA would move a step further and show the way in selling of graded timber off-shelf. Thus anybody interested in graded timber would be able to get what they needed. In this way, utilisation of timber would improve and NFA would boost its revenues. When the sector finally appreciates the benefit of graded timber, it can also be sold by public auction. In order to maintain transparency, the off-shelf sales are open and known to the public.

In natural forests, NFA has developed a practice in which graded logs are sold by public auction (Annex 10). Because the clients here were largely pitsawyers who could only afford to buy very small volumes (like only one or two trees equivalent to 6 m<sup>3</sup>) at a time and could not manage preparation of bid documents, NFA fells the trees and crosscuts them into logs following a modular system. The aim is to:

- o Promote the species which are not common on the current domestic market;
- o Develop and field test the low impact harvesting systems that are necessary for achieving SFM;
- o Demonstrate practices for managing production zones without compromising biodiversity values;
- o Remove hidden defects in logs so that the clients will be sure of the quality of logs they are buying;
- o Ensure harvesting according to accepted standards;
- o Reduce the number of staff dedicated to supervising harvesting; and
- o Demonstrate post-harvesting activities.

### **3.7 LAW ENFORCEMENT AND CASE-TRACKING SYSTEMS AND PROSECUTION**

Kazoora and Carvalho (2005)<sup>3</sup> identified three possible routes for the administration of justice in forestry, namely voluntary compliance, administrative processes and legal litigation. In voluntary compliance, a person voluntarily complies with the law because of information and knowledge acquired, incentives and disincentives and fear of sanctions. No offence is committed here.

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<sup>3</sup>Kazoora, C and Carvalho J (2005). Forest Justice: Combating Illegality for Forest Linked- Livelihoods in Uganda. Sustainable Development Centre in Association with the International Institute for Environmental and Development

Administratively, an offence committed is handled through the administrative processes by the mandated institutions. For example, in cases of minor offences, the offender may admit the offence and opt to pay compensation to the NFA as provided in the law. This is quite common with regard to offences relating timber movement. The litigation process requires going through the whole chain of litigation, including investigations by police, prosecution by the Department for Public Prosecution (DPP) and sentencing by Judges and Magistrates in courts of law. In this process, different enforcement agencies come into play. In all these routes, it should be noted that the route taken greatly depends on the role players (Table 4).

**Table 4: Common Players in Law Enforcement in Uganda**

<b>Player</b>	<b>Roles</b>
<b>The Public</b>	Normally report offences to NFA staff, the police, local council officials or any other person that is likely to take action of any sort.
<b>NFA Staff</b>	Established staff or hired patrol persons. They have mandate to arrest suspected offenders or those whom they suspect are about to commit offence. Report offences to police and inform the NFA Legal Counsel about the cases.
<b>Police Officers</b>	Local or central government police officers. They can arrest but they also investigate offences reported to them. Police Prosecutors can also prosecute offenders.
<b>State Attorneys</b>	Study files sent to them by police and take decisions either to prosecute on behalf of GoU or not. They are also stationed within the districts and, therefore, most forestry offences, which are prosecuted, go through this level of State Attorneys. They also represent the State in courts of law.
<b>Magistrates and Judges</b>	Try cases presented to them and pass sentences.
<b>Private Legal Practitioners</b>	Can be called upon to represent clients in court or in any other dispute resolution.
<b>Prisons Officers</b>	Detain and imprison those on bail or sentenced to a prison term by a court of law.
<b>Local Councils</b>	Monitor compliance with the law within their areas of jurisdiction. They are also empowered to hear certain types of local offences, which may include imposing fines in line with the local tradition or referring the offender to a police or a court of law.
<b>All of the above</b>	Can be called on to make statements at police and/or give evidence in a court of law

The civil society and the media have contributed to promoting administration of justice by unveiling illegal activities. This has led to follow-up of cases and eventual legal or administrative follow-up actions. In 1999, reports about rampant illegal logging nationwide with alleged involvement of corrupt officials led to decisive government investigations of the FD, resulting in interdictions and disciplinary actions against most senior staff. Similarly, in August/September 2003, press reports implicated senior politicians, army and police officials in illegal trade in timber, which stirred up the office of the Inspector General of Police to investigate the matter.

### **3.8 SPECIFIC CONSUMER COUNTRY MEASURES HAVING AN IMPACT**

Officially, Uganda does not export timber but processed and semi-processed timber products are being exported. During 1970-80s, smuggling of timber to neighbouring countries flourished. Today, the NFTP does not prevent export of timber and due to high domestic demand, what is smuggled is inconsequential. On the other hand, timber is imported from DR Congo, S. Sudan and N. Tanzania. This is subject to the normal customs requirements. A fee of 1% of the value of the timber is paid to facilitate in-country documentation. Consumer impacts on Uganda's forests are mainly to be found on the domestic market.

## CHAPTER 4: ANALYSIS OF FLEG ARRANGEMENTS AND IMPACTS

### 4.1 STRENGTHS AND WEAKNESSES OF THE LEGAL FRAMEWORK

Uganda's policies and laws relating to the management of forests provide for effective governance and forest management utilisation. Most of these are relatively recent (most of them enacted during 1990- 2000s). They therefore, contain much of the contemporary thinking on forestry, including:

- Multiple stakeholder participation in management of forests;
- Access by local communities to forest produce for domestic and income-generation;
- Maintenance of PFE ;
- Ecosystem approaches to management of forests;
- Transparent legal processes for changing forest land use; and
- Promotion of the private sector in ownership and management of forests.

The main weaknesses rest in the implementation of these policies and laws. Among the factors limiting implementation are political manipulations, limited institutional capacity, lack of practical knowledge of environmental laws within law enforcement agencies and poor detection of offences. Political governance has had adverse effects on the management of forests in Uganda over the last three decades. The national policies and laws emphasize the need for the restoration of natural forests because of the crucial ecological and biodiversity roles they play. In accordance with the law, all encroachment is illegal and therefore the encroachers should vacate FRs. However, the problem of encroachment has been sustained by the negative/poor political will and political manipulations. Local politicians (in areas adjacent FRs) undermine the efforts of RBs. To some extent encroachers themselves are held hostage by politicians, because their continued stay in FRs is dependent upon the politician. More recently at the national level, the situation was exacerbated by high-level political pronouncements in favour of encroachers. Such have served to widen conflicts between encroachers and law enforcement agencies.

Political manipulation is further reflected in the issue of illegal leasehold land titles in many FRs by District Land Boards. Although the law relating to FRs is clear, the cases of illegal land titles in FRs are common. When they are notified about their illegal occupation, they often demand compensation from tNFA, whereas the demands should be made to the Land Boards which issued the titles. However, holders of the titles cannot be compensated because CFRs are clearly shown in the national Gazette. Eventually it is the unsuspecting title owner who loses out.

Implementation of laws is further undermined by the limited capacity of institutions responsible for forest law enforcement. In addition, while private forests owners must manage their forests in accordance with principles of SFM, the mechanisms for monitoring by FSSD, DFS and NEMA are weak, because they do not have staff on the ground. The Environment Committees, which are established down to the lowest levels in the local government structure are unmotivated and under-resourced and thus ineffectual in stemming the rate of deforestation outside PAs. Consequently, many private owners believe that NFA can help them protect their forests since it has shown that it has the clout to protect CFRs. However, they expect a free service and yet NFA is obliged to generate income in order to operate sustainably.

Another problem associated with implementation of policies and laws is that many law enforcement officers (police, magistrates, prison staff, etc) lack practical knowledge on identification of legal

documents (licenses, receipts and permits) and marks on timber. As a result, the more savvy offenders easily elude these officers in the absence of technical staff. This is common with movement of illegal timber. Poor case tracking under litigation has also been identified as a major weakness in FLEG, which makes various stakeholders ineffective at executing their roles. This is reflected in the following:

- Delays in the administration of justice by the Justice, Law and Order Sector institutions makes the process of tracking cases very expensive and may be abandoned pre-maturely;
- Limited knowledge of and information related to the environmental laws (including forestry) among the police, prosecutors and judges leads to poor quality of prosecution of forestry offences and thus weak penalties given against offenders;
- Sometimes those apprehending the offenders are not diligent in preserving evidence that is admissible in a court of law. In the courts of law those who get convicted are given weak penalties because the level of evidence required by courts is unrealistic for the forest circumstances;
- Poor political will, especially during election periods when politicians rarely want to cooperate openly because their eye is often on the next election. In such circumstances, the suspects are strongly protected by the politicians;
- Corruption among the police and lower courts, which results in the early release of suspects; and
- The bigger criminals who sponsor forest offences often escape prosecution because they are never at the scene of the crime.

Mechanisms for prevention of forest offences can be expensive even for CFRs alone. Given the scattered nature of the country's 506 CFRs, it is necessary to employ large numbers of patrol persons. But in order to share the costs, NFA is promoting Collaborative Forest Management (CFM) to involve communities themselves in protecting the forests in return for benefits enshrined in the CFM agreement. Partnership building with other stakeholders is another strategy to reduce conflict. Whether this is cheaper than the traditional methods of policing has always been a subject for debate but certainly there are indications that where the CFM is carried out properly (e.g. Sango Bay and Budongo CFRs), illegal activities are heavily reduced. On the regional scene, it is worth noting that there are no legal mechanisms to regulate trans-boundary timber movement and it is thus likely that these countries are not getting the full potential benefit from their forest resources. For example, when the Uganda allocated licenses competitively and transparently, prices for roundwood and timber increased and profitability that previously depended on near-free sawlogs plummeted. In response, many sawmills and traders shifted to some of the neighbouring countries.

## **4.2 STAKEHOLDERS AND THEIR ROLES IN FLEG**

The main and overt law enforcement agencies in Uganda's forestry sector include NFA staff, DFS staff, local and central government police, UWA, Uganda Revenue Authority, the Courts of law, the Inspector General of Government, and other people authorised<sup>4</sup> by the Minister responsible for forestry. The DFS and NFA are responsible for FRs and for the case of DFS, also regulating activities outside PAs. UWA is responsible for Wildlife Conservation Areas (WCAs). The Police and Courts play major roles regarding investigation, prosecution and judgement of offences. The performance of the various stakeholders in law enforcement is determined by their internal capacities and their ability to organise and involve others. The NFA can mobilise sufficient capacity to enforce the law provided the politicians are supportive. It demonstrated this during its first two years of existence, although it faltered in 2006 due to weak political support. On the other hand, the capacity of DFS, which has

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<sup>4</sup> in line with Section 51 of the NFTP

responsibility to oversee management of the forests outside PAs, is still limited in terms of staffing and operating resources. That is why the Minister directed the NFA to step in and help bring down illegal timber harvesting.

Until recently, the ability of civil society to hold GoU accountable was weak. Currently, civil society organisations (CSOs), including the media, are doing a commendable job of advocacy and holding GoU institutions accountable. This was evidenced by the considerable pressure that the media and a number of national NGOs put on GoU when the subject of changing land use from forest reserves CFRs to commercial agriculture. Other NGOs are running public education programmes about laws and policies that affect forest management and utilisation. Regarding the private sector, involvement in forest management has been extremely weak, to the extent that even today, those who invest in commercial plantations still look to government institutions to help them (without paying for the service) carry out even law enforcement activities on their own land. The private sector, including local people and commercial investors, are poorly organised and are unable to pool resources to raise investment levels, penetrate quality markets and advocate for their incentives under the various government policies.

#### 4.3 IMPACT OF FLEG ON THE LIVELIHOODS OF THE RURAL POOR

FLEG has direct impact on the forest adjacent communities who depend on forests for a greater part of their livelihoods. Increased illegal activities lead to forest destruction, which in the long term negatively affect community livelihoods. Currently, the estimated livelihood value in the formal sector is UGX 139 billion (US \$76 million), while the informal sector value is UGX 412 billion (US\$ 225.3 million) (including subsistence and environment benefits). Table 5 shows the livelihood values in Uganda.

**Table 5: Total Economic Values of Uganda's Natural Forests (excluding timber)**

Item	Value in UGX (billion)	Beneficiary
<b>Formal Sector</b>		
Poles	5.7	National consumers
Fire wood	22.4	Local community
Charcoal	60.8	Local community, National Consumers
Other (NTFP)	21.3	Household, Local Community
Tourism	28.8	National Economy, global consumers
<b>Total Formal Sector</b>	<b>139</b>	
<b>Informal Sector</b>		
Poles	2.88	Household, Local Community
Firewood	79.60	Household, Local Community
Other (NTFP)	69.14	Household, Local Community
Livestock Forage	38.4	
<b>Total Informal Sector</b>	<b>190.02</b>	
<b>Non Marketable Values</b>		
Watershed benefits	60.8	Local Community District
Carbon sequestration	56.4	Global Community
Biodiversity value	5.82	Global Community
Soil Conservation	99.2	HH, Local Community, National economy.
<b>Total Non Marketable Sector</b>	<b>222.22</b>	
<b>Total Economic Value</b>	<b>593.24</b>	

Adapted from: The Value of Uganda's Forests - A livelihoods and ecosystems approach (2004)

## 4.4 ENVIRONMENTAL IMPACTS OF FLEG

The impacts can be positive or negative depending on quality of FLEG practices as shown in Table 6 below.

**Table 6: Impacts of FLEG on Environment**

Adequate FLEG	Inadequate FLEG
<b>Improved forest management leading to:</b>	<b>Forest degradation and deforestation leading to:</b>
Restoration of formerly degraded forests through effective protection	Denudation of the landscape
Increased productivity of watersheds	Reduced water retention capacity of the watershed and subsequent reduction of water flow to the lakes and rivers
Better soil conservation and improved water quantity and quality for municipal and industrial use	Increased soil erosion and deposition of silt in rivers
Conservation of biodiversity with all its attendant benefits to humankind	Loss of forest ecosystems and the unique biodiversity therein
Social acceptability of the forests and those who manage them	Increased encroachment of the FRs and the attendant social stress
Confidence of investors in the sector leading to increased investments and jobs	An unstable commercial tree growing sub-sector and loss of investments
Stable markets for forest products	Unstable markets for forest products
Increased tourism and tourist revenues	Less attractive tourism industry because tourism is very sensitive to ecosystem disturbances.
Increased possibilities of livelihoods from the forests and the resulting increased contribution to the national economy	Reduced and/or loss of opportunities for a livelihood by local communities leading to hostilities towards forest managers

### Box 4: Forest Degradation in Uganda

In Uganda, encroachment leading to deforestation in FRs started during the politically turbulent 1970's. In 1986-92, the government seriously addressed itself to the problem of encroachment in PAs resulting in eviction of encroachers in, among others, Kibale, Mabira, and Mt. Elgon CFRs (from about 30,000 ha). Eviction notices were issued for other places where eviction never took place. Cabinet also approved the cancellation of all illegal titles in PAs. The FD (and later NFA), then embarked on recovery programmes of the affected FRs through encroachment planting and protection. Today, many of those areas which were recovered have become fully reforested. The current Mabira Ecotourism Site is a good example of restoration of formerly encroached areas. Although these programmes were interrupted during the 2001 election period, they resumed with full government support when the elections ended. However, the process was again interrupted during the 2006 elections and since then government support has reduced considerably.

## 4.5 IMPACT ON REVENUES

### Introduction

Most of the revenue collected by NFA comes from licenses and sale of forest produce. In 2004/05, revenue from forest produce contributed 42% of total NFA revenues. It rose to 44% the following year. On the other hand, contribution from Official Development Assistance (ODA) dropped from 54% in 2004/05 to 52% in 2005/06. If revenue from other sources (e.g. land rent, telecommunication mast rents, research fees, sand, etc) is included, NFA own revenues contributed 44% in 2004/05, rising to 46% in 2005/06. This shows that NFA was increasing its capacity to finance its activities from forest produce (NFA Annual Report, 2005/06, Table 7)

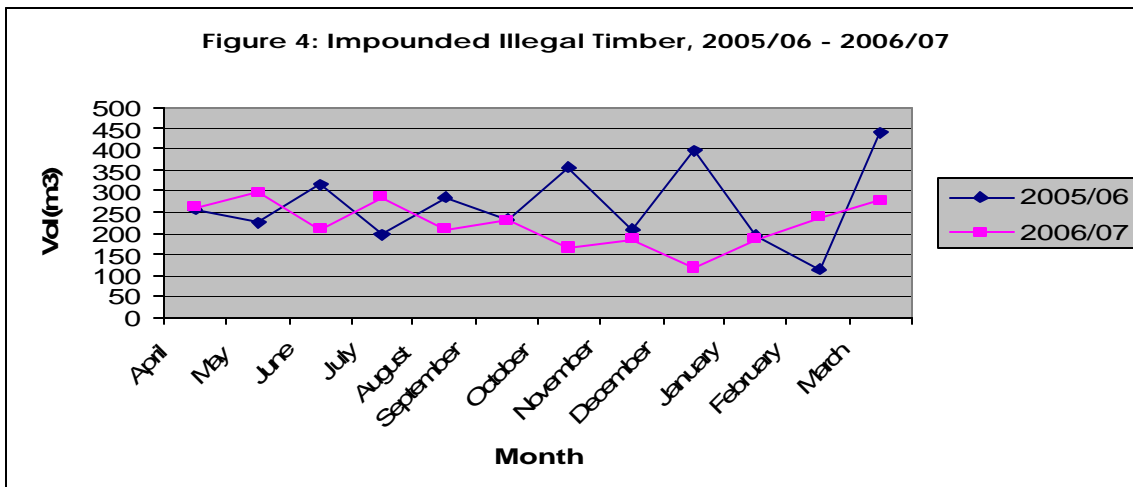
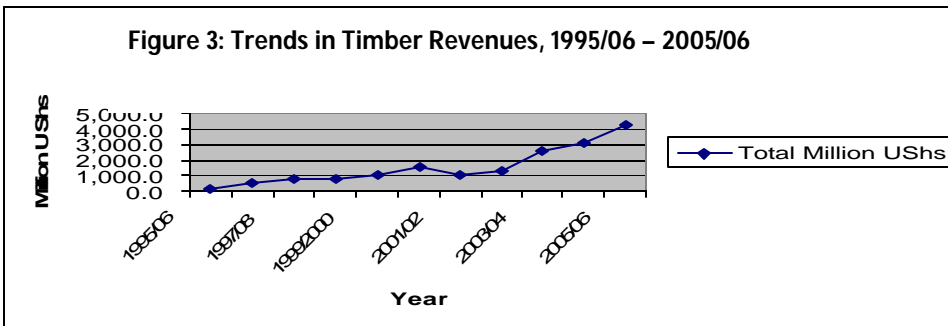
**Table 7: NFA Income, 2004/05 – 2005/06**

Revenue Source	2004-05 (UGX)	2005-06 (UGX)
Forest products	4,741,157,000	5,513,690,000
Seed and seedlings	284,143,000	496,818,000
Ecotourism	64,742,000	100,724,000
Government subvention	163,939,000	194,155,000
Development Assistance	6,679,431,000	7,281,306,000
Others	330,035,000	327,679,000
<b>Total</b>	<b>12,263,447,000</b>	<b>13,914,372,000</b>

Adapted from NFA Annual Report, 2005/06

#### 4.5.1 Timber

When the FD improved FLEG in 1995 by especially establishing a transparent and simple “*chain of custody*”, revenue collection rose by nearly 300% within one year and it continued to rise. Apart from a slight dip in 2001/02, total revenue collections continued to rise (Figure 3) in spite of inflation (average 5% p.a). The FLEG mechanisms were mainly aimed at eliminating corruption among FD officials and curtailing involvement of high ranking government officials in illegal harvesting and/or transportation of timber. The impacts of vigilance on illegal timber are illustrated in Figure 4.



In September 2005, the volume of impounded illegal timber began to rise and continued rising for the rest of the year except for February and March 2006. NFA attributes the rise in volume of impounded timber to the heating up of the Presidential elections, which were held in February 2006. Forest offenders became bolder because of their election muscle. The dip during February and March is due to the fact that law enforcement became almost impossible during these months when illegal operators took advantage of their voting power to coerce the support of powerful politicians against the NFA and other law enforcement agencies. NFA and its collaborating agencies had to lower their vigilance in deference to the demands of the President.

In general terms, revenue from public auctions of impounded illegal timber generally decreased starting with 1996/07 (when vigilance was intensified) as total revenue increased, showing increased revenue collections from legal sources. This can only have had a positive impact on the integrity of FRs (Table 8).

**Table 8: Impact of Timber Monitoring Systems on Forest Department/NFA Revenue from Timber**

Year	Total Revenue (million UGX)	Impounded Timber Revenue (million UGX)	% of Impounded Timber Revenue
1995/06	148.2	36.8	25
1996/07	602.8	33.6	6
1997/08	760.4	111.2	15
1998/99	812.9	78.9	10
1999/00	1,044.7	134.1	13
2000/01	1,518.0	57.2	4
2001/02	1,159.5	18.9	2
2002/03	1,408.6	3.7	0
2003/04	2,563.0	184.7	7
2004/05	3,075.0	247.9	8
2005/06	4,223.0	317.8	8

Along with increased revenues from legal operations:

- Timber prices on the market rose. For example, the price of a piece of pine timber (6"x2") rose from UGX. 3,800/- in 1995/96 to Shs. 6,400/- in 2000/01. Today, after introduction of the bidding system which increased the price per cubic metre of standing volume threefold from the price earlier fixed by statutory instrument, it averages at UGX. 11,000/-;
- Diligence among field staff increased as evidenced by improved revenue and recording of forest produce;
- Corruption by public officials was considerably reduced;
- Many illegal operators were reduced to a level of producing and transporting a few pieces of timber (instead of 7-tonne trucks common at the time), mixed with other goods to avoid detection. Also, illegal operators started cutting 7 feet long pieces, as opposed to the traditional 14 feet, in order to use shorter pick-up trucks which can transport smaller loads and can use difficult roads. Over the decades, incessant efforts to dissuade millers from wasting logs by insisting on converting only logs 14 feet long had been resisted but effective FLEG achieved this almost overnight. There were also attempts to forge the hammer-marks;
- At the forest level, rampant illegal cutting of timber reduced to night operations, sometimes with operators carrying away small logs for conversion in the villages (popularly termed "eco-terrorism"); and

- Due to increased prices and price stability, private sector involvement in tree planting increased as shown by the increasing number of seedlings purchased from the National Tree Seed Centre (NTSC) (Table 9).

**Table 9: Seedlings sold to private sector at NTSC**

Year	Number of seedlings	% increase
2003/04	60,000	
2004/05	503,000	738
2005/06	1,016,500	102
2006/07	1,400,000	38
	<b>2,979,500</b>	

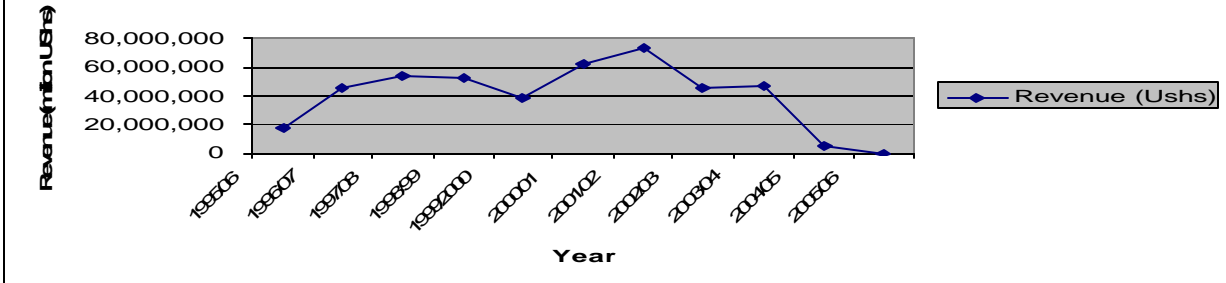
When funding (through appropriations-in-aid) of the Forest Produce Monitoring Unit (FPMU) stopped in 2000/2001, total revenue dropped by 22% but it later picked up when some funding was restored and it shot up by 82% during the last 6 months of 2004 when NFA started to take charge (before introducing the bidding system). This observation indicates the need to invest in FLEG for increased revenue collection. Because the newly established NFA had resources to invest in FLEG, compliance with laws and regulations, especially in CFRs increased and timber prices stabilised at high levels.

However, outside the CFRs, there was a rush to convert trees on private land and “former public land”, mainly because the trees were cheap. District officials, including remnants of the defunct FD staff, licensed themselves to harvest the trees and reap from the lucrative timber business, especially as they easily evaded paying district taxes. The market was flooded with cheap hardwood timber, and this also constituted unfair competition on the timber market to sawmills licensed to harvest NFA pine plantations, who paid higher prices for sawlogs. The districts soon realised severely diminished revenue and there was a muted outcry as it was partly their officials that were responsible for this. GoU in turn requested NFA to establish AACs for each District based on inventories by its Biomass Centre for purposes of regulating harvesting. Power to license was recentralised, amid protests from some District officials and the situation was normalised.

#### **4.5.2 Charcoal**

When FPMU was initiated in 1995, and later the Law Enforcement Section of the NFA in 2004, it paid most of its attention to illegal timber. As a result the process for monitoring charcoal during transit and in the market was not fully developed. When NFA brought illegal charcoal burning in CFRs under control, it did not pay much attention to charcoal from outside CFRs because this was now the responsibility of the DFS. Figure 5 shows the trend of revenue from charcoal impounded by FD and later, NFA. The charcoal revenues started to dip in 2002/03 when this activity was left to the DFS because the charcoal was now coming from outside CFRs.

Figure 5: Revenue From Impounded Charcoal, 1995/96 - 2005/06



## CHAPTER 5: GOVERNANCE PROJECTS AND SPECIAL PROGRAMMES

### 5.1 GOOD GOVERNANCE IN THE UGANDA CONTEXT

Good governance is increasingly recognised as a pre-requisite for economic growth and sustainable development. It is one of the “Pillars” of the PEAP. It is considered as a multi-dimensional concept that covers all aspects of the exercise of authority by formal and informal institutions. The National Programme and Action Plan on Democratic Governance (NPAPDG) defines good governance as the efficient, effective and accountable exercise of political, administrative and managerial authority to achieve society’s objectives including the welfare of the whole population, sustainable development and personal freedom<sup>5</sup>. In the NPAPDG, government is committed to maintaining high standards of human rights, improving public accountability and addressing corruption, decentralisation of services and improving the performance of human resources. In order to deal with illegal and unethical dealings in government business, a number of legal instruments have been added to the usual laws like the Penal Code. They include:

- The Leadership Code, which requires leaders at a certain level to declare their assets every 2 years to try and limit corruption and use of public office for personal unauthorized gain;
- The Office of the Inspector General of Government (IGG) where the public can complain about public officers who misuse their offices;
- The Ministry of Ethics and Integrity, which can deal with corruption through executive action; and
- Public Accounts Committee of Parliament, which examines the Auditor General’s Reports of GoU Ministries and other agencies.

However, all these are still relatively new and are meeting with challenges in practical implementation. Some of the challenges are systemic and others are legal loopholes. The on-going reviews and revisions in the laws and government procedures are helping to feed lessons learnt back into the structures.

In Uganda, society is increasingly bringing considerable pressure to bear on the forest managers (especially of PAs) through the media, advocacy organisations and political institutions to show that public forests are being managed responsibly. Indeed, it is this societal pressure that led to reforms in the forest sector resulting in transformation of the FD into the NFA. Many changes in the macro-policies and strategic plans like decentralisation, privatisation and public sector reform taking place in Uganda since 2006 made the 1964 Forest Act and the 1988 Forest Policy wanting. As a result, increased demand for participatory management practices, coupled with international obligations and commitments led to reviews of the forest policy and legislation as part of the sector reform process.

The reform (1998 – 2004) resulted in development of a new Forestry Policy (2001), the National Forestry Plan (2002), the National Forestry and Tree Planting Act (2003) and a new institutional framework for the management of forestry resources in the country. The multi-stakeholder nature of forest governance removed the FD as the sole institution responsible for managing and regulating forestry resources in the country and introduced new responsible bodies (NFA, UWA, DFS, private forest owners, and community forests owners). The introduction of a multi-stakeholder management approach, each with clearly defined roles and responsibilities, is an innovation aimed at

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<sup>5</sup> Poverty Eradication Action Plan (2004), Ministry of Finance, Planning and Economic Development, Kampala

improving forestry governance and contributing to sustainable development. This new institutional relationship was developed to enhance efficiency, transparency, accountability and professionalism and to build confidence among all stakeholders. Through these sector reforms, a number of lessons were learnt:

- (i) It took a dictatorial government a few years to break the country in the 1970s but 25 years after the leaders were driven out of government, forest management has still not fully recovered;
- (ii) It took a long time to agree on the institutional set-up and mandates before the necessary law could be put in place. As a result:
  - Staff morale in FD and executive authority collapsed;
  - It became very difficult to enforce discipline in forest management at field level;
  - Opportunists in the private and public sector took advantage of this state of instability to wreck havoc on the forests;
  - Local communities took advantage of their voting power to coerce politicians into supporting their illegal schemes; and
  - The forest resource suffered heavily to the extent that a lot of people were asking whether the reform had been worth the damage to the forests.
- (iii) Participatory reform is expensive. It is proving a challenge to maintain the participatory processes during policy implementation without external financial aid;
- (iv) Participation can develop the spirit of comradeship but it can also be counter-productive when selfish elements take advantage of the knowledge about vulnerabilities of the responsible institutions and their forest managers. This happened to the FD during its ending years as CFM agreements were abused leading to heightened encroachment;
- (v) A vibrant civil society machine involving the media and local NGO's has developed out of the reform process;
- (vi) It is dangerous to concentrate capacity building (in all aspects) on one institution in the reform process. Nearly 4 years after the NFTP came into force, the NFA is more or less fully operational and it is getting on top of things. But the DFS still cannot operate because they are poorly staffed and inadequately resourced. As a result, forests on private lands are being decimated and illegal activities are difficult to eliminate in CFRs in the absence of capacity to regulate harvesting outside.
- (vii) Latent capacity among staff can be suddenly activated to achieve considerable results in a short time, if resources to implement work plans are readily available and a conducive management and administrative environment, especially one that empowers, prevails. For example, revenue collection shot up from UGX. 1.2 billion<sup>6</sup> in 2003/04 to 5.4 billion in 2004/05, illegal activities in plantations have been virtually eliminated due to an improved system of selling standing volume and staff vigilance, VAT of over UGX. 1 billion had been collected before URA stopped it (no VAT was being collected under the old system), and over 4,000 ha of new plantations were established by the NFA alone and about 5,000 ha by the private sector.

## 5.2 COLLABORATIVE FOREST MANAGEMENT

CFM refers to the partnership between a local interest group or community living beside a FR, and the body responsible for the management of the reserve. The process is aimed at giving forest adjacent communities the opportunity to participate in decision making regarding the management of the forest, receive benefits from the forest and take on some of the management responsibilities. The details of this shared management are arrived at through meaningful negotiation and are expressed in signed agreements. The key steps involved in the CFM process include community sensitisation, participatory resource assessment, negotiations and agreement. Roles, responsibilities

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<sup>6</sup> 1US\$ = Ug. Shs.1750 as of June 2005

and benefits for the parties to the agreement are clearly defined in the agreement. CFM has been piloted around a number of CFRs (e.g. Budongo, Bugoma, Sango Bay, Mabira, Tororo and Namatale) with varying degrees of success. Lessons learnt include:

- Participation clarifies the benefits to the local people and thus creates a strong sense of ownership of the resource. This drives them to effectively participate in FLEG;
- If local communities do not cooperate with external forces (largely political and business interests) in abetting illegal activities, FLEG becomes more effective;
- Where individuals in the community have covert interests, the collaboration does not work well. Therefore it is important that all interests are well understood during the process before entering formal agreement;
- Community involvement in FLEG becomes more meaningful where there are clear financial benefits for individuals. In such cases, they have been seen to even invest their own resources (**Box 4**); and
- Sustained engagement and information dissemination to the communities is key to CFM success

#### **Box 5: Bushenyi All Pitsawyers and Wood Users Association Takes Part in Monitoring Illegal Activities**

From around 1999 to 2002, Bushenyi All Pitsawyers and Wood Users Association (BAPWA) in Bushenyi District had a membership of over 200 people engaged in different forest-related activities like pitsawing, charcoal burning, carpentry, firewood sellers, among others. Under the collaborative management approach, the Forest Department licenced BAPWA to sustainably harvest designated areas of Kalinzu CFR. In turn, BAPWA was responsible for checking illegal practices within the reserve.

The members of BAPWA were very vigilant in tracking down illegal timber dealers and reporting them to the local FD staff. Because its membership came from all over the district, the whole forest could be monitored more effectively than when the FD was depending on its own staff alone. This resulted in drastic reduction in the level of illegal activities and hence volume of timber and charcoal on the market, leading to increased prices. A bag of charcoal in Bushenyi and Ishaka Towns nearby rose from Shs. 3000 to 8,000 within one month and the price of timber doubled. Therefore BAPWA members were motivated by the increase in timber and charcoal prices and could now sell more legally harvested timber and charcoal (from lop and top remaining after timber harvesting) at better prices.

However, they were prepared to track down illegal operators as long as anybody who wanted to harvest forest products from the forest for commercial purposes belonged to BAPWA. When NFA came into being, the monopoly was broken because it had to sell forest products through competitive methods. Since BAPWA now was required to bid with the rest, it stopped participating in the control of illegal activities since it could not be sure that it would always win in the competitive bidding processes. In fact, some of its members started to engage in illegal activities themselves.

On the other hand, NFA came with the policies of zero tolerance to corruption and motivating staff through better salaries and decentralised decision-making. Thus, most of the illegal activities, which were abetted by staff, were eliminated. It could be argued that the gap left by BAPWA in controlling illegalities was sealed through vigilant and committed staff. However, elimination of the local communities in forest management resulted in strained relationship and open hostilities between the people and NFA staff.

EMPAFORM, a community empowerment programme implemented by CARE among CBOs engaged in CFM in Uganda has shown that empowerment of community and marginalized groups can actually be done (CARE, 2007). However, this requires sustained engagement and a lot of information dissemination in the formats easily accessible and understood by them.

### **5.3 FOREST GOVERNANCE LEARNING GROUP**

To encourage participation, the Uganda Forestry Sector Coordination Secretariat (responsible for the forest sector reforms) in 2002 stimulated the organisation of the environment-related NGOs and CBOs into the Uganda Forestry Working Group (UFWG). This provided a platform for sharing forestry related ideas, and formed one voice to raise the profile of the sector locally and internationally. In 2003, the Uganda Forest Governance Learning Group (FGLG) was formed. The Group is an alliance of

individuals from government and independent agencies active in Uganda in forest governance situations. It is part of an international Learning Group constituted by several internationally active agencies. The International Institute of Environment and Development (IIED) has facilitated FGLG since August 2003. To-date, it has focused on issues of forest illegality and regulation and their effects on livelihoods.

Participants of the Uganda FGLG are identified on the basis of their willingness, experience, good connections and ideas, and the prospects they offer for developing strategic links between the forest sector and other sectors and influence-groups. Members include senior department or ministry level decision-makers in the forestry sector, experienced opinion-formers in forestry and macro-planners/economists in the Ministry of Finance. The objective was to create opportunity to raise a voice for forestry and penetrate all sections of decision makers to influence the raising of the forestry sector profile. Its early activities included participating in the revision of the PEAP to raise the profile of forestry, influencing budgetary allocations in favour of the sector and advocating for the restoration of transparency, accountability and professionalism in forestry.

## CHAPTER 6: FOREST GOVERNANCE CASE STUDIES

### 6.1 DECENTRALISATION OF MANAGEMENT OF FORESTS

The most widely understood form of decentralization in Uganda is *devolution* of financial and decision-making powers to district, sub-county, parish and village levels. In his article, *Decentralization and Forest Management in Uganda*<sup>7</sup> Nsita (2004) outlined the policy on decentralisation with respect to forest management as follows:

- Before 1967, there was a vibrant local forestry service, which ran LFRs, especially under the kingdoms that had built strong, coherent government systems. At that time, local governments had powers to decide on development priorities for their areas. Nevertheless, the central government was still responsible for managing some of the FRs;
- In 1967, Government adopted a republican constitution, which centralized virtually all government decision-making powers. Consequently, all LFRs became CFRs;
- In 1993, the government adopted the policy of decentralization. But it soon became clear that local governments were not yet ready to assume all forest management responsibilities. In pursuit of revenue to run activities like education, water and health, which had also been decentralized, they set about harvesting the forests with little consideration for planned management;
- The FRs were therefore re-centralized in 1995, but this time through a Statutory Instrument. This turned out to be a rather unpopular move. Local governments challenged the legal basis (*albeit* outside the law courts) for re-centralizing the FRs and maintained pressure on the central government to decentralize them again;
- In 1995, Uganda adopted a new constitution. The Constitution fully embraced the 1993 decentralization policy, but it remained ambivalent regarding management of forests;
- Since then and until the Constitution was amended in 2005, local governments continued asking the central government to hand over all FRs to them, arguing that the law vested only policy in the central government. On their part, the forest managers maintained that the local governments did not have the capacity and sufficient will to manage the FRs professionally; and
- Later, the National Forestry and Tree Planting Act of 2003 maintained the 1998 position but this time it created the NFA. Whereas the FD had been responsible for all aspects of forestry in the country, the NFA would manage only the CFRs. The local governments have now agreed with this approach.

Nsita (2004) concludes that:

- The results of all these changes were mixed. Following independence, the LFRs were run efficiently and up to the mid-1970s, the FRs were well managed even though they were centralized. Thereafter, efficiency depended on available resources from the central government;
- The FRs were never decentralized long enough to permit judgments about the impact of decentralization on SFM. Today, no good conclusions can be drawn either because the DFS have never been resourced enough to enable a balanced assessment of the effect of decentralisation on forestry;
- Landownership seems to be closely intertwined with user rights. Most people do not want to have only rights to use the forest. They also want to own the land and be able to change land use at will. Therefore, the solution may lie in keeping critical forest ecosystems under central control, with the NFA. However, more FRs could be given to local governments (in accordance with the NFTP) to make it worth their while to plan and manage LFRs;

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<sup>7</sup> Decentralization and Forest Management in Uganda, 2004: Contribution to the Workshop on Decentralization, Federal Systems In Forestry and National Forest Programs, Interlaken, Switzerland

- Some districts are beginning to finance forestry for community development. They are starting nurseries to supply tree seedlings to local people, often free of charge. If the central government is serious about decentralizing forests, it will be necessary to condition some of its grants on developments like these;
- Forestry is low on the list for local government priorities. Unless the forests are decentralized together with the resources to manage them, the local governments are not likely to pay attention to them beyond harvesting them for revenue; and
- The process of decentralizing forest management should acknowledge that mistakes can be made by governments at both levels. What the decentralization process should do is to concentrate on building capacity and confidence among the major players. In due course, all the RBs will be able to play their requisite roles effectively.

## **6.2 CHAIN OF CUSTODY (COC) FOR INDEPENDENT VERIFICATION OF SOURCES OF TIMBER**

### **6.2.1 General Remarks**

Forest certification attempts to link markets (“green consumers”) to forests with good forest practices. The ‘green consumers’ are often the buyers of the forest products, but in most cases, it is the processors (e.g. sawmill companies and honey processors) that get into contact with the forest owner. In addition to demands by “green consumers”, society also demands SFM because it (society) consumes products and services like watershed protection, recreation and non-timber forest products. In Uganda, society is increasingly bringing considerable pressure to bear on forest managers through the media, advocacy organisations and political institutions as can be seen today regarding the controversial give-away of CFRs for growing of oil palm and sugar.

To convince the consumers that a given forest is sustainably managed, it is necessary to verify the claims of SFM through an independent party. This is because a third party the customer trusts (often not the forest owner or government institution) says so by issuing a certificate. As a result many companies are increasingly finding it beneficial to deal only in products whose legal origins can be independently verified. In view of this, the FD and later NFA embarked on developing a system for tracking the legal sources of timber from the forest to the destination. The initiative built on the timber tracking system, which started in 1995 and culminated in the Kalinzu/Bugoma Initiative in 2004. Under this initiative, the system was used to enable a coalition of private sector sawmills and the local community association to supply timber for the construction of the British High Commission Offices in Kampala. The essential features of the system include:

- Legal compliance with national legislation;
- Stock mapping in order to harvest according to the AAC;
- Sale of graded logs by public auction;
- Harvesting using reduced impact logging systems;
- Monitoring harvesting using stock-maps which show harvest, seed and reserve trees;
- A COC system involving timber marking and documentation from the tree stump to the destination timber sheds in the market; and
- Impromptu checking of vehicles during transit to exclude illegal timber being mixed with legally sourced timber.

### **6.2.2 Stock-mapping**

It records information on all trees that have reached the minimum diameter for harvesting. These diameters vary according to species. Annex 11 shows a copy of a typical stockmap, which guides

harvesting and a subsequent stump inventory to ensure, through independent monitors, that the trees earmarked for harvesting are the ones actually harvested.

### 6.2.3 Logging

NFA has adopted low impact logging (LIL) as an overall management approach for the timber production zones in THFs. Logging is done through private logging contractors, employed by NFA itself. After felling, the trees are crosscut using the modular approach and graded before selling them by public auction at the stump site (Box 6). The purpose of crosscutting and log-grading is to maximize the volume and grade or value of logs processed from a felled tree. The purpose of log grading is to optimise pricing of logs to benefit both NFA and the buyers. The NFA will get the right value for the trees and the buyer will get value for money. In order to minimise degradation before milling, the logs are sold as quickly as possible after felling the trees.

#### Box 6: Why NFA Decided to Sell Graded Logs

- o In the past harvesters in THFs took only species they could easily market. If NFA does its own logging, it will be able to promote the species which are not common on the current domestic market;
- o In the process of moving towards SFM, NFA will continue to develop and field test the LIL systems that are necessary for achieving SFM;
- o NFA will demonstrate practices for managing timber zones without compromising biodiversity values;
- o Trees in THFs tend to have defects which are not easily detected when the tree is standing. When NFA does its own logging and log grading, the clients will be sure of the quality of logs they are buying;
- o In order to ensure harvesting according to accepted standards (e.g. modular system, improved recovery, directional felling) and minimize malpractices, it is often necessary to dedicate one Supervisor to each harvester almost on a daily basis. Such staff is diverted from other activities in the forest. When NFA does its own logging, the number of staff dedicated to harvesting is reduced;
- o Auctioning the logs promotes transparency and allows market forces to operate;
- o Graded logs are expected to result in increased timber prices for the NFA clients, leading to better business for them and ultimately the NFA; and
- o NFA will be able to demonstrate post-harvesting operations like utilisation of lop & top and silvicultural operations. In the process financial and social benefits from THFs will increase.

From: Logging in Natural Forests – The Supervisor’s Toolkit

### 6.2.4 Timber Marking and Documentation (Timber from CFRs)

#### From the Forest to the Sector Manager’s Office

The tree is felled in a manner that the stock number is left on the tree stump. If this is not possible, NFA paints it again on top of the stump after felling. Staff takes measurements of log diameter and lengths and records them on the Log Volume Measurement Form. This will be used to compute volumes for comparison with those generated by the computer. To enable the buyer to track timber from its source to establish its integrity and legality, each piece of timber milled is marked with a stamp in indelible ink showing coded information for compartment number, ISSMI block number and tree number. The Forest Supervisor (FS) maintains a database in a spreadsheet form showing this information plus the species, number of pieces of timber cut from each log for each tree (shown by its stock number) and the sizes. The sawmiller fills in a Sawn Timber Record Form, which is submitted to the buyer at agreed intervals.

When the timber is loaded on a vehicle, the FS hammers (or stamps with indelible ink) each piece of timber with the relevant FR code. He/she then issues a Forest Produce Declaration Form (FPDF)

showing the species, timber sizes, and licensee particulars among others. The FPDF is addressed to the Sector Manager (SM). Each vehicle loads only timber whose origin can be verified through this system.

#### At the Sector Manager's Office

The SM checks the FPDF and the labels on each piece of timber to make sure that the details correspond. He also ensures that payment for fees has been made. If he/she is satisfied, he/she signs on the FPDF, thus allowing the timber to be moved to any destination in Uganda.

#### Timber in Transit and in the Market

Any vehicle moving timber from the forest must have a valid FPDF, a general receipt on which payment of fees was made and the timber must have hammer marks/stamps showing the code of the forest of origin. It must be in transit to the SM's office for verification. Any vehicle moving from the SM's office must have the above documents and marks but this time, the FPDF must bear the signature of the SM. The NFA's Law Enforcement Unit inspects vehicles carrying timber on the roads. The checks can be expected at any point during transit and in the timber sheds. Informers located *incognito* around the marketing centres service the Unit. If the buyers wish, their stores maintain an independent database recording particulars of the timber received from the forest. This will enable crosschecking information with the field databases by independent auditors.

## **CHAPTER 7: RECOMMENDATIONS OF OPTIONS FOR ACTION**

### **7.1 CROSS-BORDER FLEG MECHANISMS**

Currently, there are no mechanisms to regulate trans-boundary FLEG. This has led to unregulated trade and movement of forest produce across borders. Therefore, the East African Community should enact a regional instrument to regulate cross-border trade and movement of forest produce. The process of enacting a regional instrument should take into account the recommendations of the East African Legislative Assembly which sat in Mombasa in 2004)

### **7.2 PROMOTION OF INTEGRITY, TRANSPARENCY AND PROFESSIONALISM**

Experience has shown that sometimes alternative GoU interests lead to non-compliance with established laws, as in the case of Butamira CFR referred to earlier. It may require regional cooperation to legislate for the protection of natural resources. To this end, the East African Community should enact a regional instrument which provides for respect of rule of law to uphold transparency, integrity and professionalism in FLEG by national governments.

### **7.3 POLITICAL SUPPORT NEEDED FOR EFFECTIVE FLEG**

Political manipulation is a major issue in persistent illegal activities. This often leads to breakdown of law and order and hampers private investments in the sector. Activities of forest offenders cause serious ecological, social and economic impacts spanning the whole country. To enable effective FLEG, GoU should provide strong, consistent and open political support to the forest management authorities and the law enforcement agencies.

### **7.4 STRENGTHEN PARTNERSHIPS**

NFA has shown that partnerships among law-enforcement agencies can be developed successfully and this achieves results quickly. Therefore, institutions responsible for forestry should forge strong partnerships among law enforcement agencies at local, national and regional levels for purposes of joint planning, sharing of information, raising awareness, harmonizing activities and optimizing use of resources. Incentives play an important role in enhancing compliance with the law among local communities. For example, the case of Kalinzu CFR referred to above indicated that participation of the local pitsawyers was stimulated by the assurance of access to the timber resource. Therefore, incentives such as easing access to benefits from the forests by local communities should be provided to foster support for FLEG.

### **7.5 PROMOTE PRIVATE FORESTRY**

Tree planting by the private sector and local communities is being promoted in Uganda on both private and government lands as a means of reducing pressure on natural forests for timber and other forest products in the long run. This is also contributing to restoration of the degraded forests. However, it is noted that the high value natural forest species are harvested illegally in spite of the common plantation species being available. Therefore, promotion of tree growing by the private sector should also target the high value natural forest tree species like those mentioned in Fig. 1. Fiscal incentives should be provided to encourage private investment in these long rotation tree species.

## **7.6 IMPROVE FUNDING FOR FLEG**

Financing law enforcement has not been very popular in the funding corridors because both GoU and donors try to pursue populist policies and do not want to provide funds for law enforcement. Even autonomous bodies like NFA and UWA do not provide adequate budgetary support to meet the challenges of FLEG. Since effective FLEG generates revenue directly from sale of impounded produce and securing business interests of law-abiding operators and hence enabling them to make profit and pay fees and taxes, investing in FLEG is a *sine qua non* for achievement of SFM.

## **7.7 COLLABORATIVE FOREST MANAGEMENT**

Communities have a strong complementary role in law enforcement efforts of the institutions responsible for forest management. However, their participation becomes more meaningful where there are clear financial and other similar benefits for participating individuals and families. Therefore, CFM initiatives should at all material times pay attention to this stark reality.

## **7.8 CONCLUDING REMARKS**

It has been seen that it is not only effective policing of the forests, roads and markets but also the transparent, even-handed and professional manner in which responsible agencies handle the business that builds confidence among all stakeholders and increases compliance at all levels. Any policies and laws are as good as those implementing them and thus the human quality and quantity of the human resource component in FLEG must always be considered. Experience indicates that there is not a single forest offence in which there is no connivance of one sort or another by one or more government officials.

Many a times, it has been claimed that FLEG policies and laws are colonial and hence so antiquated to be effective. Though this is true to some extent, it is mainly is a simple cop-out of failure to implement. In the mid-1990s, FD implemented a policy of 1928 and laws and regulations dating from 1968 and back. An estimated 50% compliance with those policies and laws yielded extremely positive results that in turn indicated where and how to reform the sector. Thus, it is not shortage of policies, laws and regulations but rather lack of implementation of existing instruments that is the issue. Legal reforms should, therefore, be undertaken on the basis of pointers emerging from implementation of existing policies and laws.

FD/NFA have also demonstrated that policies, laws and regulations must be based on and should eventually be translated and linked to basic and solid forestry science if they are to have a positive impact on the forests. In this regard inventory and stock-mapping (where applicable) have been found to be central to FLEG and no amount of policing and regulating will be a substitute for these. Also, FLEG must be carried out not only to ensure the legal and physical integrity of forests but also to guarantee profitability on investment and hence secure revenue. The tendency to criminalise efforts by investors to maximise profits needs to be viewed positively and be directed and harnessed to achieving SFM through FLEG. Uganda's experience over the past decade clearly demonstrates the central role FLEG plays in SFM. In view the foregoing, it is no longer tenable for governments and donors to shy away from FLEG since it is the bottom line for attaining SFM.

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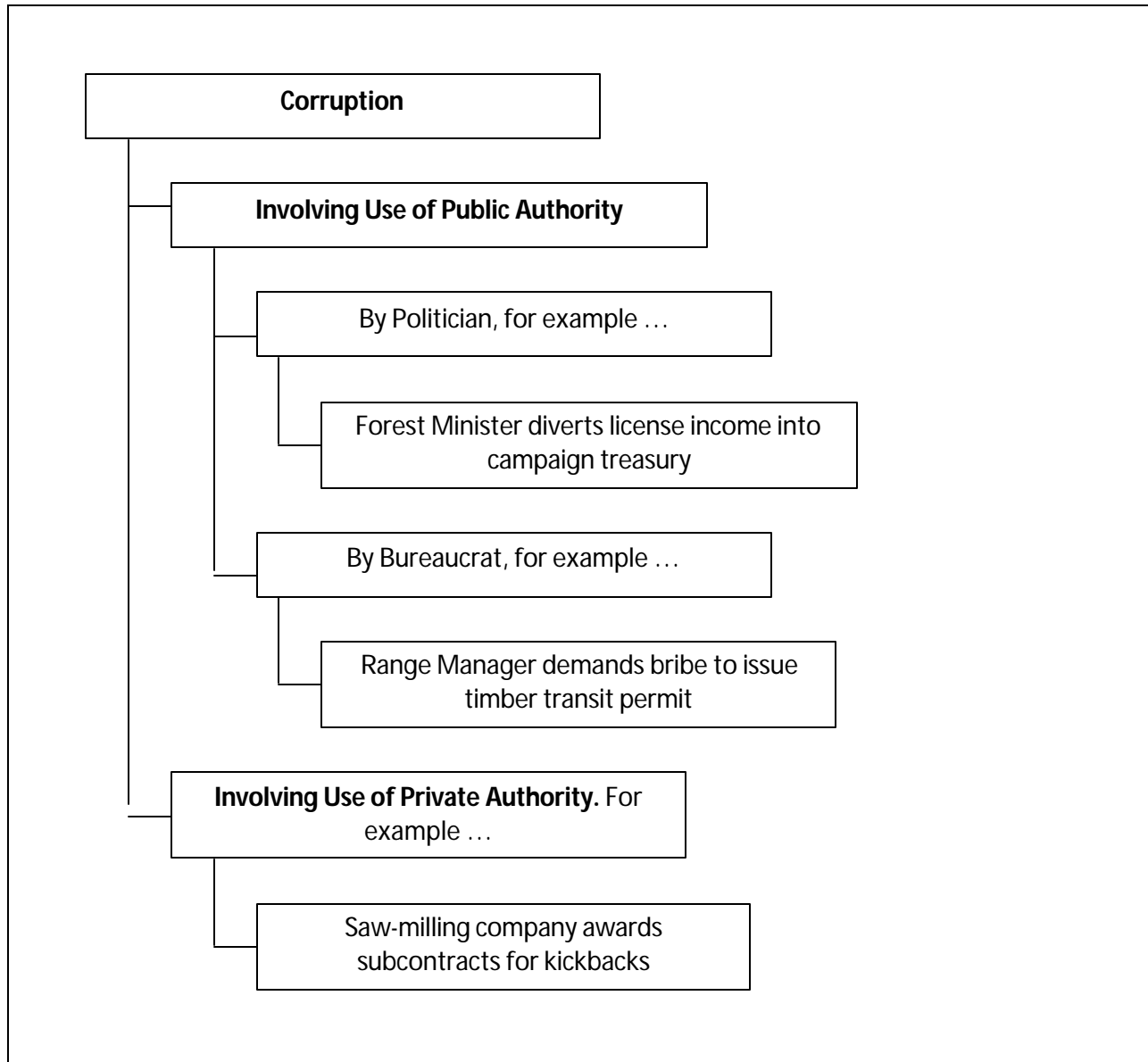
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**ANNEX 1: RECORDED IMPOUNDED TIMBER BY SPECIES, 1996/97 - 2000/01**

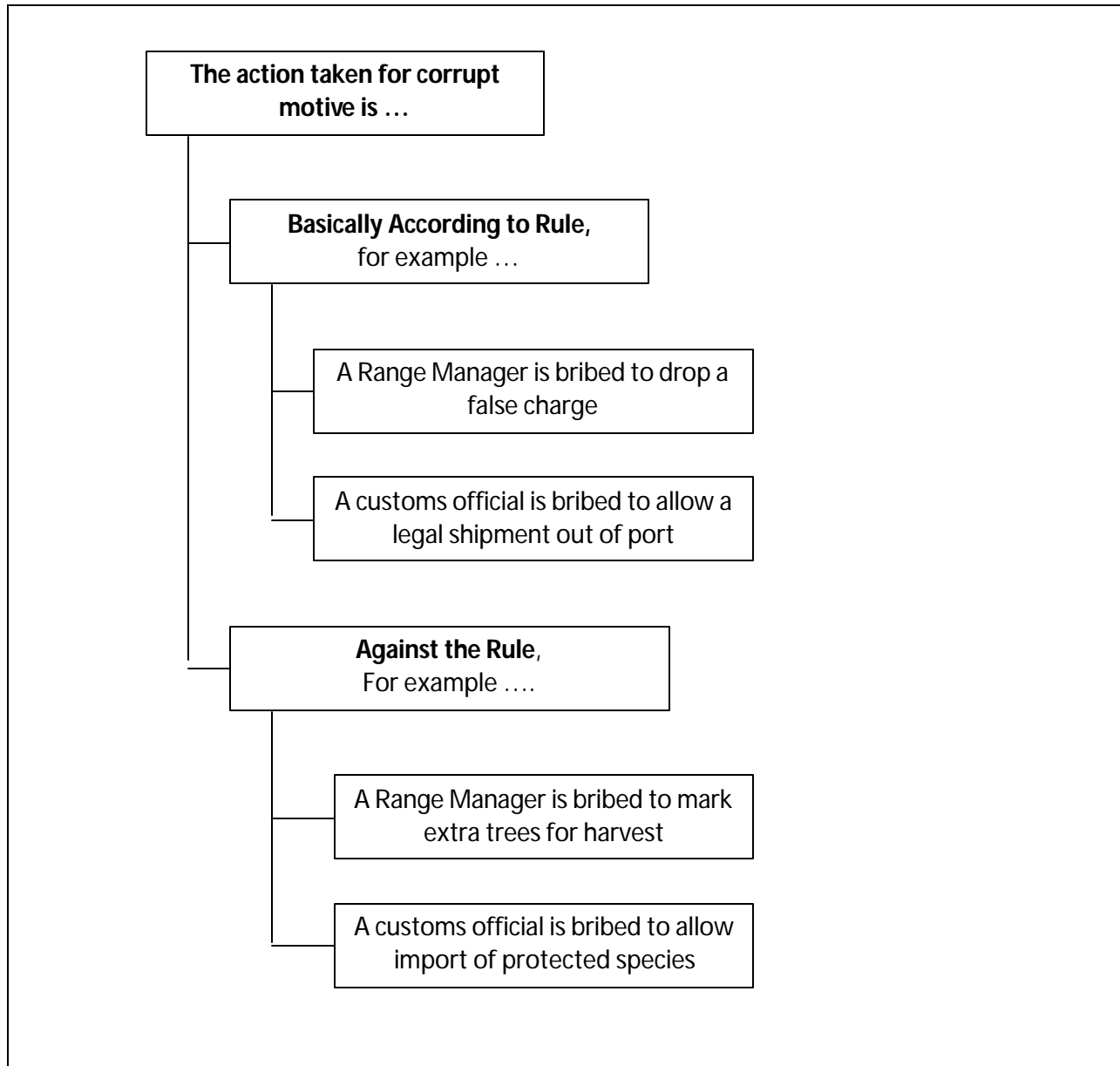
Species	1996/97	1997/98	1998/99	1999/2000	2000/01	Total
1. Albizzia spp	16.90	6.97	52.33	89.36	63.33	228.88
2. Antiaris toxicaria (Kirundu)	2.88	57.14	36.35	74.29	42.10	212.76
3. Mahogany	96.68	57.90	2.16	2.19	1.23	160.17
4. Aningeria spp (Nkalati)	2.88	0.83	38.71	26.91	46.22	115.55
5. Blighia unijugata (Nkuzanyana)	50.76	4.85	27.16	0.13	29.99	112.89
6. Maesopsis eminii	50.76	46.75	2.21	0.00	1.42	101.14
7. Milicia excelsa	31.29	54.47	1.94	2.05	0.93	90.67
8. Mixed H/wood	17.17	36.15	0.74	19.54	2.89	76.48
9. Alstonia boonei	0.00	0.32	0.00	0.00	56.46	56.78
10. Celtis spp (Lufugo)	11.71	6.56	6.89	18.18	13.40	56.74
11. Cupressus lusitanica	25.63	3.98	5.06	5.61	8.58	48.85
12. Pine	25.55	15.63	0.10	0.12	0.40	41.79
13. Bosquea phoberos	0.00	0.00	14.61	0.00	22.40	37.01
14. Eucalyptus spp	11.08	2.47	4.99	4.03	8.28	30.85
15. Canarium schweinfurthii (Muwafu)	1.84	1.92	8.89	0.16	13.48	26.29
16. Cordia spp (Mukebo)	0.00	2.21	5.25	6.85	9.14	23.45
17. Chrysophyllum spp (Mululu)	1.60	0.44	0.00	8.63	12.19	22.86
18. Mixed spp	16.90	1.44	0.68	0.00	0.61	19.63
19. Funtumia spp (Nkago)	1.61	5.09	4.46	3.63	3.83	18.62
20. Ficus spp	3.70	0.98	4.77	0.00	7.37	16.82
21. Lovo (Nkoba)	4.45	1.93	2.70	2.54	1.94	13.56
22. Prunus africana	12.01	0.00	0.00	0.00	0.00	12.01
23. Peptadeniustrum africanum (Mpewere)	2.12	6.73	0.10	0.82	0.43	10.20
24. Mitrogyna stipulosa (Nzingu)	2.14	3.40	0.87	0.90	0.90	8.20
25. Fagara spp	0.00	0.00	0.00	0.00	7.49	7.49
26. Lunaaba	3.51	0.00	2.21	0.00	1.56	7.27
27. Cola gigantea	0.00	0.00	5.27	0.00	0.00	5.27
28. Uacapa guinensis	4.14	0.64	0.01	0.16	0.03	4.98
29. Baikiaea sp	2.17	2.81	0.00	0.00	0.00	4.98
30. Kiwawu	0.00	0.00	0.00	2.86	2.04	4.90
31. Artocarpus spp	0.00	0.00	0.00	3.98	0.00	3.98
32. Jambula	0.00	0.00	3.45	0.00	0.00	3.45
33. Markhamia lutea (Nsambya)	0.00	0.17	0.00	2.19	0.99	3.35
34. Kaperapera	0.00	0.00	3.19	0.00	0.00	3.19
35. Teak		2.31	0.00	0.00		2.31
36. Mugwi	0.00	0.12	0.56	0.47	0.00	1.15
37. Ntaseesa	0.97	0.03	0.00	0.13	0.00	1.13
38. Mutumbwe	0.00	0.00	0.31	0.17	0.59	1.07
39. Morus lactea	0.00	0.26	0.61	0.00	0.00	0.87
40. Munyenye	0.00	0.00	0.42	0.27	0.00	0.69

Species	1996/97	1997/98	1998/99	1999/2000	2000/01	Total
41. Picnuthus angolensis	0.60	0.00	0.00	0.00	0.00	0.60
42. Mukunyi	0.00	0.00	0.48	0.00	0.00	0.48
43. Mukooge	0.00	0.05	0.00	0.42	0.00	0.47
44. Elgon Olive	0.36	0.00	0.00	0.00	0.00	0.36
45. Namukago	0.00	0.00	0.26	0.00	0.00	0.26
46. Burkia africana	0.00	0.22	0.00	0.00	0.00	0.22
47. Holoptelia spp (Mumuli)	0.00	0.17	0.00	0.00	0.00	0.17
48. Podocarpus	0.00	0.00	0.00	0.00	0.15	0.15
49. Parkia spp	0.00	0.00	0.14	0.00	0.00	0.14
50. Trichilia	0.00	0.00	0.04	0.05	0.04	0.13
51. Terminalia	0.00	0.00	0.00	0.00	0.07	0.07
52. Sekoba	0.00	0.00	0.07	0.00	0.00	0.07
<b>Total</b>	<b>401.40</b>	<b>324.92</b>	<b>237.99</b>	<b>276.64</b>	<b>360.47</b>	<b>1,601.42</b>

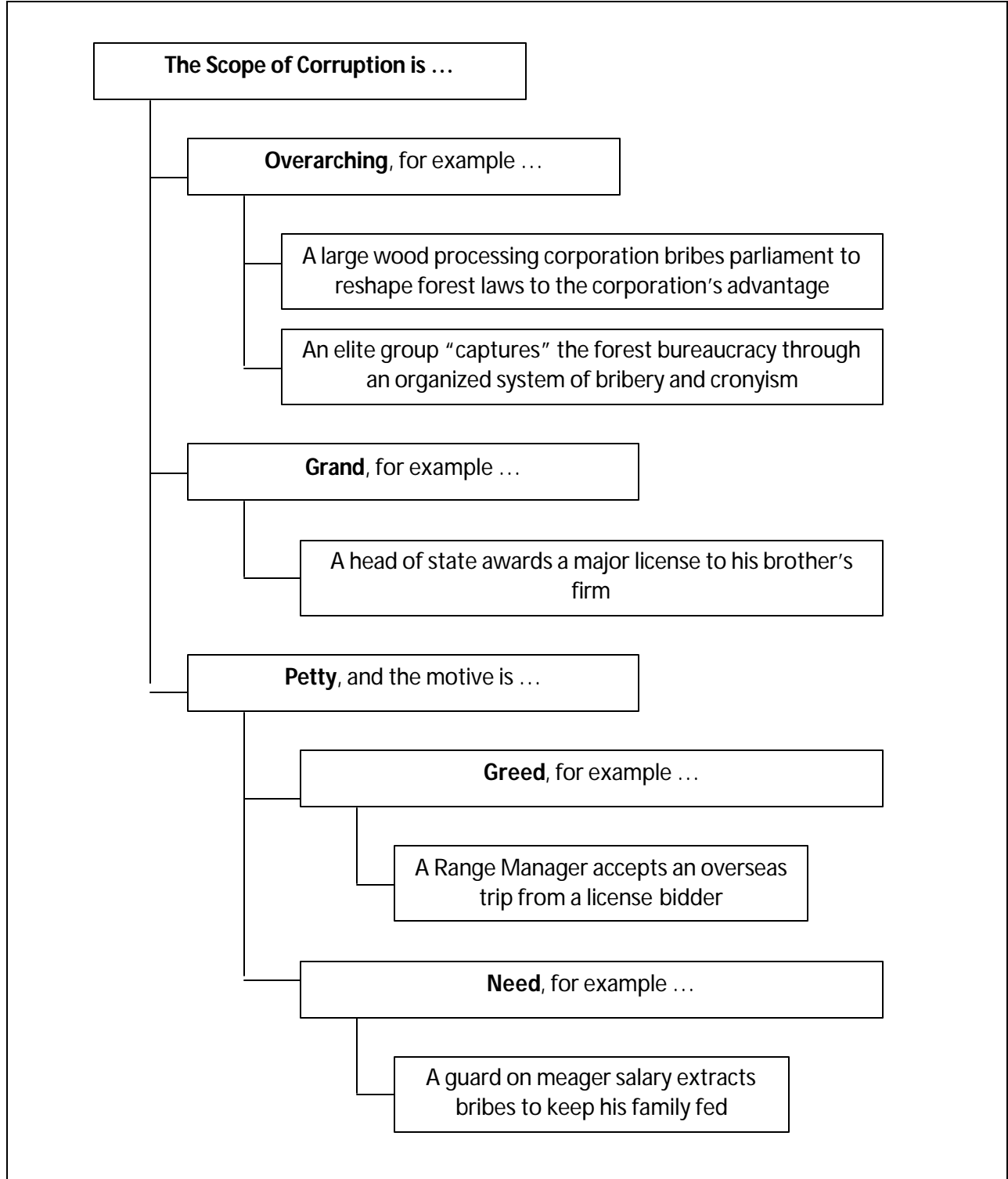
**ANNEX 2: CATEGORISING CORRUPTION BY WHO IS ABUSING AUTHORITY**



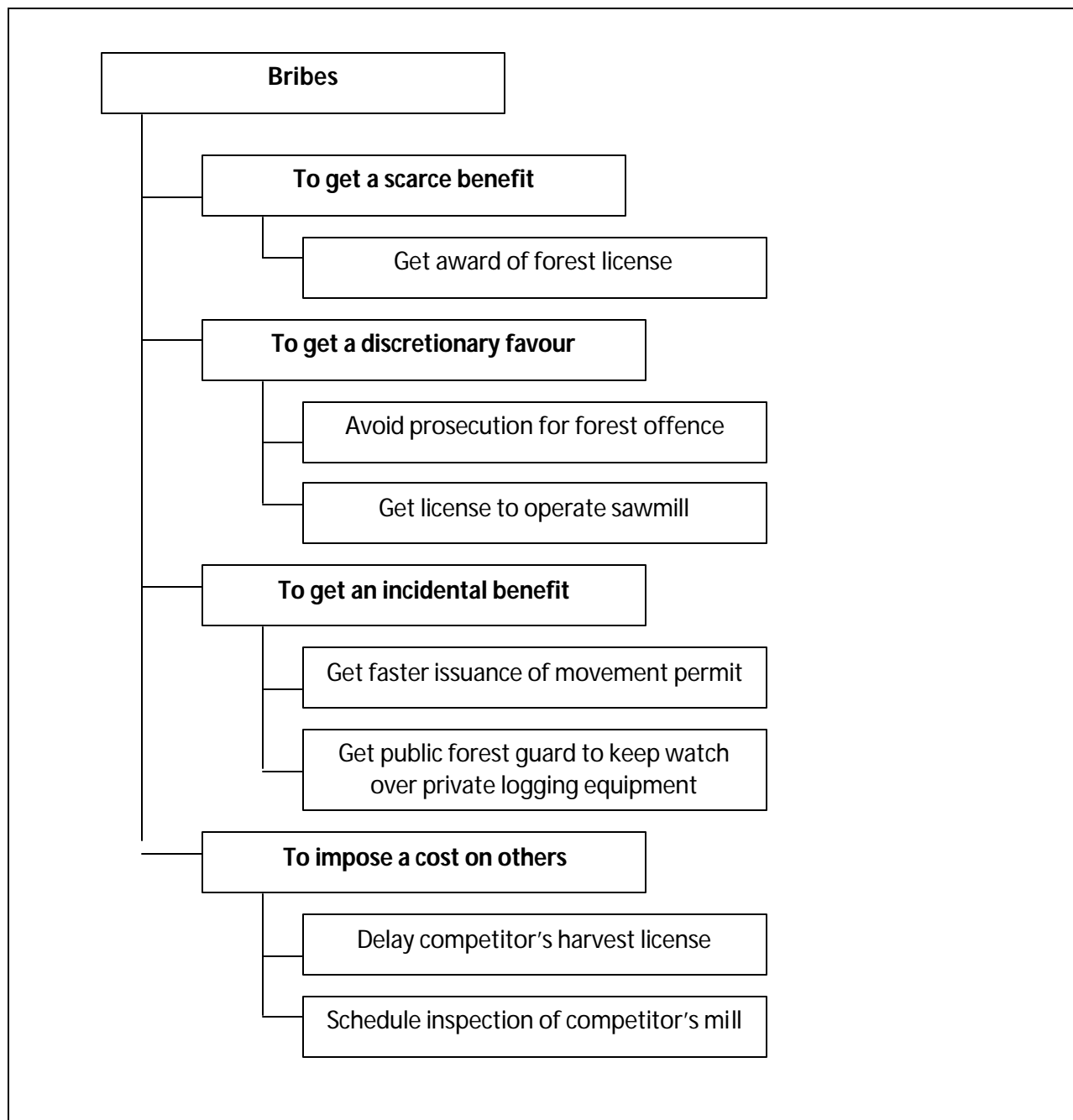
**ANNEX 3: CATEGORISING CORRUPTION BY THE LEGALITY OF ASSOCIATED ACTIONS**



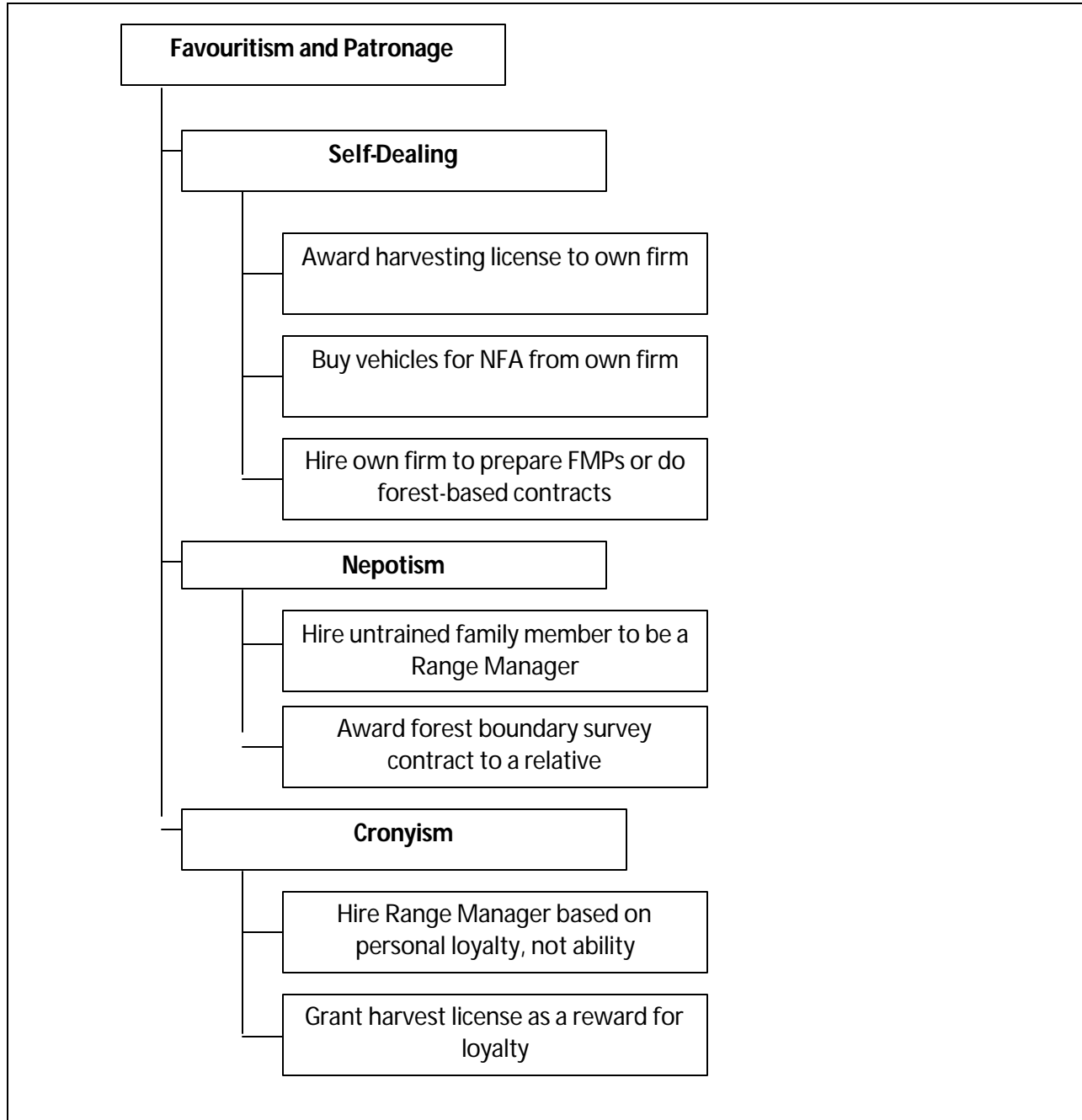
**ANNEX 4: CATEGORISING CORRUPTION BY SIZE AND MOTIVE**



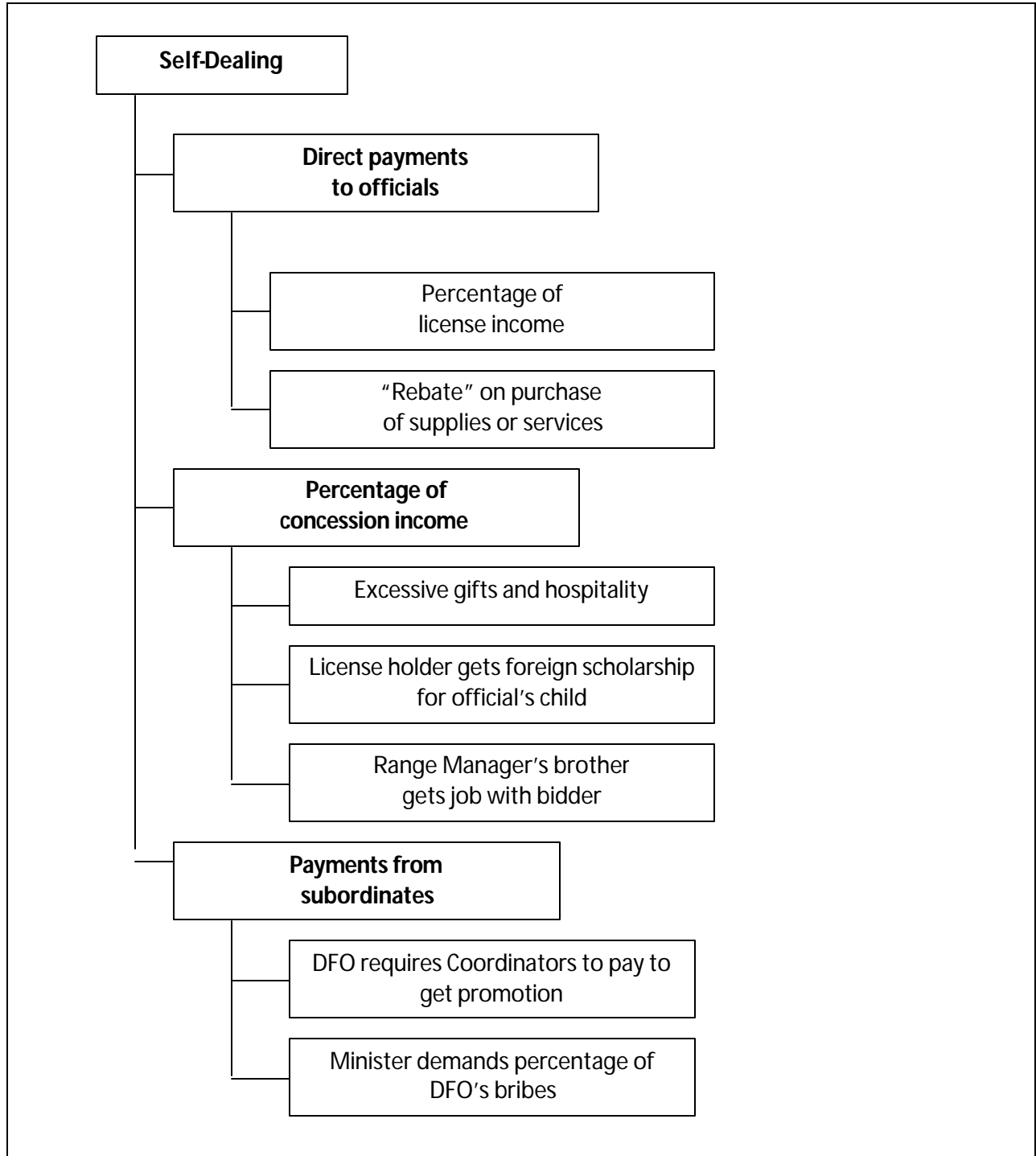
**ANNEX 5: FORMS OF BRIBERY, BY OBJECTIVE, WITH FOREST-SECTOR EXAMPLES**



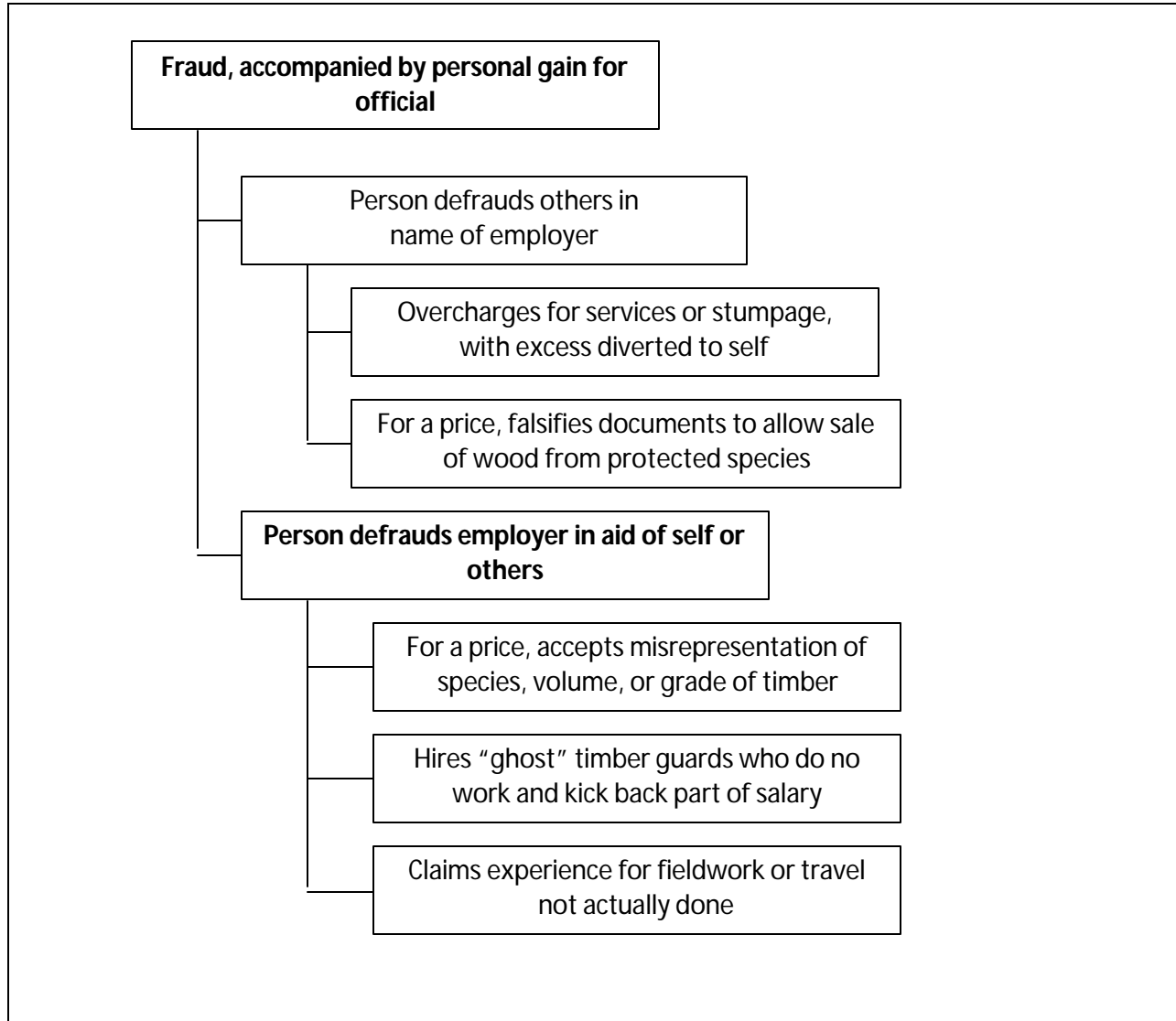
**ANNEX 6: FORMS OF FAVOURITISM AND PATRONAGE, WITH FOREST-SECTOR EXAMPLES**



**ANNEX 7: FORMS OF KICKBACKS, WITH FOREST-SECTOR EXAMPLES**



**ANNEX 8: FORMS OF FRAUD COMBINED WITH CORRUPTION, WITH FOREST-SECTOR EXAMPLES**



### ANNEX 9: Forest Reserves Proposed for/Threatened with Degazetting and Degazetted Ones

Forest Reserve and Year when First Proposed/or Degazetted	Location District	Reason for Change of Use, Degazetting and/or Occupation	Current Ecological and Physical Status	Current Legal Ownership of Affected Land
Bukaleba (1981)	Iganga	Rural Settlement. There is shortage of cultivable land and "trees do not vote", according to a government Minister at the time.	Closed Canopy THF, Private Industrial Plantations, Degraded THF, Gardens under Abused Taungya System	ULC
Arua (1995)	Arua*	Urban Expansion	Development of Illegal Plots	ULC
Rwemitongore (1993)	Mbarara*	Urban Expansion	Development of Illegal Plots, Scanty Woodlots	ULC
Kabale (1984)	Kabale*	Dairy Farm	Drained and Replanted With Pasture Grass	ULC
Lira (199..)	Lira*	Urban Expansion	Development of Illegal Plots	ULC
Ntungamo (1992)	Ntungamo*	Urban Expansion	Development of Illegal Plots	ULC
Soroti (1997)	Soroti*	Urban Expansion	Development of Illegal Plots	ULC
Gulu (199..)	Gulu*	Urban Expansion	Development of Illegal Plots	ULC
Mbale (196..)	Luwero	Peasant Settlement	Illegal Peasant Occupation, Cultivation and Grazing	ULC
Lutoboka (1978)	Kalangala*	Urban Expansion. Kalangala Town Council noted that this is the easiest and most appropriate area for the expansion of Kalangala Town	Receding Closed Canopy THF, Development of Illegal Plots, Air Strip	ULC
Kazooba (1985)	Masaka	Cattle Ranching	Random Cattle Grazing	ULC, Illegal Leasehold Titles
Buyaga Dam	Masaka	Peasant Settlements	Mixed farming	ULC
Namanve (1997)	Mukono, Mpigi	Industrial Estate. This is a "Production" FR and Factories will be for Production, according to the responsible Permanent Secretary at the time. The FR has no environmental value"	Clearing of Eucalypt Woodlots, Draining Wetlands and Development of Factory Structures	Mukono/Mpigi District Councils. Uganda Investment Authority Seeking Title
Bwindi (1990)	Rukungiri, Kisoro, Kabale	"Mismanagement" by FD, need to protect environment and boost tourism, duplication of roles and usurpation of mandate, contended the Minister responsible for UNP.	National Park with Healthy Afro-Montane (AM) THF	ULC
Mt. Rwenzori (1990)	Kasese, Kabalore, Bundibugyo	=ditto=	National Park with Healthy AM/THF, Some little Agricultural Encroachment	ULC
Mugahinga (1990)	Kisoro,	=ditto=	National Park with Recovering AM/THF	ULC
Mbale (1998)	Mbale	National Political Commissar Proposed Industrial Estate to Boost Local Employment in Factories since Forest Plantations are a waste of land.	Fully Stocked FD Eucalypt Plantation	ULC
Wabisi-Wajjala (1998)	Nakasongola	Military Base (1969), Industrial Estate.	Over-grazed Savanna Woodland, Air Strip, Army Factories. Stalled EIA	ULC
Kamusenene (1999)	Luwero	Settlement of One Peasant family who "supported" the Bush War (1980-85) and the Land shall be Replaced with Army Land	Illegal Peasant Occupation and Grazing	ULC
Rwoho (196..)	Mbarara	Grazing/Water Access, Rural Settlement (1960s)	Degraded Savanna Woodland, Illegal Peasant Occupation and Cultivation	ULC
Gala (2000) Namatembe (2000) Banga (2000) Towa (2000)	Kalangala	Development of Oil Palm Plantation. Land is to be given to a Foreign Private Company Under IFAD Financed Project. "The project will boost employment in the district" according to political	Closed Canopy THF with a Strict Nature Reserve in Mugoye. License under preparation.	ULC

Forest Reserve and Year when First Proposed/or Degazetted	Location District	Reason for Change of Use, Degazetting and/or Occupation	Current Ecological and Physical Status	Current Legal Ownership of Affected Land
Mugoye (2000)		activists		
Kabwika-Mujwalanganda (1978)	Luwero	Cattle Ranching	Illegal Peasant Occupation and Grazing	Illegal Leasehold Titles, ULC
South Busoga (1982)	Iganga	Rural Settlement and abuse of Taungya.	Closed THF, Savanna Woodland, Industrial Plantation Developing, Illegal Cultivation	ULC
Kyalubanga (1979)	Luwero	Rural Settlement of internally displaced people.	Illegal Peasant Occupation, Cultivation	ULC
Kisangi (1988)	Kasese	Rural Settlement of landless peasants.	Healthy Woodland Savanna. Surveys and Studies Underway.	ULC
Kijenebalola (1980s)	Rakai	Rural Settlement	Illegal Peasant Occupation, Grazing, Cultivation	ULC
Kyalwamuka (1980s)	Rakai	Rural Settlement	Illegal Peasant Occupation, Grazing, Cultivation	ULC
Kibeka (1994)	Masindi	Rural Settlement of peasants and an illegal arrangement by the Ranches restructuring Board.	Illegal Peasant Occupation and Grazing.	ULC
Kinoni (1970s)	Kiruhura	Rural Settlement	Illegal Peasant Occupation, Grazing	ULC
Butamira (1999)	Jinja	Sugarcane growing by the tycoon, Madhivani	Community Tree Farming	ULC
Mabira (2005)	Mukono	Sugarcane growing by tycoon Mehta	Closed forest with thriving ecotourism and collaborative forest management.	ULC

Source: GoU Files

## **ANNEX 10: LOGGING IN NATURAL FORESTS - The Supervisor's Toolkit**

### **INTRODUCTION**

The National Forestry Authority (NFA) has adopted reduced impact logging (RIL) as an overall management approach for the timber production zones in tropical moist forests (TMFs). The RIL practices adopted include:

- o Selection harvesting with an average annual allowable cut (AAC) of 1 m<sup>3</sup>/ha/year;
- o A felling cycle of 30 years; and
- o Harvesting systems are limited to mobile & portable sawmills or pitsawyers, and agricultural tractors with winching accessories.

NFA will sell logs instead of standing trees from the TMFs because:

- o In the past harvesters in TMFs took only species they could easily market. If NFA does its own logging, it will be able to promote the species which are not common on the current domestic market;
- o In the process of moving towards sustainable forest management (SFM), NFA will continue to develop and field test the low impact harvesting systems that are necessary for achieving SFM;
- o NFA will demonstrate practices for managing timber production zones without compromising biodiversity values;
- o Trees in TMFs tend to have defects (e.g. hollowness, dieback, rot), which are not easily detected when the tree is standing. When NFA does its own logging and log grading, the clients will be sure of the quality of logs they are buying;
- o In order to ensure harvesting according to accepted standards (e.g. running metre system, recovery, directional felling) and minimize malpractices, it is often necessary to dedicate one Supervisor to each harvester almost on a daily basis. The staff is diverted from other activities in the forest. When NFA does its own logging, the number of staff dedicated to harvesting will be reduced;
- o Graded logs are expected to result in increased timber prices for the NFA clients, leading to better business for them and ultimately the NFA; and
- o NFA will be able to demonstrate post-harvesting operations like utilisation of lop & top and silvicultural operations. In the process financial and social benefits from TMFs will increase.

Logging will be done through private logging contractors. Initially the logging crews have been trained in chain saw operation, maintenance and logging practices. Some Forest Supervisors who will supervise the logging crew have also undergone this training. NFA will not continue training logging crews beyond the first training. Subsequent training courses will be offered by Nyabyeya Forestry College and trainees will be expected to pay for the course.

### **STAFF RESPONSIBILITIES**

#### ***The Range Manager (ZM)***

- o Overall supervision of the harvesting operations in the Range;
- o Contracting the logging crews;
- o Ensure that the contract terms conform to the contract conditions;

- o Advertise the auctioning of the logs locally; and
- o Maintain a database on the logging operations and associated research.

**The Sector Manager (SM)**

- o Day-to-day supervision of the harvesting and subsequent silvicultural operations;
- o Take decisions on changes of harvestable trees recommended by the Forest Supervisor;
- o Compile the reserve prices;
- o Prepare auction information including block, species, grades and reserve prices **Table 1** illustrates how the auction information is summarized from the volume measurement forms;
- o Ensure that the Forest Supervisor and the buyers follow the established chain of custody; and
- o Arrange the collection of relevant technical data for planning and management purposes.

**Table 1: Auction Sheet for Logs in TMF**

Forest Reserve: .....		Compartment: .....			Block: .....	
Species	Tree Nos	No. of Logs	Grade	Volume (m3)	Unit Cost	Total Cost
<b>Strombosia</b>	<b>2, 5, 20</b>					
		5	<b>Premier</b>	5	<b>100,000</b>	<b>500,000</b>
		9	<b>Standard</b>	8	<b>75,000</b>	<b>600,000</b>
		6	<b>Recovery</b>	20	<b>50,000</b>	<b>1,000,000</b>
						<b>2,100,000</b>
<b>Maesopsis</b>	<b>1, 23,41</b>					
		3	<b>Premier</b>	10	<b>120,000</b>	<b>1,200,000</b>
		4	<b>Standard</b>	3	<b>90,000</b>	<b>270,000</b>
		5	<b>Recovery</b>	13	<b>60,000</b>	<b>780,000</b>
						2,250,000
Block Reserve Price						4,350,000

**The Forest Supervisor (FS)**

- o Inspect the blocks to be harvested to ensure that the trees are correctly recorded in the ISSMI records by species and quality. He/she will also ensure that the trees to be felled do not violate the environmental concerns, as outlined in the Performance Guidelines for Harvesting in TMF
- o He/she will then recommend changes to the SM;
- o Introduce the contractors and logging crews to the harvesting area, showing them the blocks to be harvested and ensuring that they know how to use the ISSMI block maps in identifying trees to be felled;
- o Ensure that the logging crews have adequate and use protective wear during the harvesting activities;
- o Ensure that the felling is properly done, according Annex 10;
- o Ensure that crosscutting is done in a way which optimises log grades;
- o Carry out log grading and label each log with the appropriate grades;
- o Compute the volume for each log using log volume measurement forms and a volume table and submit the details to the SM;
- o Show the prospective buyers the graded logs prior to auction; and

- o Ensure that chain of custody is followed at forest level.

## **PRE- HARVESTING ACTIVITIES**

### ***Roads & tracks***

Before the logging starts, the NFA will:

- o Re-open access roads and maintain them to a standard where the roads are able to carry ordinary vehicles loaded with timber; and
- o Open access tracks to the harvesting areas so that logging and milling equipment can be taken in and timber brought out.

### ***Staff and Contractor Training***

The NFA Forest Supervisor and the Logging Crew should have attended the course on *Logging in Natural Forests* that covers principles of logging and sustainable forest management in general (silviculture, regeneration, tree harvesting, forestry engineering), logging practices, log grading and species identification. The training will take place in the actual logging areas. During this exercise actual logging should be done and improvements made to the techniques.

## **THE HARVESTING OPERATION**

### ***Felling***

The trees will have been stockmapped (ISSMI) and the contracted logging crews will fell only the trees marked for harvesting. Each logging crew will be composed of people, who have been trained to fell trees in a professional manner (directional felling, low stump heights, cross cutting according to multiple log lengths, observing safety of workers).

All trees marked for felling should be removed unless the tree is likely to endanger a seed tree or violate environmental considerations during the felling. All the felling operations should be closely supervised to ensure compliance with minimum standards set by NFA.

### ***Cross-Cutting and Log Grading***

#### **Purpose**

The aim of crosscutting is to maximize the volume and grade or value of logs processed from a felled tree. The purpose of log grading is to promote sales of logs between the NFA and the buyers. The NFA will get the right value for the trees and the buyer will get value for money.

#### ***Measurement of Logs Before Crosscutting***

- o The starting point for measurement should be positioned at the square end at the bottom of the butt log;
- o The whole length of the tree should be measured first, while checking and noting defects along the tree; and
- o During crosscutting the minimum length should be 1.8m and subsequent logs lengths should vary at intervals of 40cm. The longest possible lengths should be 6 metres.

### **Crosscutting**

- o The first operation in crosscutting is to eliminate parts of the butt log that tend to reduce the commercial value of the log;
- o The second operation is to crosscut the stem into logs of varying length, ensuring that they are as straight as possible, and eliminating localized serious defects. Common defects, which affect the log quality, are double sweep, rot, crook, ring shake, star shake, loose heart, heart rot and wounds;
- o All branches that yield logs that can be graded should be crosscut; and
- o All crosscuts should be square ended.

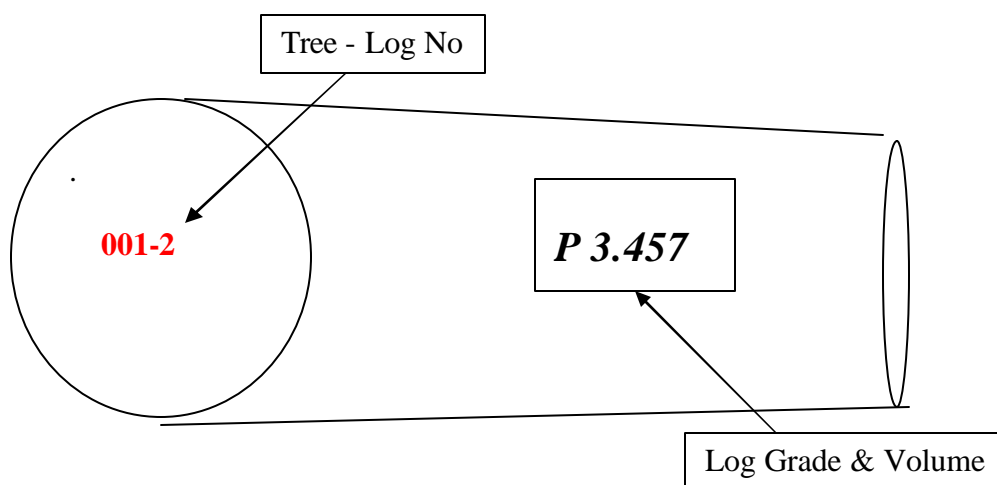
### **Log Grading**

Grade characteristics in **Table 2** will be used initially but they will be reviewed from time to time. The log grade and volume of the log should be written clearly in the middle of the log with red emulsion (oil) paint using the first letter of the grade (Table 2). At the lower end of the log, the tree and log numbers should be written in the same colour to allow tracking of the source of the log (**Figure 1**).

**Table 2: Logs Grades in the Natural Forest**

<b>Grade</b>	<b>Minimum length (m)</b>	<b>Minimum Diameter (cm)</b>	<b>Defect %</b>
Premier (P)	4	60	10
Standard (S)	3	50	25
Recovery (R)	2	30	50
Bonus (B)	Whatever is not included above		

**Figure 1: A Graded Log Ready for Auctioning Marketing**



## **PUBLIC AUCTION**

### ***Compiling the reserve price***

The reserve prices have been calculated taking into account some management costs, prevailing market prices, distance from Kampala (the main market), and species. The Director, Field Operations, will issue the reserve prices from time to time. The general principle for reserve prices per grade is that:

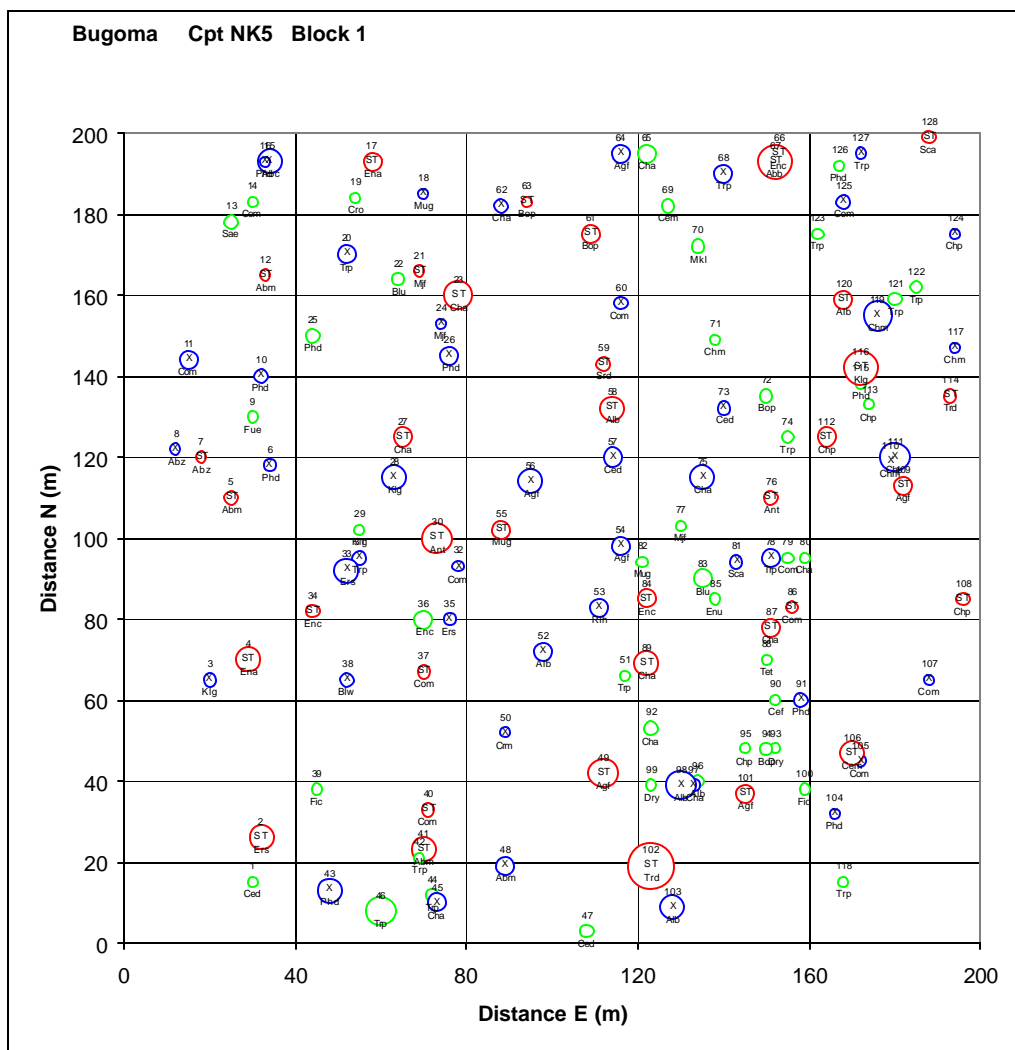
- Prime grade is at 100% of the calculated reserve price;
- Standard grade will be 75% of the prime grade; and
- Recovery grade will be 50% of the prime grade.
- Bonus grade will be given free of charge

The logs will be sold at the stump site by public auction. Many species in natural forests tend to degrade very fast after felling. Therefore, it is important that the logs are sold as quickly as possible. This requires that:

- The FS submits records to the SM not later than 2 days after completion of the exercise;
- The SM submits the records to the RM, including the compiled reserve prices for each block within 2 days of receiving the records from the FS;
- The RM should crosscheck the accuracy of the data and submit it to the Director, Field Operations not later than 2 days of receiving the data.

Thereafter, advertisement (national and local media) of the volume available should be done so that the process of auctioning is completed not later than 3 weeks after the completion of the felling exercise.

# ANNEX 11: ISSMI BLOCK MAP



Species on block	Nh	Vol	Nt
Trp	5	12.5	14
Cha	4	14.3	11
Com	6	13.5	11
Phd	7	10.9	10
Agf	3	9.2	6
Alb	3	15.9	6
Chp	2	7.6	6
Abm	1	3.2	4
Bop			4
Ced	2	7.6	4
Chm	3	11.1	4
Enc			4
Klg	2	6.2	4
Ers	2	5.3	3
Mjf	1	1.4	3
Mug	1	1.4	3
Abz	1	1.3	2
Ant			2
Blu			2
Cem			2
Dry			2
Ena			2
Fic			2
Sca	1	2.5	2
Trd			2
Abb			1
Abc	1	3.9	1
Blw	1	1.7	1
Cef			1
Crm	1	1.7	1
Cro			1
Enu			1
Fue			1
Mkl			1
Rih			1
Sae	1	3.0	1
Srd			1
Tet			1
<b>Total</b>	<b>48</b>	<b>134.4</b>	<b>128</b>

## ANNEX 12: CHECKLIST OF KEY INFORMATION ON ILLEGAL LOGGING AND FOREST GOVERNANCE

Statement	True/False	Comment
<b>I. Rural Livelihoods and Subsistence</b>		
Almost all (more than 80%) of rural people depend on fuel wood for energy needs	T	More than 90% in Uganda
The majority (more than 50%) of rural people depend on fuel wood for energy needs	T	
Rural people may extensively use forests for NWFPs which contribute to their livelihood security.	T	For commercial purposes, they need a license
There is no feasible alternative energy source available for the rural people who depend on fuel wood, especially the poor	T	Others are too expensive for them
Almost all (more than (80%) of urban people depend on fuel wood (and/or charcoal) for energy needs	F	Not sure of percentage
The majority (more than 50%) of urban people depend on fuel wood (and/or charcoal) for energy needs	T	For sure
There is no feasible alternative energy source available for the urban people who depend on fuel wood (and/or charcoal), especially the poor	T	Others are too expensive
Almost all (more than (80%) fuel wood (and charcoal) production and trade is done outside of the formal economy/ without legal authorisation	T	Especially fuelwood
The majority (more than 50%) of fuel wood (and charcoal) production and trade is done outside of the formal economy/ without legal authorisation	F	
The legally extractable supply of fuel wood (and charcoal) is sufficient to meet the subsistence needs of rural and urban populations.	F	It meets probably 25% of the needs
Almost all (more than 80%) of wood used in local construction in the rural areas in harvested and transported without legal authorisation	T	Especially that used in rural areas
Most (more than 50%) of wood used in local construction in the rural areas is harvested and transported without legal authorisation	F	
Forests provide important services such as for biodiversity, water conservation, and local climate influence which are decreasing due to illegal use and conversion	T	
<b>II. Commercial Timber Harvesting and Sale</b>		
<b><i>Awarding concessions/selling timber</i></b>		
Concessions are awarded/timber is sold predominantly through competitive bidding	T	Public auctions for natural forests
The public has notice and opportunity to bid before awards	T	In the print and electronic media
Several bids are presented as a rule in the bidding processes	T	
Bids are made public after awards	T	A requirement of PPDA
Award rules are publicly available	T	A requirement of PPDA
Unsuccessful bidders and other interested parties may challenge awards	T	A requirement of PPDA
An independent internal government watchdog polices the process	T	PPDA
Forest officials must disclose financial interests in the forest sector (own and those of family members/close relatives)	T	A requirement of PPDA
<b><i>Timber harvesting and sales from valid concessions</i></b>		
Concession contracts, inventories and plans are publicly available	F	They can be seen on request
Rules regarding forest practices concerning concession areas are publicly available	T	
Citizens may bring lawsuits or file administrative complaints to enforce concession requirements	T	Not yet experienced
<b><i>Timber harvesting and sales from private forests</i></b>		
Forest officials have a procedure for controlling in the field timber harvesting and sales from private forests	T	
Rules regarding forest practices on private lands are publicly available and accessible to private forest owners	T	
Rules regarding to the use and access of, as well as the ability to benefit from many non-wood forest products (grazing, medicinal, fruits, gums, resins and nuts etc.) are unclear	T	Rules not yet gazetted
<b>III. Timber Movement Control and Processing</b>		
<b><i>Transport of timber</i></b>		
Government officials have a procedure for controlling the transport of timber	T	Through marking and documentation
Control posts are staffed by government officials on a regular basis	T	On road blocks
Government officials have a procedure for verifying the origin of timber being	T	Tested in the Kalinzu/Bugoma

Statement	True/False	Comment
transported		Initiatives
<b>III. Sales of confiscated timber</b>		
Records are kept on volumes and assortments of illegally procured or transported wood captured by officials	T	There is database for this
Captured wood is sold in public auctions or through other kinds of public bidding	T	
Records are kept on volumes confiscated and sold as well as on prices obtained	T	There is database for this
<b>Processing of forest products</b>		
Law requires licensing or registration of commercial processing facilities	T	
Government performs regular inspections of processors	F	
<b>Export or import of forest products</b>		
Customs officials trained to recognize restricted/prohibited species	F	
<b>IV. Accountability of revenue collection from forest activities</b>		
Forest revenue system (royalties, taxes etc.) establish a clear basis for monitoring revenue collection (volume or area based)	T	
Records are kept on logging volumes and revenue collection by defined geographic areas	T	There is database for this
Periodic audits are carried out to verify that revenue collected matches with logging volumes/ areas under production	T	Audits are done but not regularly
<b>V. Civil services, social, and institutional factors that influence illegal activity</b>		
Forestry officials regularly trained to upgrade law enforcement skills	F	
Judges and prosecutors trained in forest sector issues	F	Some beginnings being made
Case-tracking system (or equivalent) as a means to monitor the disposition of forest crime cases	T	
Forest agency is subject to independent audits	F	Systems are being developed
Civil service has ethical code-of-conduct (e.g. regarding acceptance of gifts and benefits)	T	Leadership Code
Ombudsman or other independent mechanism responds to public complaints	T	Inspector General of Government
The powers (including institutional size and spatial spread), and reporting mechanisms of those dealing with illegal FLEG activities are not clear	F	
Indicator/s used by the government to measure progress in controlling illegal logging and other forest crimes.	F	
The role of local/traditional institutions (and culture) has a potentially important role to play in forest governance which needs to be recognized	T	Some kingdoms can do this