



GEF

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March 7, 2002

Dear Council Member:

I am writing to notify you that World Bank, the Implementing Agency for the project entitled, *Uganda: Protected Areas Management and Sustainable Use (PAMSU)*, has submitted the proposed project document for CEO endorsement prior to final approval of the project in accordance with World Bank procedures.

Over the next four weeks, the Secretariat will be reviewing the project document to ascertain that it is consistent with the proposal included in the work program approved by the Council in May 1997, and with GEF policies and procedures. The Secretariat will also ascertain whether the proposed level of GEF financing is appropriate in light of the project's objectives.

If by April 4, 2002, I have not received requests from at least four Council Members to have the proposed project reviewed at a Council meeting because in the Member's view the project is not consistent with the Instrument or GEF policies and procedures, I will complete the Secretariat's assessment with a view to endorsing the proposed project document.

We have today posted the proposed project document on the GEF website at www.gefweb.org. If you do not have access to the Web, you may request the local field office of UNDP or the World Bank to download the document for you. Alternatively, you may request a copy of the document from the Secretariat. If you make such a request, please confirm for us your current mailing address.

Sincerely,

cc: Alternates, Implementing Agencies, STAP

OFFICE MEMORANDUM

DATE: February 04, 2002

TO: Mr. Mohamed El-Ashry, CEO/Chairman, GEF

FROM: Lars Vidaeus, GEF Executive Coordinator 

EXTENSION: 34188

SUBJECT: **UGANDA: Protected Areas Management and Sustainable Use (PAMSU)
Submission for Final CEO Endorsement**

1. Please find attached the electronic file of the Project Appraisal Document (PAD) for the above-mentioned project for your final review and endorsement. The scheduled Board date for this project is 04/04/2002.
2. The Protected Areas and Sustainable Use project (PAMSU) was originally submitted and approved by Council in May 1997 for a GEF component of US\$10 million. On April 28, 1998, the project was circulated to Council before final CEO endorsement, with a proposal to split the project into two phases; Phase one to focus on institutional capacity building activities of the original proposal submitted to the Council in May 1997, and phase two to encompass the other operational and implementation activities of the same proposal. The Council approved this modification and the Institutional Capacity Building for Protected Areas Management and Sustainable Use Project (ICB-PAMSU) was approved by the GEF CEO on May 27, 1998 for \$2 million GEF associated with the IDA Credit of US\$12.37 million for a total project cost of US\$14.37.
3. The ICB-PAMSU project is now almost completed, and as agreed in the CEO letter to Council in April 1998, we are now circulating the PAMSU project as phase two of the initial proposal based on the remaining envelope (US\$8 million) of the originally approved GEF allocation. The total project cost of PAMSU is US\$34.6 million, made of US\$8 million GEF, US\$23.4 million IDA, US\$ 3.2 million Government of Uganda.
4. The benchmarks for moving to phase 2 with the PAMSU project, which were established during the preparation and appraisal of the ICB-PAMSU project have all been satisfactorily met (see attached table and Annex 14 of the PAD for details). Under the ICB-PAMSU project, the following objectives were achieved which provide the necessary capacity to proceed with the PAMSU project: (1) an effective and efficient overall institutional framework for the wildlife/protected areas management sector has been established, with roles and capabilities of the various institutions well coordinated including the relationships between public and private sector and NGOs; (2) the planning, management and implementation capacity of the individual sectoral institutions to ensure sustainability and

accountability has been strengthened; and (3) the overall human resource capacity and professionalism in the sector has been improved.

5. The PAD for PAMSU is fully consistent with the objectives, scope, and overall cost of the proposal approved at the May 1997 Council meeting and confirmed in April 1998. GEFSEC, STAP and Council comments have also been addressed. Modifications to the PAD and how comments have been addressed are detailed below:
6. Many of the issues raised on the original PAMSU proposal do not apply in the current proposal. The issues which were originally raised but no longer apply include the following: from both Council and GEFSEC (i) resettlement, there is no resettlement in the project; and (ii) overlap with activities under USAID program and the Bwindi Impenetrable Forest Project, there is no overlap in the programs. USAID has significantly reduced their support to the sector. The majority of the funds from the Bwindi Trust are dedicated to community activities around the parks and limited funds from the Trust are provided for park management activities but they, in no way, provide enough resources for important conservation and management activities. From GEFSEC: (i) specific project sites, these are identified in Annex 11; and (ii) criteria for eco-tourism and village entrepreneur grants, this activity is no longer part of the Bank/GEF supported project. Funding for this activity was taken up by the EU.
7. Please let me know if you require any additional information to complete your review of the project document prior to circulation to Council. We look forward to receiving CEO endorsement of the project for Bank Board approval.

Many thanks.

Attachment : Benchmarks for Initiating Appraisal of PAMSU Project

cc: Messrs./Mmes. King, Acquay, Kumari (GEFSEC); Kiss, Crepin, Johnson (AFTES); Mackinnon, Khanna, Aryal (ENV); ENVGC ISC, Regional Files

June 26, 2000

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Benchmarks Objectives
Uganda: Protected Areas Management And Sustainable Use Project

OBJECTIVES	BENCHMARKS FOR INITIATING APPRAISAL OF PAMSU PROJECT	STATUS OF BENCHMARKS FOR INITIATING APPRAISAL OF PAMSU PROJECT
Government/Sectoral Level		
Development of Tourism Policy and Strategic Plan	GOU approval of Policy Paper Proposals for legislative revisions (as needed) completed and submitted to Parliament	<ul style="list-style-type: none"> • Development of Tourism Policy and Strategic Plan is well underway, regional workshops have been accomplished. The Draft Policy Paper has been issued to stakeholder consultations. Cabinet approval of the Policy is expected by March 2002.
Strategic planning for Human Resources Development for Tourism Sector	HR Development plan completed, adopted by MTWA Licensing standards finalized, adopted	<ul style="list-style-type: none"> • HR Development Plan has been completed and adopted by MTTI. • Licensing Standards for tourism training institutions is being developed with full participation of the private sector. Draft Curricula were to be submitted to the Ministry of Education in November 2001 for adoption, but were not completed. Dropped as a benchmark for appraisal, since this will not affect the objectives of PAMSU and the project will not finance this component.
Tourism Statistical Database	Statistical Database fully operational, statistics for previous year published	<ul style="list-style-type: none"> • Tourism Statistical Database has been established and is fully operational, statistics for previous year is under process and were released.
Licensing Systems for Tourism Services and Facilities	Licensing and Inspectorate Department operational, handling applications with acceptable turn-around time	<ul style="list-style-type: none"> • Licensing and Inspectorate Department of MTTI fully operational; all approved posts filled; capacity of staff built through training and study tours (South African Study tour undertaken), the staff are handling applications with acceptable turn-around time.
Implementing Agency Level - General		
Clear mission/objectives	Final policy/mission statement adopted by respective governing bodies	<ul style="list-style-type: none"> • Mission objectives for UWA, UTB, UWEC and HTTI have all been adopted by the respective Boards.
Strategic, development and operational planning capacity	(i) Strategic and Development plans finalized and adopted by respective governing bodies (and approved by GOU as required; (ii) Draft operational plans for following 2 years prepared (with completed financial analysis/feasibility studies for any commercially-oriented investments)	<ul style="list-style-type: none"> • Strategic Plan for UWA developed and under implementation, the TOR for the Business Plan has been developed, the preparation of the Business Plan will be undertaken under the PAMSU Project with the guidance of the successor Executive Director. • The Master Plan and Business Plan for UWEC have been developed and are being implemented.
Development of human	Any recommended restructuring or revisions	<ul style="list-style-type: none"> • UWA has been restructured and all

resource base and HR management	approved by respective governing bodies; (iii) a 5-year training strategy and first year training plan developed; (iv) finalized performance indicators for all positions	positions filled <ul style="list-style-type: none"> • Training Plan and Strategy for UWA have been developed and implementation commenced with ranger force training • Performance indicators for all positions in place.
Effective financial management	(i) an acceptable audit report by independent auditor for one financial year; (ii) evidence of acceptable budget planning/management for one year; (iii) completed physical asset inventory and valuation, and inventory tracking and internal audit systems operational	<ul style="list-style-type: none"> • Acceptable audit reports for the year ended June 2000 for both UWA and UWEC have been cleared by the Auditor General's office. • Physical assets inventory and valuation for UWA are in place. • Inventory tracking and internal audit systems for UWA and UWEC are operational
Environmental Impact Assessment Capacity	Evidence of implementation of EIA policy/procedures	<ul style="list-style-type: none"> • EIA procedures/policy for UWA are in place
Implementing Agency level – Other specific		
UWA		
1. PA System Rationalization	Revised PA System approved by GOU; implications for implementation (e.g. resettlement requirements if any, boundary demarcation and infrastructure development) identified and costs estimated	<ul style="list-style-type: none"> • Revised PA System Plan approved by Cabinet and is before Parliament for enactment.
2. Concessions Management	Recommended actions completed for all existing concessions and informal agreements; demonstration that approved concessions award and management procedures were/are being followed in all cases	<ul style="list-style-type: none"> • UWA Board adopted the Ministerial Concessions Committee report. • A Concessions coordinator has been recruited. • All Concessionaires have been served with a notice aimed at standardizing the Contracts/Agreements in line with the committee's report, however the process of renegotiating the Contracts/Agreements will take sometime because of the legal implications involved. • All new concessions to be awarded will be based on the standardized procedures (none awarded so far).
3. UWA Staff Training	2-year training plan completed; additional training needs identified	<ul style="list-style-type: none"> • Training Plan and Strategy for UWA completed. • Training for rangers based on the Plan has been undertaken. • Additional training needs have been identified and will be undertaken under PAMSU.
4. UWA Board of Trustees Capacity Building	-----	<ul style="list-style-type: none"> • Board Operational Manual developed and adopted. • Board TOR developed and adopted.
5. Effective PA Management	(i) 5 PA management plans under are implementation and investment needs incorporated in UWA Development and Operational Plans; 5 additional PA Management Plans under preparation being updated (ii) 2-year field staff training plan	<ul style="list-style-type: none"> • 6 PA Management Plans are approved and under implementation (QE, MFNP, Kidepo Valley, Mt. Elgon, Bwindi and Mgahinga National Parks). Additional 4 PA Management Plans are under preparation. • Ranger Force training has been completed.

	completed, additional training needs identified	
Wildlife Department		
Refinement of Wildlife Policy and Legislation	Proposed policy/legislation amendments and regulations adopted, or submitted to Parliament, as appropriate	<ul style="list-style-type: none"> • Policy due for submission to Cabinet, expected submission time March 2002.
Uganda Wildlife Education Centre		
1. Facilities rehabilitation	All rehabilitation under allocated funds completed; feasibility studies and designs completed for further infrastructure rehabilitation/development (per strategic /business plan)	<ul style="list-style-type: none"> • Rehabilitation to covered under allocated funds due to start soon, Consultancy contract awarded; feasibility studies and designs completed for further infrastructure rehabilitation/development.
2. Development of Educational Exhibits	Exhibits completed and open to visitors	<ul style="list-style-type: none"> • Civil Works Contract for exhibits awarded.
3. Strategic/business planning	Business plan completed, feasibility studies for proposed new developments Completed	<ul style="list-style-type: none"> • Business Plan completed and under implementation, feasibility studies for proposed new development completed.
Uganda Wildlife Training Institute		
Strategic and Business planning	Business plan completed, including feasibility studies of any proposed infrastructure development or expansion	<ul style="list-style-type: none"> • A feasibility Study for the UWTI completed.
Uganda Tourism Board (and Uganda Investment Authority)		
1. Strengthen capacity and broaden methods used for tourism promotion and marketing	(i) Second round of fam trips and sales calls (European market) completed; (ii) investment prospectus completed and distributed; (ii) pilot public relations contract underway	<ul style="list-style-type: none"> • 2 fam trips and sales calls (European Market) completed. • 6 trade fairs attended in the European Market (WTM, ITB and Milan). • no PR contract because it was too expensive.
2. Promote increased professionalism in tourism sector	Private sector tourism associations begin to contribute 10% of UTB operating costs	<ul style="list-style-type: none"> • No action due to poor performance of the industry as a result of insecurity (Bwindi Incident etc.).
Hotel and Tourism Training Institute, and Uganda Association of Tourism Training Institutes		
Improve quality of tourism training through institutional capacity strengthening and Implement "Train-the-Trainer" Program	At least 6 (3 additional) short courses held	<ul style="list-style-type: none"> • 5 Train-the-Trainer short courses held • Curricula were to be submitted to the Ministry of Education in November 2001 for adoption, but were not completed. Dropped as a benchmark for appraisal, since this will not affect the objectives of PAMSU and the project will not finance this component.

UGANDA
Protected Areas Management and Sustainable Use Project

Project Appraisal Document

Africa Regional Office
AFTES

Date: January 22, 2002 Country Manager/Director: James W. Adams Project ID: P065437 Lending Instrument: Specific Investment Loan (SIL)	Team Leader: Nathalie Weier Johnson Sector Manager/Director: Agi Kiss Sector(s): VY - Other Environment Theme(s): Environment Poverty Targeted Intervention: N							
Global Supplemental ID: P075932 Focal Area: B - Biodiversity Supplement Fully Blended? Yes	Team Leader: Nathalie Weier Johnson Sector Manager/Director: Agi Kiss Sector(s): VY - Other Environment							
Program Financing Data								
<input type="checkbox"/> Loan <input checked="" type="checkbox"/> Credit <input checked="" type="checkbox"/> Grant <input type="checkbox"/> Guarantee <input type="checkbox"/> Other:								
For Loans/Credits/Others:								
Amount (US\$m):								
Proposed Terms (IDA): Standard Credit								
Grace period (years): 10	Years to maturity: 40							
Commitment fee: 0.5	Service charge: 0.75%							
Financing Plan (US\$m):	Source	Local	Foreign	Total				
BORROWER/RECIPIENT		3.20	0.00	3.20				
IDA		18.00	5.40	23.40				
GLOBAL ENVIRONMENT FACILITY		6.10	1.90	8.00				
Total:		27.30	7.30	34.60				
Borrower/Recipient: THE REPUBLIC OF UGANDA								
Responsible agency: MINISTRY OF TOURISM, TRADE AND INDUSTRY								
Address: Plot 6/8 Farmers House, Parliament Avenue, P.O. Box 7103, Kampala, Uganda								
Contact Person: Dr. S.P. Kagoda, Permanent Secretary								
Tel: 256-41-348286		Fax: 256-41-230916		Email:				
Other Agency(ies):								
Project Coordination Unit								
Address: Plot 6/8, 5th Floor Farmers House, P.O. Box 21957, Kampala, Uganda								
Contact Person: Mr. David Abura-Ogwang, Project Coordinator								
Tel: 256-41-254827/8		Fax: 256-41-342011		Email: pamsu@pamsu.org				
Estimated disbursements (Bank FY/US\$m):								
FY	2003	2004	2005	2006	2007			
Annual	6.90	5.00	4.10	3.70	3.70			
Cumulative	6.90	11.90	16.00	19.70	23.40			
Project implementation period: 5 years								
Expected effectiveness date: 06/30/2002 Expected closing date:								

A. Project Development Objective

1. Project development objective: (see Annex 1)

Background

Tourism and Wildlife Sector in Uganda

Due to its location in a zone of overlap between the dry East African savannah and the West African rain forest, Uganda possesses a rich natural endowment of forests, mountains, and waterways, as well as some of the richest assemblages of biological diversity in Africa. Its wide geographical and altitudinal range, spanning from 600 meters to 5100 meters, has resulted in a unique diversity of ecosystems and species. These include extensive wetlands and swamp areas, grass and woodland savannahs, tropical high forests, and Afro-alpine forest areas. For its size, Uganda is one of the most species-rich countries in Africa. For example, Uganda has more than 11% of the world's bird species and more than 7% of total world mammals.

This biological diversity is protected through an system of protected areas, currently undergoing a process of rationalization. After revision the area of national parks, wildlife reserves and animal sanctuaries will amount to 22,000 km². The protected areas are managed by the Uganda Wildlife Authority, parastatal formed in 1996 by merging Uganda National Parks and the Game Department. Initially, the new UWA suffered from an unstable management regime, and has only since early 1999 been able to focus on building its organizational and management capacity.

Before Uganda's period of civil unrest starting in the early 1970s, Uganda was, based on its wildlife, the premier tourism destination in East Africa. It's national parks and cultural heritage still have the potential for forming the basis of a competitive tourism product. Currently Uganda is the only country where tourists can view mountain gorillas. Also competitive internationally are two or three of its savannah parks, the Ruwenzori Mountains, and opportunities for chimpanzee viewing. The country has placed considerable emphasis on developing its tourism product. However, development targets have consistently failed in recent years to meet expectations for a range of internal and external reasons: continuing insecurity in a number of parts of the country in which prime tourism destinations are located; low capacity in the private sector to develop tourism products and provide related services; problems with the concessioning process for lodges and activities in National Parks; and the low volumes leading to diseconomies of scale—current international arrivals of leisure tourists are estimated to be approximately 5,000 per annum. The focus of the proposed PAMSU project is on the rehabilitation and sustainable management of the natural resources

The “Conservation and Sustainable Tourism” (CAST) programme is the GOU's umbrella programme to support conservation of the country's wildlife and cultural heritage and assets and to implement the Integrated Tourism Master Plan (ITMP). ITMP is based on Protected Areas (PAs) as the primary attraction, with a secondary emphasis on cultural assets. It emphasizes that growth in the sector must follow a modest pace corresponding to the rate of recovery of the underlying natural assets and the rehabilitation and expansion of the supporting Infrastructure.

The proposed PAMSU Project is a follow-on project to the Institutional Capacity Building for Protected Areas Management and Sustainable Use project (ICB-PAMSU), scheduled to close June 2002. PAMSU represents the World Bank's second phase of support to the GOU's CAST programme. The broad objectives of the of the ICB-PAMSU project have been achieved, which provides the necessary capacity to proceed with the PAMSU phase of support. Those achievements include the following: (1) an effective and

efficient overall institutional framework for the wildlife/protected areas management sector has been established, with roles and capabilities of the various institutions well coordinated including the relationships between public and private sector and NGOs; (2) the planning, management and implementation capacity of the individual sectoral institutions to ensure sustainability and accountability has been strengthened; and (3) the overall human resource capacity and professionalism in the sector has been improved. During the project design and appraisal of the ICB-PAMSU project, benchmark indicators were established to determine readiness for moving on to the PAMSU phase of support. While work on some of the indicators is still in progress, the benchmarks have been satisfactorily met (see Annex 14 for complete details).

Project Development Objective

The development objective of the Protected Area Management for Sustainable Use Project (PAMSU) is the “Sustainable and cost-effective management of Uganda’s wildlife and cultural resources.” Sustainability is promoted through a combination of (1) providing funds for improving Uganda’s ability to attract tourists to its wildlife and cultural heritage while, (2) encouraging cost-effective management strategies so as to reduce overall operating costs of the institutions managing these resources. The project consists of four components, each the responsibility of one of the four implementing agencies:

1. **Uganda Wildlife Authority:** Maintain cost-effective and efficient wildlife management inside & outside Protected Areas
2. **Uganda Wildlife Education Center:** Public awareness and knowledge in environmental and conservation issues created
3. **Ministry of Tourism, Trade and Industry:** Develop the framework for the tourism sector of the economy to the maximum extent possible, consistent with the protection of environmental and cultural values
4. **Museums and Monuments:** The Cultural Heritage of Uganda preserved

A fifth component recognizes that the role of the Project Coordination Unit (PCU) in effective coordination and proactive management of the project is a capacity building effort which serves to develop itself and other agencies. Indicators of effective management have been set for the PCU to recognize this important role.

The prior project - ICB-PAMSU - financed the institutional strengthening of the implementing agencies retained under PAMSU. PAMSU provides moderate amount of financing to each agency for equipment, training, vehicles, and incremental recurrent costs, along with those consultancies, primarily international, to encourage cost-effective implementation of plans devised under ICB-PAMSU.

2. Global objective: (see Annex 1)

The global environmental objective is to ensure the effective, long-term conservation of Uganda's biodiversity in the face of competing economic pressures. Protection will be ensured over a wide range of ecosystem types, including wetlands, swamps, tropical high forests, Afroalpine forests, grass and woodland savannahs, and internationally important lakes and rivers. Uganda is the fourth most densely populated country in Africa, 89% rural, with 85 people per square kilometer, largely dependent on smallholder agriculture for sustenance, and with a steep population growth rate. At the same time, Uganda ranks in the top ten nations in Africa in terms of species numbers for all major groups, and among the top ten in the world for mammals, including over half of the know world population of mountain gorilla. Its concentration of biological wealth offers exceptional opportunities to achieve global biodiversity conservation objectives cost-effectively. The project design is consistent with guidance from the Conference of the Parties as it addresses in situ conservation as it includes: (i) capacity building; (ii) strengthening the conservation, management, and sustainable use of ecosystems and habitats; (iii) strengthening the involvement of local and indigenous people; and (iv) integrating social dimensions including those related to poverty.

3. Key performance indicators: (see Annex 1)

Progress in achieving the project development objective will be evaluated on the basis of key performance indicators. These indicators, along with an indication of their means of assessment are:

1. Revenue generation at UWA increases to US\$ 6.0bn by the 5th year, to be assessed through review of UWA's financial records.
2. Poaching of key species in patrol area reduced from initial baseline. Poaching incidents, is to be assessed through field visits and review of UWA staff reports during the annual monitoring review and included in the Annual Review report.
3. Population number of key mammal species in QE, MF, KD conservation areas increase by 5% within 5 years. An Aerial survey, along with ground verification of key mammal species is to be conducted in the 5th year of the project within Parks for which baseline data exists from 1993 and 1999/2000.
4. Communities are satisfied with UWA response to problem animals. Assessments are to be conducted of those communities near Queen Elizabeth and Kibale National Parks that have reported significant number of problem animal incidents in the past.
5. Approximately 120,000 visitors/year including 80,000 students visit Uganda Wildlife Education Center. Gate records from UWEC provide accurate records of attendance.
6. Ministry of Education adopts Wildlife conservation education (WCE) into primary school education in Uganda by EOP. This objective can be assessed by review of curriculum.
7. 40% of primary schools receive Wildlife Conservation Education material by EOP. The Ministry of Education's records, along with those of UWEC provide the means of verifying this indicator.
8. Accurate and reliable information (statistics, market analysis, etc) about Uganda's tourist potential is established. A review of the Data Base along with evidence of its use by the European Unison's USTD project verify this indicator.

Implementation effectiveness is assessed through Indicators of Performance for each of the components and the agency which implement those components. Organized according to the component's implementing agency significant of these are:

Uganda Wildlife Agency:

1. Implementation of the Protected Area Systems Plan. This is to be assessed by the demarcation of boundaries
2. The development of cost-effective strategies for managing the existing Park Assets. This will be assessed by the completion and implementation of General Management Plans for the Protected Areas as well as the integration of specific Annual Operating Plans toward achieving those objectives.
3. Improvements in financial sustainability of the systems is encouraged by developing, over the 5 years, detailed analysis of the costs of PA operations and, from that, criteria from whence the PA can be managed more effectively.
4. Crucial for both immediate and long-term sustainability is improving the revenue base of UWA. Targets for this include substantial improvements in collection of gate and concession revenue as well as developing a more stable revenue base through encouraging more visitations by Ugandan national.

Uganda Wildlife Education Center:

1. Efforts towards creating public awareness and knowledge in environmental and conservation issues will be assessed through achievement of a wildlife conservation curriculum integrated into primary school education. Regular visitation will be increased through expanding the day-trip and overnight programs for school child education.
2. The centers message and appeal will be expanded through development of three major exhibits (Rhino, and both Kidepo and Lake Mburo ecological zones). An indicator of its rehabilitation efforts will be completion and population of a new Chimpanzee rehabilitation site.

Ministry of Tourism, Trade and Industry:

The Ministry's role in creating an effective tourism framework will be assessed by the adoption of a Tourism Policy and enabling legislation; along with licensing and registration of major service providers, and the completion of an extensive data base to provide accurate and reliable information to the industry.

Museums and Monuments:

The Uganda Museums and Monuments Agency will be established as a semi-autonomous body to conserve and promote awareness of Uganda's cultural heritage. Indicators of performance that this objective is being achieved are: (1) the identification and development in a sustainable way of two antiquarian sites outside of Kampala; and (2) steady increase in visitation to the National Museum in Kampala from its early post renovation baseline.

B. Strategic Context

1. Sector-related Country Assistance Strategy (CAS) goal supported by the project: (see Annex 1)
Document number: IDA/R2000-187 **Date of latest CAS discussion:** 11/16/2000

Government's strategy for economic transformation is spelled out in the Poverty Eradication Action Plan (PEAP) 2000. The PEAP provides a framework for Government planning and guides the formulation of Sector Wide Action Plans (SWAPs). The primary objective of the PEAP is to develop policies and

resource allocations aimed at improving the welfare of all Ugandans and reducing the incidence of poverty to 10% or less by the year 2017. Government envisages that the following three conditions are pre-requisite for economic growth to eradicate poverty:

- Structural transformation (agricultural modernization, industrialization, institutional reforms and capacity development).
- The poor must participate in economic growth by expanding smallholder agriculture and employment in the industry and services sectors as well as expansion of the rural based non-farm enterprises.
- Economic growth must be sustainable. In particular, the modernization of agriculture will need to ensure that renewable natural resources are conserved and not “mined” in the pursuit of short-term growth. Therefore, judicious management of land, forests, wetlands, rangelands, rivers, lakes and the environment is essential for sustaining any gains in poverty eradication that are made possible by pursuing the above two conditions.

The primary goal of the CAS is also substantial reduction of poverty in Uganda. The Bank is committed to supporting Uganda's economic transformation and poverty reduction strategy as spelled out in the PEAP. To achieve this objective, work to maintain macroeconomic stability will continue, but the Bank's assistance will increasingly shift to the sector level and to cross-cutting public sector management issues. One of these cross-cutting issues is environmental management. As stated in the CAS, an overarching consideration of the economic transformation is that development and growth must occur in an *environmentally sustainable manner*, given that 90 percent of Uganda's population is directly dependent on the country's natural resource base. The activities financed under PAMSU represent key part of the Government's overall sector wide program or action on environment and are consistent with objectives of the CAS. To help realize the sector-related CAS objectives, PAMSU will provide resources for ensuring conservation of biodiversity and historical heritage assets which will lead to overall environmental protection and sustainable development.

1a. Global Operational strategy/Program objective addressed by the project:

The Government of Uganda ratified the *Convention on Biological Diversity* in September 1993. In addition, it has ratified the CITES and the *Ramsar Convention* on wetlands. The Government's commitment to environmental protection and sustainable natural resource conservation and management is laid out in the National Environmental Action Plan (NEAP) approved by Parliament in June 1994, and in the Uganda Biodiversity Country Study. In the NEAP, the Government makes a commitment to conserving biodiversity both inside and outside protected areas.

The activities proposed under the project are in accordance with the GEF Operational Strategy for Biodiversity. The project is Uganda's major initiative to effectively integrate the conservation of biodiversity into national development. It focuses on a range of ecosystems representative of Uganda's biodiversity, including savannahs, mountains and forests. It will therefore contribute to the GEF operational programs for Arid and Semi-arid Ecosystems, Mountain Ecosystems and Forest Ecosystems. As called for by these programs and in support of Article 8 of the CBD the project focuses on *in situ* conservation in designated areas of biodiversity importance. The project is also consistent with guidance from the COP of the Convention of Biological Diversity as it addresses *in situ* conservation and sustainable use and includes (i) capacity building; (ii) strengthening the conservation, management, and sustainable use of ecosystems and habitats and endemic species; (iii) strengthening the involvement of local and indigenous people; and (iv) integrating social dimensions including those related to poverty. It responds to COP3 guidance by: providing capacity building, especially to local and indigenous communities through

innovation mechanisms to involve them in protected area and wildlife management; providing support to activities that relate to other international conventions; creating economic incentives for the conservation of biodiversity; promoting conservation awareness and information dissemination.

2. Main sector issues and Government strategy:

Government Strategy to Address the Wildlife and Tourism Sector Issues and Constraints

Rehabilitation and management of the wildlife and conservation areas, revitalization of the tourism industry, and empowerment of local governments and communities to manage and benefit from the sustainable use of natural resources, are high priorities for the Government of Uganda as demonstrated by a number of actions and policy and institutional reforms it has taken over the past few years. The GOU has established a number of parastatal and mixed public/private sector entities responsible for different facets of the conservation and tourism sectors, many of which were previously the direct responsibility of Government departments. These include the Uganda Wildlife Authority (UWA), the Uganda Wildlife Education Centre (UWEC), the Uganda Tourist Board (UTB), and the recently established Uganda Museums and Monuments Agency (UMMA).

A major objective of transferring these traditionally government functions to semi-autonomous entities was to enhance their sustainability through generation and retention of revenues, mainly from tourism related activities. This is consistent with a growing trend around the world to reduce the dependence of such bodies on increasingly stretched national budgets. They are also intended to provide a synergetic linkage between the public and private sectors, to facilitate the development and growth of the tourism industry. Thus they represent an important model of public/private cooperation for private sector development, also an important element of the Uganda CAS.

3. Sector issues to be addressed by the project and strategic choices:

The primary development issue to be addressed by the project is the rehabilitation of the wildlife and cultural resources of Uganda, both from a biological and institutional perspective. The project seeks to build on commitment by Government and other ongoing environment sector reform projects to change attitudes and create an awareness of the economic and ecological significance of wildlife and cultural assets, both for the present and future generations of Ugandans.

Capacity Building and Institutional Framework Development

There is still a recognized lack of capacity in the wildlife/tourism sector in Uganda which the PAMSU projects aims to address. Under ICB-PAMSU progress has been made towards building the necessary capacity, both institutional and policy related, however, more work needs to be done. The focus of the PAMSU project is more concentrated, Uganda Wildlife Authority and the Ministry of Tourism, Trade and Industry are the two principal organisations through which this project aims to achieve it's central objective. The project will continue to provide resources to carry out reform, rehabilitation and effective strategic planning and management. This will be achieved through the complementary activities envisaged in the Tourism Policy and Strategic Plan, which is focused on creating a sustainable tourism industry which supports wildlife and cultural assets as well as creative and cost-effective public/private sector partnership solutions.

Sustainability

Sustainability of the institutions and agencies charged with managing and protecting the natural resource

base upon which the nature-based tourism is based is a major concern. The project seeks to contribute to this at the macro level by supporting cross-cutting legislation review, increased sector co-ordination and the promotion of appropriate investment from stakeholders. At the organisational level, cost-effective management and increased cost-sharing partnerships will be sought.

Regulation, Legislation and the Custody of Assets

This project seeks to support the implementation of a framework of legislation that regulates and monitors the industry development whilst securing the integrity of the assets on which the industry is based. The protection of assets require formal legislation, currently absent, and a regulatory mechanism. This applies from the delineation of PA boundaries to the licensing of tour operators and hotels and training standards within the industry.

Security

Whilst not an issue to be directly addressed by the project, security is a significant sector issue that the project does address indirectly through the development of cross-cutting legislation review, continued dissemination of the message that the viability of PAs depends on tourism which in turn depends on security and the facilitation of improved co-ordination and advocacy within, and for the sector.

Weakness of the Private Sector

The weakness of the private sector with respect tourism is a legacy of the years of civil unrest. The private sector is currently a weak partner, lacking financial resources and professionalism, all of which hinders the viability of the fundamental objective of this project. It is expected that the policy development process and subsequent legislation will capture and address prohibitive issues flagged by the private sector. The project will also contribute to the improved institutional arrangements within the private sector, improving their lobby with government and other stakeholders.

C. Project Description Summary

1. Project components (see Annex 2 for a detailed description and Annex 3 for a detailed cost breakdown):

The project has five components, each implemented by agencies supported under the prior ICB-PAMSU. ICB-PAMSU provided funds for capacity building, especially strategic planning and organizational establishment. PAMSU provides logistical funds, equipment, and civil works for sustaining the agencies developed under ICB-PAMSU and to implement cost-effective strategies for achieving objectives identified within those strategic plans. GEF resources are proposed to finance two out of the five components, sustainable wildlife management and environmental conservation education.

Component 1: Sustainable Wildlife Management

Agency: Uganda Wildlife Authority:

The ICB-PAMSU project provided funding for establishing the Uganda Wildlife Authority and developing its internal systems, management team and governance structure. Also developed was the Strategic Plan for the agency, along with methodologies for facilitating development of Annual Operating Plans for each of the PAs that would implement the general strategies. PAMSU will provide logistical support, and fund equipment and civil works for UWA to implement elements of that strategic plan. With these funds UWA will implement the Protected Areas System Plan to rationalize and demarcate the boundaries of the national asset. The project supports the cost-effective management of these assets at the field level through logistical support, equipment and modest targeted civil works for the Parks and Reserves. Civil works will target staff accommodations in order to improve moral, effectiveness and reduce rent as burden on overall agency operating costs. At headquarters, the project will provide operating support and equipment for ongoing operations and refurbish the existing headquarters building in order to save rent costs.

The GEF share of this component reflects the incremental cost of establishing and administering a protected area system that contributes to protection of global biodiversity but is larger than economically justified in the face of competing land uses and the basic needs of a large and relatively poor rural population. Financial sustainability of this higher central Government commitment may be built up over the project period through reform of park entrance and other user fees. The GEF funding is focused on field operations because of the additional level of effort required to maintain a PA system that ensures a comprehensive conservation and sustainable use of a fully representative set of Uganda's biodiversity. This effort is focused on maintaining infrastructure, supporting surveillance and monitoring, and providing ongoing training in remote but biological important areas typically not benefiting sufficiently from ecotourism.

Protected Areas System Plan (PASP)

UWA, with support from the EU, and the ICB-PAMSU Project, initiated a process of assessing the current status of the PA system with the aim of rationalizing it. The rationalization process involved revising and re-aligning the PA system to ensure that it (i) protects a high-quality, representative sample of the country's biodiversity heritage and ecosystems, (ii) is manageable in the long term, and (iii) provides a suitable basis for a sustainable tourism sector. The assessment process took about 24 months; it included ecological/biodiversity, economic and social criteria and involved participation of national and local governments and potentially affected communities.

The GEF is called upon to support this activity in its implementation phase, to ensure inclusion of areas of globally significant biodiversity. Before the assessment was undertaken, comprehensive knowledge of the coverage of Uganda's protected areas and the nation's biodiversity represented in those areas (i.e. degree of replication, inclusion of all major ecosystem types, etc.) was not known. The PASP includes definition of appropriate boundaries, resolution of disputes outstanding and arising from the process, and identification of areas for pilot community conservation activities. Implementation of the plan is identified as part of an expensive process of "capitalization" of the change towards an improved PA system in Uganda. Because of Uganda's commitments under the Biodiversity Convention, this is a much more comprehensive effort than would be warranted to meet Uganda's more limited objectives of maintaining only the most affordable of the existing PAs.

Component 2: Environmental Conservation Education

Agency: Uganda Wildlife Education Center:

UWEC's activities will create public awareness and knowledge about Uganda's wildlife as well as broader environmental and conservation issues. The project will provide logistical support, some equipment and construction funds for establishing new programs for visitor education especially school children. UWEC will reach out to school children around Uganda by funding both day time visits for nearby schools and an overnight residency program for children living more distant. New exhibits construction and maintenance highlighting Ugandan wildlife will be funded by the project to increase the range of educational messages of interest. Support will also be provided for improved animal holding and veterinary facilities for both the needs of UWEC and the Wildlife Department.

Under ICB-PAMSU the GEF heavily supported the UWEC activities. Under this component, GEF resources would continue to support conservation education awareness programs. The high proportion of GEF assistance to this component recognizes that, in the very long term, better public awareness of Uganda's unique national biological heritage and the economic benefits of biodiversity conservation will build support and willingness to pay for conservation of these resources in the face of competing land-use and other development pressures.

Component 3: Tourism Framework

Agency: Ministry of Tourism, Trade and Industry:

MTTI's mission and efforts within the project focus upon developing the tourism sector of the economy to the maximum extent possible, consistent with the protection of environmental and cultural values. The project will provide funding for logistics and equipment that will (1) establish a sustainable tourism framework based on policy development and enabling legislation; (2) provide for licensing and registration of operators within the sector to ensure quality; (3) develop accurate statistics on the sector; and (4) facilitate the improvement in human resource training. In addition to funding these activities the project will provide substantial funds for construction of a building for the Ministry of Tourism, Trade and Industry.

Under this component, support will also be provided for the Wildlife Department in the MTTI. This support includes training, equipment, management support and technical capacity building to enable the Wildlife Department to carry out Uganda's responsibilities under relevant international treaties, and in particular to function effectively as the Management Authority for the Convention on International Trade in Endangered Species (CITES).

Component 4: Cultural Heritage

Agency: Uganda Museums and Monuments Agency

The project provides moderate operational funds, some equipment and civil works to continue the establishment of UMMA. These funds will finalize the former Department's transition to a sustainable semi-autonomous agency and facilitate expansion of the offerings at the Museum and the identification and development of remote antiquarian sites of significant importance to Uganda's cultural heritage.

Component 5: Project Coordination

Agency: Project Coordination Unit (PCU)

The Project Coordination Unit which was established under ICB-PAMSU will continue to function as the PCU for the implementation of PAMSU project for two and a half years. The role of the PCU will be to build the capacity of the implementing agencies to take over the responsibility for project management including procurement and reporting.

Component	Sector	Indicative Costs (US\$M)	% of Total	Bank financing (US\$M)	% of Bank financing	GEF financing (US\$M)	% of GEF financing
Sustainable Wildlife Management	Environmental Institutions	27.70	80.1	20.60	88.0	4.10	51.3
Environmental Conservation Education	Environmental Institutions	3.90	11.3	0.00	0.0	3.90	48.8
Tourism Framework	Environmental Institutions	1.50	4.3	1.50	6.4	0.00	0.0
Cultural Heritage	Environmental Institutions	0.80	2.3	0.70	3.0	0.00	0.0
Project Coordination Unit	Environmental Institutions	0.70	2.0	0.60	2.6	0.00	0.0
Total Project Costs		34.60	100.0	23.40	100.0	8.00	100.0
		0.00	0.0	0.00	0.0	0.00	0.0
Total Financing Required		34.60	100.0	23.40	100.0	8.00	100.0

2. Key policy and institutional reforms supported by the project:

Since the mid 1990s, the government has been pursuing reform of the tourism and wildlife sector. PAMSU, building on ICB-PAMSU is designed to consolidate the reforms that have already taken place and to support the completion of those that are in progress. The key changes are as follows:

- A new wildlife policy in November 1995 led to the enactment of the Uganda Wildlife Statute 1996. This formed the Uganda Wildlife Authority, a semi autonomous body from the merger of Uganda National Parks and the Game Department. UWA was slow to take advantage of the new arrangements, but has benefited from investments made since January 1999. It now faces challenges of financial sustainability given lower than hoped for growth in its tourism revenue. PAMSU will support reforms seeking cost efficiency and the implementation of its strategic plan developed in 2000.
- At the same time a new small Wildlife Department was formed in the Ministry of Tourism Wildlife and Antiquities with responsibility for coordinating policy development and implementation and Uganda's adherence to international wildlife treaties. Development of the WD under ICB-PAMSU was constrained vacancies in the staffing establishment. These have now been filled and PAMSU supports further WD development.
- A review of tourism policy is being undertaken with support from the European Commission. PAMSU will support the development and enactment of any necessary enabling legislation.
- In 1994 the moribund Entebbe Zoo was transformed into the Uganda Wildlife Education Centre, a trust. UWEC no longer functions as a zoo, but rather as the country's institution for conservation education. It is now an important resource for wildlife and conservation education. PAMSU supports its further development and will establish a framework for raising an endowment to meet its financing gap.
- A number of reforms of tourism sector institutions have taken place since 1996. These include the establishment and development of the Uganda Tourist Board as an autonomous agency. ICB-PAMSU supported these, but PAMSU does not because either the reforms have been completed, or support is being provided under the EC financed project. PAMSU does support further reforms building the

MTTI's supervisory and regulatory function.

The Department of Antiquities and Museums responsible for Museums, cultural sites and antiquities, is currently being transformed into the Uganda Museums and Monuments Agency. PAMSU provides modest support for operating costs while the new agency is established.

3. Benefits and target population:

The main benefits of the project are two fold: (1) the improved conservation and management of the protected area estate in Uganda; and (2) institutional and policy reform which will contribute to the establishment of an enabling environment for greater investment in the tourism sector.

The global benefits of this project lie in the inherent value of ecosystems in Uganda to world-wide biological diversity. There may also be regional benefits to maintaining the integrity of PAs along the borders with Rwanda and the DR Congo because they are contiguous with PAs in those countries. This may be a very valuable collective asset in the future when regional politics allow better co-operation. At a national level this project's development objectives directly target stakeholders involved with the public and private sectors in the conservation, management and growth of wildlife and tourism assets and indirectly much of civil society through education and awareness building about sector issues.

These target groups and the benefits that will accrue are:

- Central Government agencies involved with regulation, planning and monitoring macro development within the sector. These will benefit through increased capacity and training, greater employment security and satisfaction, and, increased ownership and pride in the sector.
- Government agencies involved with the implementation of strategic objectives defined by policy and planning. These will benefit from the project through increased capacity and training, improved employment security and terms, increased job satisfaction and improved internally generated revenues allowing greater autonomy from .
- Local Government officers responsible for sector co-ordination and policy dissemination and implementation will benefit from participation in capacity building and training programmes.
- Communities living in and around protected areas and other natural and cultural resources will benefit from greater exposure to income generation opportunities, particularly for women's groups who can sell crafts and cultural experiences, education opportunities, improved infrastructure, improved advocacy in local decision making processes (which will be facilitated by the policy and legislation review), increased access to resources from NGOs and CBOs who are development partners encouraged by this project.
- The private sector involved with the promotion and sale of natural and cultural assets will benefit from greater commercial opportunities, access to training and enhanced advocacy through the policy and legislation review process.

4. Institutional and implementation arrangements:

Policy, Institutional and Legislative Framework for Project Implementation

PAMSU operates within the legislative framework established by the Uganda Wildlife Statute 1996 and supports the development of enabling legislation following revision of tourism policy currently in progress.

Implementation will be the responsibility of 4 main implementing agencies, one for each component: Uganda Wildlife Authority, Ministry of Tourism, Trade and Industry, Uganda Wildlife Education Centre, and Uganda Museums and Monuments Agency.

Uganda Wildlife Authority

Uganda Wildlife Authority was established in 1996 with the mandate of: ensuring the sustainable management of wildlife conservation areas; and establishing policies and procedures to manage and regulate the use of wildlife outside protected areas. Subject to the approval of the Protected Areas Assessment (the national protected area systems plan) currently before Parliament and expected before project commencement, UWA is responsible for 10 National Parks, 13 Wildlife Reserves and technical oversight of 5 Community Wildlife Areas.

UWA is under the general supervision of the Minister. The governing body is the Board of Trustees appointed by the Minister in accordance with the Schedule to the Uganda Wildlife Statute. This provides for 21 members, although in practice some of these positions have been vacant. ICB-PAMSU supported board development through preparation of formal TORs which have been adopted by the ministry and a procedures manual to guide Board work. This work resulted in recommendations to reform the composition of the board to make it more appropriate to its TORs. This requires an amendment to the Schedule to the Statute which is currently being considered by cabinet. The term of the present Board has expired and it is expected that a new Board will be in place by project commencement.

ICB-PAMSU supported a number of measures to strengthen the institutional capacity of UWA. These included: the appointment of an internationally recruited Executive Director on a three year contract to oversee UWA's development, the provision of an institutional contractor to develop financial management systems; the development of a training plan (not yet implemented) and the development of a strategic plan.

Under the USAID supported Action Plan for the Environment project, UWA has been developing capacity for protected area systems planning and is currently improving its ability to prepare, implement and monitor annual operations plans at HQ and field level.

Uganda Wildlife Education Centre

The Uganda Wildlife Education Centre is legally established as a Trust with a 9 member Board appointed by the Minister, and registered in Uganda.

UWEC has been successful at attracting a number of private sector donors. These donations are generally restricted to the development of new exhibits rather than running costs, which have been met by GoU subvention, self-generated funds (mostly admission fees) and ICB-PAMSU.

Until 2000, UWEC had an expatriate Director funded by USAID. He is now acting as a technical advisor.

Ministry of Tourism, Trade and Industry

Three Departments, all falling under the Commission of Tourism, Wildlife and Antiquities are supported by the project. These are: Tourism Development, Registration and Licensing, and Wildlife.

Uganda Museums and Monuments Agency

A decision to transform the Department of Antiquities and Museums into a semi-autonomous agency was taken by the Ministry of Public Services in July 2001 (after several years of discussion as to whether to transform it into an autonomous authority by act of Parliament.) The GoU has engaged consultants to assist in the transformation, including the preparation of strategic and business plans. UMMA will be seen by a representative 8 member advisory board and managed by a chief executive.

PCU

The Project Coordination Unit (PCU) of the MTTI has been responsible for coordination and oversight of ICB-PAMSU and for the preparation of PAMSU. Its responsibilities include donor liaison, program identification, procurement of goods and services and contract management. Under the PAMSU project, the PCU will continue for two and a half years playing more of a supporting role to the Implementing Agencies which will eventually take full responsibility for procurement and project implementation.

The intention is to move from a model where the PCU is responsible for disbursement and procurement of IDA/GEF funds to a support and capacity building role. The PCU team will provide guidance and support to the implementing agencies, while the agencies will be responsible for preparing the necessary documentation (i.e. terms of reference, requests for no objection, withdrawal applications, annual work plan submissions and any reporting requirements). The new implementation arrangements for PAMSU include establishing separate special accounts for each implementing agency. UWA and UWEC will manage their own special accounts from the inception of the project. The UMMA and MTTI components will be managed under special accounts for which the PCU will be responsible for the first two and a half years. Once the PCU has been phased out the Ministry will take responsibility for implementation.

The project will support TA, equipment and other operating costs for the PCU. Under the TA category, the project will support the positions of Project Coordinator, Procurement Specialist and Project Accountant. Support staff include two secretaries, five drivers, an accounts assistant, and an office attendant. The PCU will assume responsibility for all MTTI vehicles purchased under ICB-PAMSU, including their registration, logbooks, and maintenance. Vehicle operations for MTTI activities will be funded from the activity budgets.

D. Project Rationale

1. Project alternatives considered and reasons for rejection:

Alternatives considered during design were as follows:

- **Not following ICB-PAMSU with a further project.** The rationale for this would have been that institutional reform, particularly of UWA has been disappointing, and the potential for developing tourism is proving to be less strong than expected. This approach would have been consistent with IDA strategy for Uganda of moving to budgetary support. *Reasons for rejection* While institutional reform has been slower than might have been hoped, it is appreciated that the three years of ICB-PAMSU is not sufficient to consolidate the gains that have been made and a further period is appropriate. The Government of Uganda remains committed to the development of tourism and is directly addressing security concerns in tourism areas. Not continuing with project support would have left several institutions exposed at an awkward stage of transition and undermined the investments made to date.

- **Varying funding levels** At the beginning of project design a number of beneficiary institutions were hoping for a total project budget of around US\$80 million. This figure derived in part from an exercise carried out in early 1996 that identified all the potential investments that might be made in Uganda's wildlife sector. This was never a concrete proposal. *Reasons for rejection* Apart from the fact that such a total would have far exceeded available IDA resources, an investment on that scale would have exceeded capacity for implementation and led to a wholly unsustainable level of recurrent cost commitments and other operational costs.
- **Endowment based funding for UWEC** Consideration was given to providing an endowment of approximately \$4 million to meet operating costs of UWEC. UWEC has become an effective well run organization that serves a clear conservation education mandate. It has an established record of implementing programs in a highly cost effective manner. It meets a number of criteria normally used for endowment funding: it is an established organization with effective governance structures and it has support from a number of other donors. *Reasons for rejection* A number of investments are still needed to improve UWEC's own income generating potential and priority was given to these. No other body has yet made a commitment to provide counterpart funding for an endowment. Nevertheless the idea still merits attention. PAMSU will provide for a study to establish the legal and institutional framework for an endowment in anticipation that one will be established at a later date.
- **Endowment funding for UWA** Earlier hopes that UWA would be able to generate sufficient self generated revenue to meet the gap between operational requirements and GoU subventions were probably never realistic but it is now quite clear that there will be a substantial gap for the foreseeable future. Given the importance of Uganda's biodiversity this suggests an endowment would be appropriate. *Reasons for rejection* Several strong reasons ruled this alternative out. UWA has had a checkered history since formation. Until as an absolute minimum the new Board of Trustees is in place providing effective governance and the succession of the interim Executive Director has taken place satisfactorily UWA cannot be said to be sufficiently stable to support in this manner. UWA is not yet sufficiently cost conscious and too great a proportion of operating costs is absorbed by headquarters. A number of strategic questions involving outsourcing still need to be resolved. There is a substantial risk at endowment at this stage will simply relieve the pressure to make the necessary reforms.
- **Direct support to protected areas** Consideration was given to providing support more directly to a number of key protected areas. This model has been used in Murchison Falls National Park. This would circumvent the high proportion of costs absorbed by HQ. *Reasons for rejection* There are a substantial number of operational policies that need to be resolved at HQ level. The mismatch between biodiversity importance and revenue generating potential of the various PAs suggests that a national approach is needed. All PAs need HQ support for planning and monitoring functions. UWA is strongly antipathetic to this approach.
- **Additional support for tourism within UWA** Given the need for UWA to expand its revenue base and the relative weakness of its efforts to develop and diversify its tourism base consideration was given to providing technical assistance to the relatively new tourism department and to providing support for promotion. *Reasons for rejection* Promotion of Uganda's tourism is the responsibility of the Uganda Tourism Board which is benefiting from EC funding. PAMSU was designed to avoid duplication in this regard. There are a number of strategic issues regarding the way tourism is managed in UWA including the extent to which it is appropriate to develop capacity in house as opposed to outsourcing it. Until these are resolved technical assistance (beyond supporting development of strategy) is inappropriate.

2. Major related projects financed by the Bank and/or other development agencies (completed, ongoing and planned).

Sector Issue	Project	Latest Supervision (PSR) Ratings (Bank-financed projects only)	
		Implementation Progress (IP)	Development Objective (DO)
Bank-financed Wildlife and Tourism	Institutional Capacity Building for Protected Area Management and Sustainable Use	S	S
Other development agencies			
European Union - Tourism and Wildlife	Uganda Sustainable Tourism Development Project		

IP/DO Ratings: HS (Highly Satisfactory), S (Satisfactory), U (Unsatisfactory), HU (Highly Unsatisfactory)

3. Lessons learned and reflected in the project design:

Lessons from ICB-PAMSU

ICB-PAMSU was intended to provide sufficient institutional capacity for implementing PAMSU. Experience with capacity building under ICB-PAMSU suggests implementing agencies have not yet developed the capacity necessary to effectively absorb a substantial investment program. This was in part a result of the relatively short timeframe allowed. Although PAMSU makes limited new initiatives in capacity building, it anticipates that the implementing organizations will continue to put effort into developing capacity, and adapting their plans to current circumstances.

Much of the ‘strategic’ planning undertaken in ICB-PAMSU has taken the implementing organizations further from, rather than closer to financial sustainability. In part this is a consequence of the circumstances under which the plans were prepared—as conditionalities for a follow on investment project. The plans prepared have focused operational efficiency more than strategic issues. Genuinely strategic decisions have not resulted from the participatory processes used to prepare the plans. As an example, one of the more successful inputs to UWA was the contracting out of the financial management function. This was decided on as part of ICB-PAMSU design. This kind of decision needs to be taken at the most senior level in the face of external pressure. PAMSU places limited emphasis on the preparation of further strategic plans—the principle exception being the ‘business plan’ proposed for UWA. Careful consideration will be given to the process used to prepare this plan to avoid the pitfalls described. PAMSU places emphasis on translating plans into operations, improving cost effectiveness, and monitoring implementation.

Lessons from Bank projects in Kenya’s tourism and wildlife sector

The experience with comparable Bank supported wildlife sector reforms in Kenya was drawn upon in the formulation of ICB-PAMSU and is still relevant. The sector received assistance from the Bank under the Wildlife and Tourism project (1976-1986) and the "Protected Areas and Wildlife Service" (PAWS) project (1992-2000). The Implementation Completion Report and Project Audit attributed the failure of the earlier project primarily to an inadequate policy framework, institutional failures and a lack of Government commitment to the project’s objectives, as well as to the Bank’s failure to hold firm on the agreed conditionalities. By contrast, the success of the PAWS project, which has had a major positive impact in

reducing commercial poaching and improving the infrastructure and management of Kenya's PAs, demonstrates the benefits of ensuring that these issues are addressed up front. At the same time, the slow progress of the parastatal Kenya Wildlife Service in moving toward a business-like organizational culture and financial sustainability, holds important lessons for the Uganda Wildlife Authority, which started from a similar situation and is aiming for similar objectives. PAWS showed that a major investment in infrastructure does place substantial demands on scarce management time and suggested that, as here, relatively modest such investments are more appropriate.

Other lessons from Bank tourism and wildlife projects

Other lessons being taken from Bank-assisted projects and other experiences around the world, include the importance of building support for conservation at a political level and among communities adjacent to PAs, and the need to encourage collaboration among institutions rather than building parallel capacity in each.

4. Indications of borrower and recipient commitment and ownership:

The Government of Uganda is committed to sustainable environmental management and the conservation of biodiversity as expressed in the PEAP. Preparation for the PAMSU project began in 1995 through Bank and GOU collaboration with funding provided through a PPF and by the GEF. The outcome of that preparation was a proposal for a phased approach, the first phase being the ICB-PAMSU project, and the next phase the PAMSU project. During the implementation of the ICB-PAMSU project GOU made available all the counterpart funds needed for the project implementation, including partial payment of the salaries of UWA. The GOU has also allocated a special budget for security in the Protected Areas during this financial year.

5. Value added of Bank and Global support in this project:

The World Bank has provided leadership and support for activities in the wildlife/tourism sector since the 1990's. The PAMSU project is a follow-on project from the ICB-PAMSU project which established the institutional capacity and the policy framework for more effective protected area management and nature-based and cultural tourism. Continued Bank support for the sector, through the PAMSU project, will consolidate the achievements made so far, and support the policy and institutional reforms that have been established over the past three years. Given the reduced state of the country's wildlife resources and the persistent problems of insecurity, growth in tourism, and its ability to support conservation, is likely to be slow. The conservation and improved management of Uganda's biological resources will only be possible if the Bank and other donors provide the necessary support to protect the resource base in the short term and to gradually restore and improve it in the longer term. As one of the GEF implementing agencies, the Bank can also access the GEF resources to support the conservation and management of globally significant biodiversity.

E. Summary Project Analysis (Detailed assessments are in the project file, see Annex 8)

1. Economic (see Annex 4):

- Cost benefit NPV=US\$ million; ERR = % (see Annex 4)
- Cost effectiveness
- Incremental Cost
- Other (specify)

Incremental Expenditures. The total expenditure under the Baseline Scenario is estimated to be US\$18.6

million while the total expenditure under the GEF Alternative is estimated to be US\$34.5 million. The incremental expenditures under the GEF Alternative are therefore US\$15.9 million. The majority of expenditures (76%) is attributable to decentralized activities of UWA, while 23% is attributable to enhanced conservation education efforts.

Incremental Costs. The incremental expenditures of US\$15.9 million are partially offset by an incremental domestic benefit of US\$7.9 million. This benefit would not have been realized in the Baseline Scenario, and is primarily associated with sustainable direct uses, distributional benefits, protection of ecological functions, and preservation of domestically significant option values. The net result is that the **incremental cost of the GEF Alternative is US\$8.0 million**, for which GEF assistance is requested. The allocation of these amounts, and the resultant financing structure for the GEF Alternative as a whole, is summarized in Table A1.2.

Cost-effectiveness. While no complete monetization of the global benefits of such an intervention has been completed, it is possible to provide some indication of the cost-effectiveness of such a GEF intervention. It is estimated that the intervention translates to an annualized cost of US\$144/km²/yr of effective protection; this reflects the basic hypothesis that improved decentralized measures will ensure protection of a wider range of species and habitats (approx. 1.3 million ha phased in over 30 years) than otherwise would be the case. The literature indicates that typical conservation expenditures around the world reflect international interventions corresponding to approximately US\$20/km²/yr to US\$2,000/km²/yr of protection. In the case of Uganda, therefore, the substantial investments in the Baseline Scenario, which are targeted to meeting domestic development priorities, provide an opportunity for the international community to obtain high efficiency for its conservation expenditures.

2. Financial (see Annex 4 and Annex 5):

NPV=US\$ million; FRR = % (see Annex 4)

In recent years, significant improvements in public sector accounting and reporting have been achieved. Most notably, the annual public accounts of Government have been produced within the statutory period of four months after the end of the financial year for each of the past four years. Nevertheless, recent assessments undertaken by Government jointly with donors, such as the Country Financial Accountability Assessment (CFAA) with IDA, have identified a number of areas that need to be strengthened to enhance financial management.

The Country Financial Accountability Assessment (CFAA), carried out by IDA in collaboration with Government, indicates that inadequate financial accounting and auditing systems both at the center and in the districts pose a major fiduciary risk. While Uganda has a relatively good budgeting system, accounting for public expenditure using the present manual system is weak, largely because of disregard for timely and regular recording of transactions, side-stepping of controls, and lack of financial discipline. Similarly, findings of audit reports are not regularly followed up, and public accounts contain a number of material non-reconciled balances. There is an acute shortage of qualified accountants in the public sector, given that current pay levels are only about 20-30 percent of those in the private sector. Reforms in financial management are urgent and satisfactory progress in their implementation needs to precede the approval of PRSC II that will increasingly involve district and sub-county governments.

With the support of a number of donor assisted initiatives, such as the Second Economic and Financial Management Project (EFMP II) and the Local Government Development Project (LGDP) supported by IDA, and the Financial Accountability and Decentralization Support Project funded by DFID, Government is seeking to rapidly enhance the financial accountability framework in pursuit of the following objectives:

- mitigate fiduciary risk in public expenditure management for both taxpayers and donors;
- achieve economy, efficiency and effectiveness in the use of public funds;
- enhance transparency and accountability; and
- establish an appropriate enabling environment for private sector development and regulation.

As an initial measure, the Ministry of Finance, Planning and Economic Development has expanded the mandate of the coordinating mechanism in place for guiding and monitoring all reform programmes in financial management throughout Government using the existing structures under EFMP II.

Fiscal Impact:

3. Technical:

N/A

4. Institutional:

4.1 Executing agencies:

Ministry of Tourism, Trade and Industry, Uganda Wildlife Authority, Uganda Wildlife Education Centre, Uganda Museums and Monuments Agency.

4.2 Project management:

The Project Coordination Unit (PCU) of the MTTI has been responsible for coordination and oversight of ICB-PAMSU and for the preparation of PAMSU. Its responsibilities include donor liaison, program identification, procurement of goods and services and contract management. Under the PAMSU project, the PCU will continue for two and a half years playing more a supporting role to the Implementing Agencies which will eventually take full responsibility for procurement and project implementation.

The intention is to move from a model where the PCU is responsible for disbursement and procurement of IDA/GEF funds to a support and capacity building role. The PCU team will provide guidance and support to the implementing agencies, while the agencies will be responsible for preparing the necessary documentation (i.e. terms of reference, requests for no objection, withdrawal applications, annual work plan submissions and any M7E reporting requirements). The new implementation arrangements for PAMSU include establishing separate special accounts for each implementing agency. UWA and UWEC will manage their own special accounts from the inception of the project. The UMMA and MTTI components will be managed under special accounts for which the PCU will be responsible for the first two and a half years. Once the PCU has been phased out the Ministry will take responsibility for implementation.

The project will support TA, equipment and other operating costs for the PCU. Under the TA category, the project will support the positions of Project Coordinator, Procurement Specialist and Project Accountant. Support staff include two secretaries, five drivers, an accounts assistant, and an office attendant. The PCU will assume responsibility for all MTTI vehicles purchased under ICB-PAMSU, including their registration, logbooks, and maintenance. Vehicle operations for MTTI activities will be funded from the activity budgets.

4.3 Procurement issues:

N/A

4.4 Financial management issues:

N/A

5. Environmental: Environmental Category: C (Not Required)

5.1 Summarize the steps undertaken for environmental assessment and EMP preparation (including consultation and disclosure) and the significant issues and their treatment emerging from this analysis.

N/A

5.2 What are the main features of the EMP and are they adequate?

N/A

5.3 For Category A and B projects, timeline and status of EA:

Date of receipt of final draft: N/A

N/A

5.4 How have stakeholders been consulted at the stage of (a) environmental screening and (b) draft EA report on the environmental impacts and proposed environment management plan? Describe mechanisms of consultation that were used and which groups were consulted?

N/A

5.5 What mechanisms have been established to monitor and evaluate the impact of the project on the environment? Do the indicators reflect the objectives and results of the EMP?

N/A

6. Social:

6.1 Summarize key social issues relevant to the project objectives, and specify the project's social development outcomes.

The social development outcomes of the project relate to the conservation and environmental services which will be secured for the populations living near the protected areas. The vast majority of Uganda's population is rural and therefore dependent on natural resources for their livelihoods. The conservation objective of the project will provide benefits to the local populations in two ways: (i) secure the environmental services provided by intact and well functioning ecosystems, i.e clean and dependable water, medicinal plants, etc; and (ii) conservation and rehabilitation of the protected areas system and the nature-based/cultural heritage tourism industry will provide local communities opportunities for involvement in small scale tourism operations when the industry recovers.

Another important social development outcome of the project is awareness raising. Through continued support to the UWEC, the project will promote better appreciation and understanding of the importance of strong environmental management and conservation.

The implementation of the Protected Areas System Plan will also have a positive on the communities living in and around protected areas. The objective of the rationalization of the protected areas system are two-fold: to ensure that a representative sample of each of the countries unique ecosystems are gazetted and conserved; reduce the conflicts between the parks authority and local communities over boundaries and resource use. Through the implementation of the Protected Areas System Plan, the project aims to establish the Parliamentary approved and agreed boundaries for the protected areas estate. This process will clearly mark all protected areas boundaries as well as the redesignation of certain highly encroached areas in protected areas to allow for legitimate resource utilization by the population living in the areas.

6.2 Participatory Approach: How are key stakeholders participating in the project?

The project preparation included activities aimed at rationalizing the protected areas estate in Uganda. The process for establishing the new system was done through a highly participatory process involving all the stakeholders from the national, district and local level.

6.3 How does the project involve consultations or collaboration with NGOs or other civil society organizations?

The project is working directly to support one of Uganda's main conservation NGO, The Uganda Wildlife Education Center (UWEC). Other national and international NGO's are also partners in the conservation effort. For example, through regional, and park or species specific programs, Uganda Wildlife Authority is collaborating with NGO's such as the International Gorilla Conservation Program, in Bwindi and Mgahinga National Parks, IUCN and WWF in the Mt. Elgon and Rwenzori National Parks, and AWF for development of training plans. The project also supports a collaborative management component for working directly with communities to include them in the decision making process for park management.

6.4 What institutional arrangements have been provided to ensure the project achieves its social development outcomes?

Direct support is being provided to UWEC as the main NGO working on conservation education. A department for community conservation has been established in UWA and the pilot programs for collaborative management will be funded under the project.

6.5 How will the project monitor performance in terms of social development outcomes?

Social development outcomes will be monitored as a regular part of the project supervision process.

7. Safeguard Policies:

7.1 Do any of the following safeguard policies apply to the project?

Policy	Applicability
Environmental Assessment (OP 4.01, BP 4.01, GP 4.01)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Natural Habitats (OP 4.04, BP 4.04, GP 4.04)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Forestry (OP 4.36, GP 4.36)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Pest Management (OP 4.09)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Cultural Property (OPN 11.03)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Indigenous Peoples (OD 4.20)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Involuntary Resettlement (OP/BP 4.12)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Safety of Dams (OP 4.37, BP 4.37)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Projects in International Waters (OP 7.50, BP 7.50, GP 7.50)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Projects in Disputed Areas (OP 7.60, BP 7.60, GP 7.60)*	<input type="radio"/> Yes <input checked="" type="radio"/> No

7.2 Describe provisions made by the project to ensure compliance with applicable safeguard policies.

N/A

F. Sustainability and Risks

1. Sustainability:

The project is designed to ensure sustainability of the institutions developed under ICB-PAMSU by providing modest operating finances to continue operations and to implement plans designed. The result of this strategy will be a more cost-effective and sustainable management of Uganda's wildlife resource; one able to prioritize management of the existing PA system, operate that system efficiently and take full advantage of any tourism growth that might emerge from promotion of Uganda's wildlife heritage. The project promotes sustainability in three ways:

1. **Designed to ensure institutional sustainability:** The GoU has established UWA, UWEC, and soon UMMA as semi-autonomous agencies in order to reduce their dependence on government subventions and thereby promote their financial sustainability. ICB-PAMSU provided funding for the initial steps required by these organizations: institutional "culture" change, strategic and business planning, and development of appropriate management systems and staff with the skills and incentives to implement them. PAMSU, by assisting these institutions to institutionalize and solidify gains made under the previous project will contribute directly to their sustainability.
2. **Designed to move towards financial sustainability:** A new macro-economic operating environment has emerged since the design, in 1996, of PAMSU; tourism's return has been and is likely to be slower than anticipated while, though the government's overall economic condition has improved, its financial allocations are attuned to protection of national boundaries and economic growth. The institutions included within PAMSU must realign their strategic objectives, focusing upon cost-effective management of resources and sustainable investment strategies. The project is designed to encourage continued development of tourism opportunities, policy and infrastructure as a necessary condition for growth with the return of tourism.

At the same time it recognizes that this process may be long and the period prior to substantial tourist return may be one of limited resources. The UWA will be encouraged, through with minimal and focused funding, to develop the most cost effective strategies for sustainable fulfilling its role as the manager of the wildlife resource. Key to this effort is a yearly monitoring mission tasked to support management achieve its objectives in developing and implementing cost effective strategies.

3. **Designed to support environmental sustainability:** The futures of PAs and wildlife resources and of the tourism industry are inter-dependent, as the PAs and wildlife provide the main basis for tourism. As the guardian of Uganda's natural and wildlife heritage UWA must sustain the wildlife resources as a necessary condition for any recovery of tourism. Ensuring effective management of these resources is essential to achieving both conservation and economic growth objectives. The project will also contribute to long-term sustainability by supporting an ongoing process of assessment and rationalization of the existing PA system, aimed at increasing operational efficiency and reducing costs. Under ICB-PAMSU the management of some adjacent Parks and Reserves has been consolidated into Zone management systems for both ecological and cost-saving reasons. PAMSU funding is necessary to continue the initiative and to consider how existing wildlife resources might most effectively be managed.

2. Critical Risks (reflecting the failure of critical assumptions found in the fourth column of Annex 1):

Risk	Risk Rating	Risk Mitigation Measure
From Outputs to Objective		

<p>Security. Publicized events (the Bwindi massacre, the Ebola outbreak, and most recent shootings in Murchison Falls NP) have negatively impacted tourist travel to Uganda. The USA and UK governments recently advised citizens not to travel to the Country. For tourists to return violence and terrorist events must decrease in frequency and severity and stay low for a period of time.</p>	S	<p>The GoU has allocated funds for improving security in the National Parks. However, all publicized incursions whether rebuked or not negatively impact the sector. With respect to tourism potential this risk remains.</p> <p>The project focuses on cost-effective sustainability of the institutions rather than revenue generation as a means of reducing the risk of security incidents to the viability of the institutions.</p>
<p>Competition. There is a risk that, comparatively, Uganda will never become an attractive tourist destination. The wildlife and the infrastructure present in the 50s and 60s when it was among the premier destinations of Africa will take decades to return. During that time market leaders - Kenya and South Africa - are likely to solidify their positions, and new entrants - eg. Zambia, Zimbabwe, and Namibia - are likely to increase competition.</p>	S	<p>The risk limits likely tourist revenue. The project addresses this in two ways: 1. by developing accurate statistics it will inform decision makers (politicians, bureaucrats, and private sector) about realistic prospects for tourist based economic development; and 2. by focusing on cost effectiveness it intends to develop management strategies that can work with a limited financial resource.</p>
<p>Weak private sector: There is a risk that relatively weak private sector service providers will be unable to provide appropriate services and that these will discourage return of those who do come.</p>	N	<p>The project includes a component of provider registration and licensing. There is evidence that normal market forces are at work and service quality is improving within niches of the market with adequate return.</p>
<p>From Components to Outputs Institutional strength developed under ICB-PAMSU remains fragile.</p> <p>Institutional structure and cooperation: Roles and duties of the institutions within the sector have not been entirely rationalized. ICB-PAMSU suffered from lack of coordination and attempts by institutions to expand their role. Duplication of roles increases costs and hinders sustainability.</p>	S	<p>The project is designed to provide sufficient coverage of operating costs and ongoing activity funding to allow developments under ICB-PAMSU to be institutionalized.</p> <p>The external review and monitoring mission proposed for UWA should help protect and build on gains.</p>
<p>Institutional structure and cooperation: Roles and duties of the institutions within the sector have not been entirely rationalized. ICB-PAMSU suffered from lack of coordination and attempts by institutions to expand their role. Duplication of roles increases costs and hinders sustainability.</p>	M	<p>Institutional structure and cooperation: Roles and duties of the institutions within the sector have not been entirely rationalized. ICB-PAMSU suffered from lack of coordination and attempts by institutions to expand their role. Duplication of roles increases costs and hinders sustainability.</p>

Budgetary constraints of GoU. The GoU may be unable to meet its funding obligations within PAMSU causing costs to rise and the project to conclude early.	M	PAMSU will focus upon improving cost-effectiveness in all agencies as means to operate within very limited budgets.
Limited Infrastructure Development may prolong decline in wildlife resources	S	The project funds limited infrastructure development in line with the goal of cost-effectiveness. Critical levels necessary for making Uganda an attractive tourist destination is unknown, but the project's limited contribution is clearly insufficient.
UWA specific risks: The UWA bureaucracy has grown in anticipation of the larger PAMSU and with a focus upon revenue growth. In retrospect these were inappropriate strategies.	S	The business planning exercise will address these issues.
The BoT of UWA remains large, politically motivated, and problematic; capturing significant time and energy of the ED and failing to provide an appropriate management framework for UWA management staff.		The current board will be replaced once Cabined has considered proposed changes to the schedule. [ToRs for the BoT were written under ICB-PAMSU and will be enforced under PAMSU.]
Overall Risk Rating		

Risk Rating - H (High Risk), S (Substantial Risk), M (Modest Risk), N (Negligible or Low Risk)

3. Possible Controversial Aspects:

N/A

G. Main Conditions

1. Effectiveness Condition

To be determined

2. Other [classify according to covenant types used in the Legal Agreements.]

H. Readiness for Implementation

- 1. a) The engineering design documents for the first year's activities are complete and ready for the start of project implementation.
- 1. b) Not applicable.
- 2. The procurement documents for the first year's activities are complete and ready for the start of project implementation.
- 3. The Project Implementation Plan has been appraised and found to be realistic and of satisfactory

quality.

4. The following items are lacking and are discussed under loan conditions (Section G):

I. Compliance with Bank Policies

1. This project complies with all applicable Bank policies.
2. The following exceptions to Bank policies are recommended for approval. The project complies with all other applicable Bank policies.

Nathalie Weier Johnson
Team Leader

Agi Kiss
Sector Manager/Director

James W. Adams
Country Manager/Director

Annex 1: Project Design Summary

UGANDA: Protected Areas Management and Sustainable Use Project

Hierarchy of Objectives	Key Performance Indicators	Data Collection Strategy	Critical Assumptions
<p>Sector-related CAS Goal: Reducing poverty and generating wealth, foreign earnings, employment, and public awareness within the international community of, the wildlife and cultural attributes of Uganda</p>	<p>Sector Indicators: Tourism investment and tourism related revenue increased. Visitation to protected areas and cultural sites increased</p>	<p>Sector/ country reports: Foreign investment statistics Entrance statistics</p>	<p>(from Goal to Bank Mission) Security in the region will improve and awareness and appreciation of the natural assets will increase.</p>
<p>GEF Operational Program: Arid and Semi-arid Ecosystems, Mountain Ecosystems, and Forest Ecosystems Promoting in-situ conservation by relying on better management and involvement of communities</p>	<p>Poaching of key species is reduced; population numbers of key mammal species in 3 most important national parks increases</p>	<p>Monitoring reports from Uganda Wildlife Authority aerial surveys</p>	<p>Government maintains commitment to principle of Biodiversity Convention</p>
<p>Project Development Objective: Sustainable and cost-effective management of Uganda's wildlife and cultural resources.</p>	<p>Outcome / Impact Indicators: 1. Revenue generation at UWA increases to US\$6.0bn by the 5th year 2. Poaching of key species in patrol area reduced from initial baseline. 3. Population number of key mammal species in QE, MF, KV conservation areas increase by 5% within 5 yrs. 4. Community satisfied with UWA response to problem animals. 5. Approx 120,000 visitors/year including 80,000 students to UWEC.</p>	<p>Project reports: 1. Financial records 2. Annual Review reports, field visit 3. Patrol patterns w/ aerial survey 4. Assess communities in target areas (QE, KNP) 5. Gate records</p>	<p>(from Objective to Goal) Uganda will be unable to close the lead held by existing African tourists destinations and face competition from emerging tourist markets.</p>

	<p>6. MoE adopts Wildlife conservation education (WCE) into primary school education in Uganda by EOP</p> <p>7. 40% of primary schools receive WCE material by EOP</p> <p>8. Accurate and reliable information (statistics, market analysis, etc) about Uganda's tourist potential is established by EOP</p>	<p>6. Review of curriculum</p> <p>7. MoE, UWEC records</p> <p>8. Review Dbase; USTDP (EU) data</p>	
<p>Output from each Component: Uganda Wildlife Authority: Maintain cost-effective and efficient wildlife mgt. inside & outside Protected Areas</p>	<p>Output Indicators:</p> <p>1. All NP and WR have boundaries marked and all genuine land titles identified are compensated by EOP.</p> <p>2. CM piloted in at least 2 CWAs; 10 resource programs; and 3 wildlife utilization schemes running by EOP</p> <p>3. Management plans developed and under implementation for NP and WR by BoP + 3yrs</p> <p>4. AOP developed and implemented every year within each PA</p> <p>5. Cost-structure criteria of PA completed and accepted by YR1; evidence of PA management according to criteria by EO YR2.</p> <p>6. At least 1 conservation supported project each for another 5 PA initiated by end of 5 yrs.</p>	<p>Project reports:</p> <p>1. Site visits, PA records</p> <p>2. Annual Review reports in relevant year</p> <p>3. Annual Review Reports</p> <p>4. Annual Review Reports</p> <p>5. Annual Review Reports</p> <p>6. Annual Review Reports</p>	<p>(from Outputs to Objective)</p> <p>Insecurity events must decrease in frequency and severity.</p>

	<p>7. Tourism concession revenue improves 50% over baseline 2000/2001 then to grow 10% yearly.</p> <p>8. Tourism # and revenue of Ugandan nationals increases over 2000/2001 baseline.</p> <p>9. Gate revenue increases 50% over 2000/2001 stats by EO 1yr and increases 5% (real tems) per year after that.</p> <p>10. Revenue sharing scheme implemented in each revenue generating PA by 2nd yr</p> <p>11. By end of 2nd year no staff retained with three consecutive warnings of non-performance.</p> <p>12. A annual review of the contribution of operational initiatives to UWA strategic objectives.</p> <p>13. New cost-effective management criteria/ strategies (eg. Hdqtr/Field cost ratio; RoA, Cost Margins, etc.) devised and adopted over 5yrs.</p>	<p>7. Financial system</p> <p>8. Financial report</p> <p>9. Financial reports</p> <p>10. Financial reports</p> <p>11. Review staff files and HR reports</p> <p>12. Annual review report.</p> <p>13. Annual Review report</p>	
<p>Uganda Wildlife Education Center: Public awareness and knowledge in environmental and conservation issues created.</p>	<p>1. Wildlife Conservation Education (WCE) curriculum and materials developed with MoE by EO Yr 2 and integrated into Primary education.</p> <p>2. School child residential education program completed and operational</p>	<p>1. Review of Curriculum, materials and MoE records</p> <p>2. Receipts and records of program</p>	

	by Yr 3.		
	3. Three major exhibits (Rhino, Kidepo and Lake Mburo eco zone) and 5 minor exhibits completed by EO yrs 4.	3. Observation	
	4. Second Chimpanzee rehabilitation site established and populated.	4. Observation	
	5. Funding from new sources increases over 5 years.	5. UWEC financials	
	6. Partnerships with agencies (NEMA) and donor program established	6. Review of joint programs	
Min. of Tourism Trade and Industry: Develop the framework for the tourism sector of the economy to the maximum extent possible, consistent with the protection of environmental and cultural values	1. Tourism Policy adopted and enabling legislation enacted by EO 3yr.	1. Document review	Insecurity events must decrease in frequency and severity.
	2. Reliable and valid statistics on tourism	2. EU advisor and MoF	Reasonable improvements in private sector
	3. Licensing and registration of all major service providers by Yr 3	3. MTTI records review and UTA	
	4. Higher quality graduates from tourism training institutes	4. Employer review	
	5. Compilation of statistics and obligatory presentation of those to treaty conference.	5. Records of attendance	
Museums and Monuments: The Cultural heritage of Uganda preserved.	1. At least two important antiquarian sites outside of Kampala developed for visitation.	1. Site inspection	
	2. Continued growth of visitation over baseline establish post-renovation.	2. Museum Records	

<p>Project Coordination Unit: Effective and proactive management of project</p>	<p>1. Decrease in # of action items returned from TM due to inadequacy.</p> <p>2. All monitoring missions adequately prepared; Quarterly reports to TM within 2 weeks of quarter close.</p> <p>3. # of complaints from project IA's decreases over 5 years.</p>	<p>1. TM supervision reports</p> <p>2. TM supervision reports</p> <p>3. Interviews and TM supervision</p>	
<p>Project Components / Sub-components: Uganda Wildlife Authority</p> <p>Implementation of the Protected Area Systems Plan</p> <p>Cost Effective management of the park/assets within the PA</p> <p>Effective management of UWA</p> <p>Monitoring of project impact and implementation</p> <p>Uganda Wildlife Education Center</p> <p>Education programs developed and delivered</p> <p>Animals maintained and rehabilitated</p> <p>Effective Management of UWEC</p> <p>Min. Tourism Trade and Industry</p> <p>Establish and maintain of an operational tourism</p>	<p>Inputs: (budget for each component) US\$27.70</p> <p>US\$2.76</p> <p>US\$21.98</p> <p>US\$2.13</p> <p>US\$0.83</p> <p>US\$3.90</p> <p>US\$1.92</p> <p>US\$1.62</p> <p>US\$0.36</p> <p>US\$1.50</p> <p>US\$0.45</p>	<p>Project reports:</p>	<p>(from Components to Outputs) PAS Plan approved by Parliament within 2 years.</p> <p>USTDP (EU) implemented effectively</p>

database			
Regulate tourist industry service providers	US\$0.40		
Ratify tourism policy into legislation and disseminate	US\$0.30		
Standardize and improve tourism training (eg. private sector training institutes; HTTI)	US\$0.10		
Comply with Uganda's obligation under CITIES, Lusaka, CMS.	US\$0.25		
Museums and Monuments	US\$0.80		
Identify and sustainably develop antiquarian sites outside of Kampala.	US\$0.55		
Institutionalize UMMA as a sustainable independent Agency.	US\$0.25		
Project Coordination Unit	US\$0.70		
Review and improve new terms of reference, rationalizing and clarify staff roles.	US\$0.25		
Clarify roles between PCU and IA's	US\$0.20		
Prepare quarterly and unique reports	US\$0.25		

Annex 2: Detailed Project Description

UGANDA: Protected Areas Management and Sustainable Use Project

By Component:

Project Component 1 - US\$27.70 million

GEF (US\$ 4.1 million)

Component 1: Sustainable Wildlife Management

Agency: Uganda Wildlife Authority:

The ICB-PAMSU project provided funding for establishing the Uganda Wildlife Authority and developing its internal systems, management team and governance structure. Also developed was the Strategic Plan for the agency, along with methodologies for facilitating development of Annual Operating Plans for each of the PAs that would implement the general strategies. PAMSU will provide logistical support, and fund equipment, vehicles, training, and civil works for UWA to implement elements of that strategic plan. The main focus of this component is support to field based operations for better management and conservation of the PA system. The activities financed under this component include the following: implementation of the Protected Areas System Plan including boundary demarcation and community sensitization; community conservation and co-management; development and implementation of park management plans; park patrols, monitoring and training; park infrastructure; road maintenance and rehabilitation; problem animal control program; renovation of Head Quarters offices and overhead; project management and monitoring. Civil works will target staff accommodations in order to improve moral, effectiveness and reduce rent as burden on overall agency operating costs. At headquarters, the project will provide operating support and equipment for ongoing operations and refurbish the existing headquarters building in order to save rent costs.

GEF support is sought to finance the following aspects of this component:

Field operations - Park Patrols and General Management Plans: At the field level the project will provide support for increased patrols and monitoring of the protected areas, and the development and implementation of park management plans and annual operations plans for each protected area. This will be achieved through the provision of training, short and long-term TA, operational funds for the implementation of park management plans including logistical support, urgently needed vehicles, equipment and incremental operating costs.

UWA Community Management Program: UWA's community conservation program will focus on "collaborative management" of PAs and collaboration with district and local government and communities on wildlife management outside PAs. Community involvement in the protection and management of PAs is on going and will be expanded as part of the UWA mandate. Support for the community conservation directorate and program will include funds for technical assistance and program support to enable UWA to develop and implement programs for: (i) collaborative management of PAs (involving adjacent communities) and (ii) addressing wildlife management issues outside PAs, including aspects such as 'problem animals control', and the establishment of community wildlife management areas, and encouraging and assisting local communities to make use of wildlife resources, (including medicinal plants) in a sustainable way. For the latter, UWA will collaborate with and assist district and local governments and community-based organizations, which have been given extensive authority and responsibilities under the new wildlife act.

Protected Areas System Plan (PASP): UWA, with support from the EU, and the ICB-PAMSU Project,

initiated a process of assessing the current status of the PA system with the aim of rationalizing it. The rationalization process involved revising and re-aligning the PA system to ensure that it (i) protects a high-quality, representative sample of the country's biodiversity heritage and ecosystems, (ii) is manageable in the long term, and (iii) provides a suitable basis for a sustainable tourism sector. The assessment process took about 24 months; it included ecological/biodiversity, economic and social criteria and involved participation of national and local governments and potentially affected communities.

The objective of the PASP is to rationalize and demarcate the boundaries of the protected areas estate in Uganda. The PASP was developed through a consultative process which involved a detailed negotiation with local communities to agree on PA changes. Negotiations were effected through the 'Local Council' system, beginning at village level, up through sub-counties to Districts. Many workshops were held to facilitate the involvement of all stakeholders. The PASP includes no new acquisition of land or extensions of any of the PAs. All significant changes to boundaries represent excision of heavily encroached areas in the PAs. Where it was agreed that a settled area should be excised entirely from a PA, agreements were reached with local councils on new boundaries. Boundary agreements were also reached in instances where long-established fishing villages within protected areas (e.g. Queen Elizabeth NP) were to be demarcated as 'wildlife sanctuaries', a PA category under UWA which permitted settlement, but with restrictions on developments harmful to wildlife. Implementation of the plan will include demarcation of all the PA boundaries. To minimize the costs of establishing and maintaining the boundaries special efforts were made to ensure that boundaries followed natural features where possible (e.g. rivers, roads, hilltops etc.) Where boundaries are unclear or contentious, concrete pillars will be installed every 150 meters. Another option for marking boundaries is to plant trees along the boundaries. GEF support will be used specifically to carry out the final review and demarcation of the boundaries, including the surveying and installment of boundary markers. Follow-up consultations for newly designated areas (i.e. wildlife sanctuaries) will also be undertaken to establish the modalities of the new structure and relationship to the parks and surrounding communities. A program of sensitization and outreach for the affected communities will be combined with the demarcation exercise. The aim is to increase awareness about the parks and specifically the boundaries especially in disputed areas.

The GEF share of this component reflects the incremental cost of establishing and administering a protected area system that contributes to protection of global biodiversity but is larger than economically justified in the face of competing land uses and the basic needs of a large and relatively poor rural population. Financial sustainability of this higher central Government commitment may be built up over the project period through reform of park entrance and other user fees. The GEF funding is requested for field operation activities only and not headquarters activities because the additional level of effort to maintain a PA system that ensures a comprehensive conservation and sustainable use of a fully representative set of Uganda's biodiversity is concentrated at the decentralized field level. This effort is focused on maintaining infrastructure, supporting surveillance and monitoring, and providing ongoing training in remote but biological important areas typically not benefiting sufficiently from ecotourism.

Project Component 2 - US\$3.90 million

GEF (US\$ 3.9 million)

Component 2: Environmental Conservation Education

Agency: Uganda Wildlife Education Center:

UWEC was established as a Trust, with USAID assistance, to transform the run-down Entebbe Zoo into a positive and effective center for conservation education, aimed at both the local population and tourists. Under the leadership of a dynamic and committed staff and Board, UWEC has made substantial progress in developing all aspects of its operations including its management team and staff, the physical

infrastructure and the educational and outreach program. Support from ICB-PAMSU provided for strategic and business planning and feasibility studies aimed at identifying a realistic and sustainable larger scale development plan. ICB-PAMSU also provided for modest expansion of existing facilities and educational exhibits. UWEC plays a critical role in Uganda as the primary provider of outreach and public awareness programs in the area of wildlife conservation. For many school children in Uganda, UWEC provides the only opportunity to see and learn about the wildlife of their country. Most school children and many adults have never visited a protected area in Uganda. UWEC provides the public with a place to see first hand chimpanzees, lions, and even rhinos which were once plentiful in Uganda but are now extinct. They also learn about the valuable resource they have and the reasons to conserve them. UWEC's activities create public awareness and knowledge about Uganda's wildlife as well as broader environmental and conservation issues.

PAMSU will provide resources to build on the investment made under ICB-PAMSU and to implement the strategic business plan and development program established through that process. Specific activities include the following: teacher education program and conservation education material development; awareness campaign; infrastructure development including natural open air exhibits of the three major ecosystems of Uganda (rainforest, savannah, and wetland), access road and staff accommodation, child discovery center; animal welfare and rehabilitation program including receipt and care for confiscated wildlife species under CITES. UWEC will reach out to school children around Uganda by funding both day time visits for nearby schools and an overnight residency program for children living more distant. New exhibits construction and maintenance highlighting Ugandan wildlife will be funded by the project to increase the range of educational messages of interest. Support will also be provided for improved animal holding and veterinary facilities for both the needs of UWEC and the Wildlife Department. Funds will also be provided to investigate and establish a plan for the appropriate institutional structure, management, and capitalization of the UWEC Trust.

GEF resources are requested to support this component. The high proportion of GEF assistance to this component recognizes that, in the very long term, better public awareness of Uganda's unique national biological heritage and the economic benefits of biodiversity conservation will build support and willingness to pay for conservation of these resources in the face of competing land-use and other development pressures.

Project Component 3 - US\$ 1.50 million

GEF (US\$0 million)

Component 3: Tourism Framework

Agency: Ministry of Tourism, Trade and Industry:

MTTI's mission and efforts within the project focus upon developing the tourism sector of the economy to the maximum extent possible, consistent with the protection of environmental and cultural values. The project will provide funding for logistics and equipment that will (1) establish a sustainable tourism framework based on policy development and enabling legislation; (2) provide for licensing and registration of operators within the sector to ensure quality; (3) develop accurate statistics on the sector; and (4) facilitate the improvement in human resource training. Under this component, support will also be provided for the Wildlife Department in the MTTI. This support includes training, equipment, management support and technical capacity building to enable the Wildlife Department to carry out Uganda's responsibilities under relevant international treaties, and in particular to function effectively as the Management Authority for the Convention on International Trade in Endangered Species (CITES).

Project Component 4 - US\$0.80 million

GEF (US\$0 million)

Component 4: Cultural Heritage

Agency: Uganda Museums and Monuments Agency

Uganda has a rich vein of cultural heritage that has to date been closeted in the Uganda Museum and spread around the country in increasingly dilapidated and uncared-for monuments and sites. While the interpretation of cultural history and practices is educational and interesting to both Ugandan citizens and foreign visitors, its potential as an educational tool and revenue generator has been neglected in Uganda. The newly established UMMA is an attempt by the Government of Uganda to concentrate some resources on a renaissance of cultural heritage and create a focal point for this very important ambition. The strategy for achieving this renaissance necessitates a multiple stakeholder effort rather than an institutional directive from UMMA as this would not be sustainable, given the resources available from Government and the seed funding being proposed through PAMSU. The stakeholders include the Kingdom custodians themselves, Local Government, and, in the case of small sites and monuments, the communities where they lie. UMMA will seek partnership arrangements with these stakeholder groups and proceed gradually.

The re-instatement of the traditional Kingdoms (abolished under Obote's rule in the 1960s) and their property was a clear signal from this Government that cultural heritage was important for Ugandans. Inevitably that move has taken some time to precipitate through the kingdom hierarchy and result in the reestablishment of working structures that are not in conflict with each other (as was the case initially). UMMA is perceived as the correct institution to lead this effort. It also has the credibility with the respective Kingdoms who have actually been requesting a central agency with the right expertise to help them preserve and bring to life their cultures.

The objective of supporting UMMA under the PAMSU project is to strengthen UMMA with capital support for renovation and improvement, to provide maintenance costs to maintain its current base, and to develop public/private partnerships for sustainability. PAMSU would support the following activities: museum refurbishment; establishment of a heritage trail in Fort Portal; development of a cultural center in Kabale; development of a country-wide cultural historic sites register and database; pilot cultural site development; operating expenses and training.

Project Component 5 - US\$0.70 million

GEF (US\$0. million)

Component 5: Project Coordination

Agency: Project Coordination Unit

The Project Coordination Unit (PCU) of the MTTI has been responsible for coordination and oversight of ICB-PAMSU and for the preparation of PAMSU. Its responsibilities include donor liaison, program identification, procurement of goods and services and contract management. Under the PAMSU project, the PCU will continue for two and a half years playing more of a supporting role to the Implementing Agencies which will eventually take full responsibility for procurement and project implementation.

The intention is to move from a model where the PCU is responsible for disbursement and procurement of IDA/GEF funds to a support and capacity building role. The PCU team will provide guidance and support to the implementing agencies, while the agencies will be responsible for preparing the necessary documentation (i.e. terms of reference, requests for no objection, withdrawal applications, annual work plan submissions and any M7E reporting requirements). The new implementation arrangements for PAMSU

include establishing separate special accounts for each implementing agency. UWA and UWEC will manage their own special accounts from the inception of the project. The UMMA and MTTI components will be managed under special accounts for which the PCU will be responsible for the first two and a half years. Once the PCU has been phased out the Ministry will take responsibility for implementation.

The project will support TA, equipment and other operating costs for the PCU. Under the TA category, the project will support the positions of Project Coordinator, Procurement Specialist and Project Accountant. Support staff include two secretaries, five drivers, an accounts assistant, and an office attendant. The PCU will assume responsibility for all MTTI vehicles purchased under ICB-PAMSU, including their registration, logbooks, and maintenance. Vehicle operations for MTTI activities will be funded from the activity budgets

Annex 3: Estimated Project Costs
UGANDA: Protected Areas Management and Sustainable Use Project

Project Cost By Component	Local US \$million	Foreign US \$million	Total US \$million
Sustainable Wildlife Management	20.80	5.30	26.10
Environmental Conservation Education	2.90	0.80	3.70
Tourism Framework	1.20	0.30	1.50
Cultural Heritage	0.60	0.10	0.70
Project Coordination	0.50	0.10	0.60
Total Baseline Cost	26.00	6.60	32.60
Physical Contingencies	1.30	0.70	2.00
Price Contingencies	0.00	0.00	0.00
Total Project Costs¹	27.30	7.30	34.60
Total Financing Required	27.30	7.30	34.60

Project Cost By Category	Local US \$million	Foreign US \$million	Total US \$million
Civil Works	17.00	0.00	17.00
Goods, Equipment and Vehicles	0.30	3.00	3.30
Services	2.80	0.50	3.30
Training	1.50	0.00	1.50
Operating Costs	5.70	3.80	9.50
Total Project Costs¹	27.30	7.30	34.60
Total Financing Required	27.30	7.30	34.60

¹ Identifiable taxes and duties are 0 (US\$m) and the total project cost, net of taxes, is 26.6 (US\$m). Therefore, the project cost sharing ratio is 87.97% of total project cost net of taxes.

Annex 4: Incremental Costs and Global Environmental Benefits

UGANDA: Protected Areas Management and Sustainable Use Project

Context and Broad Development Goals

1. *Context.* Uganda possesses a rich natural endowment of forests, mountains, and waterways, as well as some of the richest assemblages of biological diversity in Africa. Harboring 11% of the world's bird species and more than 7% of total world mammals, Uganda has pursued an ambitious program of protection and conservation that has resulted in an extensive system of protected areas. This system includes ten national parks, and twenty-nine game reserves, sanctuaries, and controlled hunting areas; it is complemented by an extensive forest reserve estate that is also potentially important to biodiversity maintenance. Until the early 1970s, Uganda's protected areas served as the basis for a well-established tourism industry that was the country's third largest foreign exchange earner. Subsequent political strife resulted in the deterioration of a significant proportion of the country's protected area system; wildlife poaching, encroachment in protected areas for foodcrop production and livestock grazing, and land clearing for human settlement have all taken a heavy toll on the natural resource base. A concomitant degradation in physical infrastructure, which previously supported a vital tourism industry, exacerbated the overall sustainability of the protected area system. Wildlife disappeared, tourism revenues fell, habitat became degraded, and local populations – through poverty and economic necessity – reverted to further non-sustainable use of local resources. Notwithstanding these historical trends, the rather extensive system of protected areas remains in good enough condition that, if properly managed, it will provide substantial opportunities for renewed economic growth, contributing positively to social goals of local poverty alleviation as well as to ecological goals such as the maintenance of globally important biodiversity.

2. *General Development Goals.* The war years also took a heavy toll on Uganda's physical infrastructure, economic competitiveness, social conditions, and public sector institutional capacity. To address these areas, Uganda has followed an aggressive program of reforms and interventions that are aimed at laying the groundwork for accelerated future economic growth. Spending on physical infrastructure has been resumed, with a view to providing an economically efficient system of transportation, energy and other services that will improve overall competitiveness. Economic policy reforms in the context of general domestic and international trade liberalization have created renewed incentives for private sector investments. Increased social sector spending in health, education and basic water and sanitation requirements is targeted to ameliorating poverty. In the political field, institutional reforms are stream-lining existing government institutions and decentralizing decision-making authority to local and District governments; this policy is entrenched in the *Decentralization Act*, and it has also required, in many cases, strengthening of central institutions to provide the requisite technical support to decentralized authorities. All of these development goals – economic infrastructure improvements, economic liberalization, poverty alleviation, and decentralization of authority and decision-making – are being actively supported by multilateral and bilateral agencies, as well as international NGOs. Although such activities have been pursued aggressively for just a decade, progress in all of these areas is promising.

3. *The Role of Biodiversity Maintenance in Uganda's Development.* Uganda recognizes that maintenance of its biodiversity – the individual species as well as the habitat that supports them – is an important building block in its overall development strategy. GOU has reiterated this in a number of official domestic policies and programs (such as the National Environmental Action Plan and the Integrated Tourism Master Plan) as well as through its global commitments relating to conventions on *Biological Diversity*, Endangered Species (*CITES*), and Wetlands (*Ramsar*). Specifically, biodiversity maintenance is expected to contribute to overall development goals as follows: (i) the natural resource base provides for renewed economic opportunities for tourism development; (ii) protected areas that are managed for their

tourism benefits and local sustainable uses will contribute positively to local poverty alleviation; (iii) infrastructure improvements linked to protected areas will contribute to a liberalized economic climate that provides incentives for private sector and community-level investment; and, (iv) improved decision-making and management related to protected areas will be encouraged through increased local stakeholder involvement - including NGOs, community groups, local enterprises, and local government agencies.

Baseline Scenario

4. *General Scope.* In the absence of GEF assistance, it is expected that the GOU would nonetheless pursue some program of protected areas management to meet domestic development objectives. Some of this was instituted and made possible as a result of the prior World Bank/GEF supported ICB-PAMSU project, and some comes as a natural consequence of promulgating the revised Protected Area System Plan before parliament in December 2001. The Baseline has been defined to include those activities that are either directly or indirectly intended to support the protected areas system. Conceptually, there is some level of Baseline expenditures that would be required in each of the five subcomponents of the PAMSU project.

5. *Costs.* The total expenditures associated with the Baseline Scenario are estimated to be US\$18.6 million. These can be described as follows:

- Uganda Wildlife Authority. (US\$15.57 million) Targeted support is provided to UWA for protected areas and wildlife management. Under the Baseline, this amount is directed primarily to some institutional strengthening at the central level (i.e., UWA headquarters construction) and for infrastructure associated with decentralized operations (i.e., staff housing, park offices, road maintenance equipment).
- Tourism Framework and Wildlife Division. (US\$1.525 million) The GOU would provide ongoing public sector support to tourism initiatives that place government in a facilitating role in terms of its interactions with the private sector and other stakeholders. It also would provide support to selected planning functions that include the generation of statistical information that would be of interest to tourism planning. These activities are undertaken in parallel with support to be provided by the EU to the private sector and decentralized government initiatives relating to tourism planning in the districts (as this EU program involves parallel activities and is not a co-financing initiative its monetary value has not been specifically appraised and it is regarded as external to the project.) In addition, the GOU will – under the Baseline – honor its domestic and international wildlife policy obligations and will provide funding to the Wildlife Division for undertaking required policy activities (e.g., recording information relating to CITES listed species, attending international meetings associated with Conventions, etc.)
- Cultural Heritage. (US\$780,000) The GOU under the Baseline will provide resources for the Uganda Museum and Monuments Agency to improve the museum exhibits and to implement decentralized projects that enhance cultural awareness and provide an additional node for long-term tourism development.
- Conservation Education. (US\$100,000) GOU would, under the Baseline, provide some targeted support to the Uganda Wildlife Education Center (UWEC) to complement information dissemination and education in support of various economically justifiable tourism activities and in line with some of its international obligations for animal protection. This level of support, however, would not permit dissemination of information that may be of a higher international priority.
- Project Administrative Support. (US\$660,000) This includes selected administrative support for the above Baseline activities, especially those relating to the Tourism Framework and Cultural Heritage

development.

6. *Benefits.* It is anticipated that the PAMSU project will significantly impact Uganda's ability to undertake the conservation and protection of its biodiversity and environmental assets. Under the Baseline Scenario, institutional capacity and human resources will be developed to enable management and conservation of biodiversity, including improved capacity for management, research and policy development, planning and monitoring of Uganda's protected area system, as well as improved and rehabilitated facilities and infrastructure. These benefits, along with improved maintenance and management of Uganda's cultural assets, will contribute to both conservation and tourism development, will provide a foundation for longer-term benefits of returns from a significantly increased level of tourism, and will contribute to GOU goals of strengthened institutional capacity at all levels of government, improved fiscal sustainability, and a supportive environment for private sector development. Other components of the project will support the primary focus of protecting and managing biodiversity, by providing essential staff training, public education, community participation, local capacity, accessible information, and efficient project coordination. In addition to domestic benefits, the Baseline Scenario will contribute to effective conservation and protection of globally significant biodiversity and environmental assets.

7. *Domestic Opportunity Costs and Potential Offsets.* Considerable debate exists over the level of opportunity costs incurred by placing land into a protected area system. It is generally acknowledged that the protected area system does impose some losses on the country, although there is substantial uncertainty and disagreement among analysts regarding the level of these costs. First, farmers near protected area boundaries suffer crop and stock losses which can be attributed to wildlife in the protected areas. These losses have been valued as high as US\$75 million annually; however, this value is based on unreliably low samples and considerable uncertainty about losses further from protected areas. One of the interventions in the PAMSU project will reduce such losses and conflicts through targeted animal control programs in boundary communities. Second, the opportunity costs of land may be a significant long run consideration. While not all arable land in Uganda has yet been taken up for agriculture and grazing, local land constraints in the region of some protected areas already exist, and will intensify as population increases. It is projected that land availability will become a binding constraint in 15 to 30 years; at that point, economic pressures to convert land to non-protected uses will become difficult to resist for any domestic government. Depending upon assumptions relating to the timing and extent of land constraints, the opportunity costs of retaining protected areas for biodiversity conservation are estimated by various sources at a net present value of from US\$200 million to US\$1,100 million. Third, offsetting these concerns, however, estimates of local benefits associated with tourism, improved functioning of watersheds for water supply, and maintenance of other ecological functions are of a similar order of magnitude; some aggregated estimates of these (also uncertain) amounts are well in excess of US\$1,000 million. Analytically, all of these opportunity costs (and benefits) accrue to the Baseline Scenario. The Baseline Scenario project design does, however, provide some mitigative programs to limit losses. The potentially high estimates for future opportunity costs underline, however, how essential it is for the global community to provide GEF assistance now to conserve biodiversity.

Global Environmental Objective

8. The global environmental objective of the GEF Alternative is to ensure the effective, long-term conservation of Uganda's biodiversity in the face of competing economic pressures. Protection will be ensured over a wide range of ecosystem types, including wetlands, swamps, tropical high forests, Afroalpine forests, grass and woodland savannahs, and internationally important lakes and rivers. Uganda is the fourth most densely populated country in Africa, 86% rural, with 357 rural people per square kilometer of arable land, largely dependent on smallholder agriculture for sustenance, and with a steep population growth rate. At the same time, Uganda ranks in the top ten nations in Africa in terms of species numbers for all major groups, and among the top ten in the world for mammals, including over half of the known world population of mountain gorilla. Its concentration of biological wealth offers exceptional opportunities to achieve global biodiversity conservation objectives cost-effectively. The project design is consistent with guidance from the Conference of the Parties as it addresses in situ conservation as it includes: (i) ongoing capacity building; (ii) strengthening the conservation, management, and sustainable use of ecosystems and habitats; (iii) strengthening the involvement of local and indigenous people; and, (iv) integrating social dimensions including those related to poverty.

GEF Alternative

9. *Scope.* With GEF assistance for addressing the global biodiversity objectives outlined above, the GOU would be able to undertake a more effective program that would generate both national and global benefits. The major thrust of the incremental activities would be to address a number of targeted initiatives that improve management of the complete PA system. As noted previously, the Baseline Scenario concentrates supportive infrastructure and on centralized institutional strengthening that is a prerequisite for eventual support to management structures and projects throughout the parks system. Also some of the programs supported under the Baseline relate to activities that generate long-term financial returns in the tourism sector. Under the GEF Alternative, GOU can provide more support to a broader range of activities that support clear demarcation of the entire system and provide for effective patrolling and management of the entire system. It also, thereby, includes those habitats that may be of high priority from a global perspective but which do not yield substantial domestic benefits. The GEF Alternative also provides substantial strengthening of conservation education initiatives necessary for long-term sustainability of the protected area estate.

10. *Costs.* The total expenditures associated with the GEF Alternative are estimated to be US\$34.6 million. Under the GEF Alternative, the program would still comprise the following Baseline components with no changes or additions to them: (i) Tourism Framework (US\$1.525 million); (ii) Cultural Heritage (US\$780,000); and, (iii) Project Administration (US\$660,000). In addition, the program would involve expanded components relating to UWA activities and to UWEC as follows:

- Uganda Wildlife Authority. (US\$27.67 million) In addition to the Baseline activities, substantially higher support would be given to the management for all PAs. Specifically, this would include activities such as: physical demarcation of the complete PA system after ratification by Parliament; comprehensive park planning through management plans and annual operating plans; provision of specialized equipment, training and uniforms to all park staff; development of community conservation programs in boundary areas of the parks; improved management systems for financial controls; development of monitoring systems for wildlife (through MIST); and, implementation of selected long-term monitoring programs.
- Conservation Education. (US\$3.9 million) An expanded program would permit an order of magnitude

increase in the scale of conservation education activities in Uganda. Support would be given to UWEC to permit dissemination of information of international importance. Specific support will be given for the following activities: (i) Conservation education through teacher education, infrastructure support for Lakeshore and fish pond development, a Child's Discovery Centre, a residence programme and associated materials and displays; (ii) Animal husbandry through Animal welfare and rehabilitation programmes coupled with enhanced displays and interpretive exhibits, veterinary expenses, maintenance and repairs; (iii) Development of Trust Fund models to provide a basis for sustainable funding of UWEC beyond this project; (iv) financial and management controls; (v) support infrastructure including a short access road and upgraded staff accommodation; and, (vi) operational support for ongoing operational expenses including staff training.

11. *Benefits.* The GEF Alternative incorporates the substantial benefits (and implicit opportunity costs) of the Baseline Scenario, and will enable further beneficial outcomes beyond those already specified. In addition to the Baseline benefits, incremental benefits to the global community include the ability to sustain a comprehensive protected area system which is capable of conserving and sustaining globally significant and representative biodiversity, despite competing economic pressures on the land base. GEF assistance will enable Uganda to protect and to utilize sustainably the country's biodiversity beyond a nationally justified and affordable level. Improved revenue generation from sustainable ecotourism, a project goal, is not anticipated to be sufficient to protect areas of lower tourism potential containing critical biodiversity resources. GEF investment in conservation education will lead to long-term willingness to pay for conservation benefits due to improved public awareness. Global benefits will include enhanced monitoring and information exchange through improved record-keeping, and effective capacity to preserve endangered species through the ability to fulfill international biodiversity conservation treaty obligations under CITES. Continued protection of many additional ecological functions, and of option and existence values, is an unquantified but large benefit to the global community.

12. It is estimated that incremental domestic benefits of US\$7.918 million will be realized in the GEF Alternative case. This amount excludes potential domestic benefits from game harvesting, some of which may occur in any event in the Baseline Scenario. The incremental potential, over the long term, involves a potential gross revenue of US\$250,000 annually once game levels recover. Net revenues would be less than this, and incremental revenues with respect to the Baseline would decrease the amount further. At most, it is expected to have a domestic net present value of about US\$0.73 million; because this benefit is highly uncertain and not of a high priority, however, it is effectively zero-weighted and excluded from the benefit adjustment. These benefits include incremental local sustainable direct uses, distributional benefits, incremental protection of ecological functions, and preservation of domestically significant option values. While some direct uses of forests, such as pit-sawing timber extraction, were at unsustainable levels prior to inclusion in the protected area system, and some traditional uses are incompatible with biodiversity conservation, others, such as honey production, have been enhanced by protection of the environment. Overall, the incremental portion of local direct use of natural products of protected areas is valued at US\$2.244 million. Some domestic incremental distributional benefits are realized from conservation employment, which has offset the loss of previous unsustainable economic activities in the areas now protected; these benefits are valued at US\$0.165 million. Maintenance of domestic fisheries through the watershed protection afforded by the intact forests of the protected area system is valued at US\$1.061 million. Additionally, enhanced maintenance of water sources and local rainfall for agriculture may also be attributed to watershed protection, but these benefits have not been adequately demonstrated and have therefore not been quantified. Finally, the domestic coffee industry benefits from the option value afforded by conservation of wild genetic stocks, valued at US\$4.448 million.

Incremental Costs

13. *Incremental Expenditures.* The total expenditure under the Baseline Scenario is estimated to be US\$18.6 million while the total expenditure under the GEF Alternative is estimated to be US\$34.5 million. The incremental expenditures under the GEF Alternative are therefore US\$15.9 million. The majority of expenditures (76%) is attributable to decentralized activities of UWA, while 24% is attributable to enhanced conservation education efforts.

14. *Incremental Costs.* The incremental expenditures of US\$15.9 million are partially offset by an incremental domestic benefit of US\$7.9 million. This benefit would not have been realized in the Baseline Scenario, and is primarily associated with sustainable direct uses, distributional benefits, protection of ecological functions, and preservation of domestically significant option values. The net result is that the **incremental cost of the GEF Alternative is US\$8.0 million**, for which GEF assistance is requested. The allocation of these amounts, and the resultant financing structure for the GEF Alternative as a whole, is summarized in Table A1.2.

15. *Cost-effectiveness.* While no complete monetization of the global benefits of such an intervention has been completed, it is possible to provide some indication of the cost-effectiveness of such a GEF intervention. It is estimated that the intervention translates to an annualized cost of US\$144/km²/yr of effective protection; this reflects the basic hypothesis that improved decentralized measures will ensure protection of a wider range of species and habitats (approx. 1.3 million ha phased in over 30 years) than otherwise would be the case. The literature indicates that typical conservation expenditures around the world reflect international interventions corresponding to approximately US\$20/km²/yr to US\$2,000/km²/yr of protection. In the case of Uganda, therefore, the investments in the Baseline Scenario, which are targeted to meeting domestic development priorities, provide an opportunity for the international community to obtain high efficiency for its conservation expenditures.

This amount excludes potential domestic benefits from game harvesting, some of which may occur in any event in the Baseline Scenario. The incremental potential, over the long term, involves a potential gross revenue of US\$250,000 annually once game levels recover. Net revenues would be less than this, and incremental revenues with respect to the Baseline would decrease the amount further. At most, it is expected to have a domestic net present value of about US\$0.73 million; because this benefit is highly uncertain and not of a high priority, however, it is effectively zero-weighted and excluded from the benefit adjustment.

**Table A1.1 – PAMSU Incremental Cost Determination
(US \$ million) [2001\$]**

Component	Category	Expenditure	Domestic Benefit	Global Benefit
I. Sustainable Wildlife Management	Baseline*	US\$15.570	Conservation and protection of nationally important biodiversity and environmental assets through provision of basic infrastructure and equipment for park personnel.	Support of better management and protection of biodiversity.
	With GEF Alternative	US\$27.670	Improved sustainable direct use of forest products, enhanced maintenance of water quality and local rainfall for agriculture and fisheries, option value from conservation of genetic stocks of domestically significant species. Community participation in conservation leading to domestic economic development and poverty alleviation.	Establishment, demarcation and maintenance of a comprehensive and representative protected area system capable of sustainably conserving globally significant biodiversity despite competing economic pressures. Protection of species within these demarcated areas.
	Incremental	US\$12.100	US\$7.900	–
II. Tourism Framework (includes support to Wildlife Division)	Baseline	US\$1.525	Promotion of public & private sector partnerships in enhanced conservation and tourism development; increased tourism returns.	Preservation of globally significant natural assets. Capacity to carry out biodiversity conservation policy, planning & monitoring; fulfill CITES obligations.
	With GEF Alternative	US\$1.525	As above.	As above.
	Incremental	US\$0.000	US\$0.000	–
III. Cultural Heritage	Baseline	US\$0.780	Improved maintenance & management of cultural assets; increased tourism returns.	Preservation of globally significant cultural assets.
	With GEF Alternative	US\$0.780	As above.	As above.
	Incremental	US\$0.000	US\$0.000	–
IV. Environmental Conservation Education	Baseline	US\$0.100	Fulfillment of domestic conservation education needs.	Improved biodiversity conservation through education.
	With GEF Alternative	US\$3.900	As above.	Higher levels of conservation; enhanced monitoring and information exchange through improved record-keeping, improved animal welfare and protection of endangered species.
	Incremental	US\$3.800	US\$0.000	–
V. Project Administration & Support (“PCU”)	Baseline	US\$0.660	Efficient administration of project funds, coordination of implementing institutions, and evaluation of progress.	
	With GEF Alternative	US\$0.660	As above.	
	Incremental	US\$0.000	US\$0.000	–
Totals	Baseline	US\$18.635		
	With GEF Alternative	US\$34.535		
	Incremental	US\$15.900	US\$7.900	–
	Incremental Expenditure		US\$15.9	–
Summary Calculation for GEF Eligibility	Incremental Domestic Benefit		(US\$7.9)	–
	Incremental Cost		US\$8.0	–

Note: This is an updated Incremental Cost calculation based on a similar calculation undertaken at the time of ICB-PAMSU project design (1997). Notable differences are that this revised project excludes expenditures for the Forestry Department and a training institute. The benefit adjustments have been escalated to reflect foreign exchange and inflationary adjustments.

* The costing for the baseline amount for infrastructure is currently (6 December 2001) under final review by Government of Uganda and may be adjusted slightly before Project Negotiations in light of this review. Any such adjustments will affect the GEF Alternative and the Baseline in parallel and will not therefore affect the incremental expenditures or the incremental costs eligible for GEF financing.

Table A1.2 – PAMSU Financing (US\$million) [2001\$]

	<u>GEF</u>	<u>IDA</u>	<u>GOU</u>	<u>Total</u>
I. Sustainable Wildlife Management	(4.184)	(20.558)	(2.927)	(27.670)
a. Infrastructure – Boundary Demarcation	2.400	0.000	0.300	2.700
b. Infrastructure – Parks	0.000	12.735	1.600	14.335
c. UWA Headquarters Construction and Operations	0.000	1.750	0.200	1.950
d. Field Operations – Park Plans and Patrols	0.654	4.933	0.500	6.087
e. UWA Community Programs	0.130	0.573	0.127	0.830
f. Management, Training and Monitoring	1.000	0.568	0.200	1.768
II. Tourism Framework	(0.000)	(1.470)	(0.055)	(1.525)
a. Policy, Statistics and Institutional Support Activities	0.000	1.330	0.040	1.370
b. Wildlife Division	0.000	0.140	0.015	0.155
III. Cultural Heritage	0.000	0.734	0.046	0.780
IV. Environmental Conservation Education	3.816	0.000	0.084	3.900
V. Project Administration & Support (“PCU”)	<u>0.000</u>	<u>0.624</u>	<u>0.036</u>	<u>0.660</u>
Total Financing Requirements	8.000	23.386	3.149	34.535

Annex 5: Financial Summary
UGANDA: Protected Areas Management and Sustainable Use Project

Years Ending
June 30

	IMPLEMENTATION PERIOD						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Total Financing Required							
Project Costs							
Investment Costs	6.9	5.0	4.1	3.7	3.7	0.0	0.0
Recurrent Costs						0.0	0.0
Total Project Costs	6.9	5.0	4.1	3.7	3.7	0.0	0.0
Total Financing	6.9	5.0	4.1	3.7	3.7	0.0	0.0
Financing							
IBRD/IDA	68.0	62.0	66.0	72.0	74.0	0.0	0.0
Government	9.0	8.0	9.0	10.0	10.0	0.0	0.0
Central	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provincial	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Co-financiers GEF	23.0	30.0	25.0	18.0	16.0	0.0	0.0
User Fees/Beneficiaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Project Financing	100.0	100.0	100.0	100.0	100.0	0.0	0.0

Main assumptions:

Annex 6: Procurement and Disbursement Arrangements

UGANDA: Protected Areas Management and Sustainable Use Project

Procurement

Procurement requirements for the project will be carried out by UWA, UWEC, and MTTI (MTTI being responsible for the MTTI and UMMA components). During the first two-and-half years of the project, the implementing agencies will execute their procurement decisions under the guidance and constant supervision of the Project Coordination Unit (PCU). UWA, UWEC, MTTI and UMMA will prepare lists of their requirements and annual procurement plans for works, goods and services that are to be procured under their respective components. UWA and UWEC will be submitting their plans to the Bank while MTTI will be furnishing consolidated workplans and procurement plans of the MTTI and UMMA components to the Bank.

Institutional Arrangement

UWA and UWEC will be accountable for the implementation and decisions of their procurement requirements. MTTI will be in charge of the procurement under the MTTI component and will oversee the processes of procuring goods and services under the UMMA component. UWA and UWEC will be preparing their workplans and procurement plans, seeking Bank's clearances (when required) for their procurement decisions, and furnishing to the Bank all agreed periodical reports on their respective components. MTTI will be responsible for submitting consolidated workplans and procurement plans as well as periodical reports on the MTTI and UMMA components, and requests for clearances to the Bank. Each of the three implementing agencies (IAs) will establish and maintain a proper filing system for the procurement documentation.

From July 1, 2002, PCU will assist the four beneficiaries (i.e. UWA, UWEC, MTTI and UMMA) of the project in all procurement matters including preparation of procurement plans, implementation of procurement processes and decisions, preparation of procurement reports for the PMRs, and establishment of a good procurement filing system. PCU will keep a register for recording details of each assistance it provides to the project beneficiaries. The information to be recorded in the register would include date of assistance, name of the IA, nature of assistance, whether its advice was implemented, and any other relevant information. PCU will also compile periodical reports on the lists of contracts initiated and/or implemented by the IAs.

Procurement methods (Table A)

Procurement of all IDA-financed works, goods, and services will be carried out in accordance with the Bank's *Guidelines for Procurement under IBRD Loans and IDA Credits* (January 1995 and revised in January and August 1996, September 1997 and January 1999). Consulting services by firms or individuals financed by IDA will be awarded contracts in accordance with the Bank's *Guidelines: Selection and Employment of Consultants by World Bank Borrowers* (January 1997, revised in September 1997 and January 1999). The appropriate World Bank standard bidding documents will be used for all International Competitive Bidding (ICB) and National Competitive Bidding (NCB) with any appropriate modifications. The World Bank's Standard Request for Proposals (RFP) will be used for the selection of consultants.

Advertising

Two General Procurement Notices (GPN), one for consulting services and one for goods, will have been prepared and submitted to the Bank for publication in the United Nations Development Business by project negotiation. The GPNs will be updated at least once a year and submitted to IDA for review.

Procurement Plan

A procurement plan for works, goods and services for the first year of project is under preparation and shall have completed, and presented to and agreed with the Bank prior to project negotiation. The plan will include relevant information on works, goods and consulting services as well as the timing of each milestone in the procurement process. The procurement schedule will be updated every quarter and reviewed by IDA at each supervision mission. The detailed implementation plan will be included in the PIP.

Civil Works

The works to be financed under the project is estimated to cost US\$12.1 million equivalent and will comprise construction of rangers' houses and field offices in 22 national parks, a head office block for UWA in Kampala, rehabilitation of roads in the national parks, and demarcation of the boundaries of the national parks. Works estimated to cost US\$100,000 equivalent or more per contract will be procured through ICB. NCB procedures will be followed in awarding contracts estimated to cost less than US\$100,000 equivalent per contract. Works contracts not exceeding US\$50,000 equivalent per contract will be awarded through solicitation of quotations from at least contractors.

Rehabilitation of roads and demarcation of boundaries of national parks will be carried out by UWA through the Force Account procedures. Before the commencement of the rehabilitation of roads or demarcation activities, UWA will submit to the Bank for review the implementation plan of the activities, and the breakdown of the costs, showing the inputs of UWA and related costs, and the inputs that UWA would be sourcing from the market.

Goods

The total cost is estimated at US\$2.9 million for goods for the entire project. Procurement will be bulked where feasible into packages valued at US\$100,000 equivalent or more and will be procured through ICB procedures.

Goods contracts costing US\$100,000 equivalent or more per contract will be procured through ICB. Goods estimated to cost less than US\$100,000 equivalent per contract up to an aggregate amount of US\$200,000 will be procured through NCB procedures that are acceptable to IDA.

Goods that are estimated to cost less than US\$30,000 equivalent per contract up to an aggregate amount of US\$400,000 equivalent may be procured through National Shopping procedures for goods available in the local market and/or through International Shopping procedures for goods that cannot be supplied within the country.

Services

The total cost of consultant services and training is estimated at US\$3.2 million equivalent. Except as detailed below, consulting services will be selected through competition among qualified short-listed firms

based on *Quality- and Cost-Based Selection (QCBS)* in accordance with the provisions of Section II of the Consultant Guidelines.

Consultants estimated to cost US\$50,000 equivalent or less up to an aggregate amount of US\$200,000 equivalent will be selected through *Least-Cost Selection* as prescribed in paragraph 3.6 of the Consultant Guidelines.

Individual consultants will be selected in accordance with accordance with the provisions of paragraphs 5.1-5.3 of Section V of the Consultant Guidelines.

Only in exceptional cases that meet the conditions set forth in paragraphs 3.93.8-3.11 of Section III of the Consultant Guidelines, consultancy services estimated to cost US\$100,000 equivalent or less up to an aggregate amount of US\$200,000 may be procured on single-source basis subject to prior clearance with the Bank.

To ensure that priority is given to the identification of suitable and qualified national consultants, short-lists for contracts estimated to cost US\$200,000 equivalent or less may be comprised entirely of national consultants (in accordance with the provisions of paragraph 2.7 of the Consultants Guidelines).

Procurement methods (Table A)

Table A: Project Costs by Procurement Arrangements
(US\$ million equivalent)

Expenditure Category	Procurement Method ¹				Total Cost
	ICB	NCB	Other ²	N.B.F.	
1. Works	9.00 (6.00)	8.00 (6.10)	0.00 (0.00)	0.00 (0.00)	17.00 (12.10)
2. Goods	1.50 (1.40)	1.00 (1.00)	0.80 (0.50)	0.00 (0.00)	3.30 (2.90)
3. Services	0.00 (0.00)	0.00 (0.00)	3.30 (2.70)	0.00 (0.00)	3.30 (2.70)
4. Miscellaneous	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Training	0.00 (0.00)	0.00 (0.00)	1.50 (0.50)	0.00 (0.00)	1.50 (0.50)
Operating Costs	0.00 (0.00)	0.00 (0.00)	9.50 (5.20)	0.00 (0.00)	9.50 (5.20)
Total	10.50 (7.40)	9.00 (7.10)	15.10 (8.90)	0.00 (0.00)	34.60 (23.40)

^{1/} Figures in parenthesis are the amounts to be financed by the Bank Credit/Grant. All costs include contingencies.

^{2/} Includes civil works and goods to be procured through national shopping, consulting services, services of contracted staff of the project management office, training, technical assistance services, and incremental operating costs related to (i) managing the project, and (ii) re-lending project funds to local government units.

Table A1: Consultant Selection Arrangements (optional)
(US\$ million equivalent)

Consultant Services Expenditure Category	Selection Method							Total Cost ¹
	QCBS	QBS	SFB	LCS	CQ	Other	N.B.F.	
A. Firms	2.70 (2.30)	0.10 (0.10)	0.00 (0.00)	0.20 (0.20)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	3.00 (2.60)
B. Individuals	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.30 (0.10)	0.00 (0.00)	0.30 (0.10)
Total	2.70 (2.30)	0.10 (0.10)	0.00 (0.00)	0.20 (0.20)	0.00 (0.00)	0.30 (0.10)	0.00 (0.00)	3.30 (2.70)

1\ Including contingencies

Note: QCBS = Quality- and Cost-Based Selection

QBS = Quality-based Selection

SFB = Selection under a Fixed Budget

LCS = Least-Cost Selection

CQ = Selection Based on Consultants' Qualifications

Other = Selection of individual consultants (per Section V of Consultants Guidelines), Commercial Practices, etc.

N.B.F. = Not Bank-financed

Figures in parenthesis are the amounts to be financed by the Bank Credit/Grant.

Prior review thresholds (Table B)

Table B: Thresholds for Procurement Methods and Prior Review ¹

Expenditure Category	Contract Value Threshold (US\$ thousands)	Procurement Method	Contracts Subject to Prior Review (US\$ millions)
1. Works	·100,000	ICB	Prior Review
	<100,000	NCB	Post Review
	<50,000	Quotations	Quotations
2. Goods	·100,000	ICB	Prior Review
	<100,000	NCB	Post Review
	·30,000	N/IS	Post Review
3. Services	·100,000	QCBS	Prior Review
	<100,000	QCBS	Post Review
	·50,000	LCS	Post Review
	·50,000	IC	Prior Review
	<50,000	IC	Post Review
4. Miscellaneous			
5. Miscellaneous			
6. Miscellaneous			

Total value of contracts subject to prior review:

Overall Procurement Risk Assessment

Average

Frequency of procurement supervision missions proposed: One every 6 months (includes special procurement supervision for post-review/audits)

An assessment of the individual procurement capacities of the four implementing agencies has been conducted, and a report has been prepared. The report indicates "**High**" risk based on: (i) non-existence of procurement units and procurement proficient staff at the implementing agencies; (ii) prevalence of conditions conducive to corruption in procurement practices in the public sector. (A National Integrity Survey conducted in Uganda in 1998 revealed that the prevalence of corruption is the highest in the area of procurement).

However, the assessment concludes that the following factors would reduce the procurement risk to "**Average**" pending the implementation of the following actions:

- (1) Creation and staffing of the procurement units in each implementing agency;
- (2) Retention of the ICB-PAMSU Project Coordination Unit as Advisory Unit for the first two-and-half years of the project;
- (3) Relatively low threshold of the management of the implementing agencies in making procurement decisions; hence MTTI powers (through its Contracts Committee) to approve procurement decisions on a

high proportion of contracts; and

(4) the existence of a comprehensive national institutional and legal framework for public procurement management.

The current capacities of the implementing agencies (a) without the creation of procurement units run by adequate and trained staff, and (b) without the support of the closing ICB-PAMSU PCU would be inadequate to handle the procurement activities under the project; therefore, establishment of procurement units, training the staff of the procurement units, and the continued services of the ICB-PAMU as Advisory Unit is critical. In this regard, the implementing agencies will have created, staffed the procurement units and with the assistance of the Bank trained the procurement staff prior to project negotiation.

The responsibilities of the PCU would include supervision of all procurement activities under the project including hands-on training of the staff of the procurement units of the implementing agencies, provision of guidance in preparing procurement plans of the implementing agencies of the project components.

The procurement processes of all goods and works contracts, and selection of all consultants under the project as well as the evaluation process of received bids and proposals will be carried out by the individual implementing agencies under the guidance and supervision of PCU in the first two-and-half years of the project.

¹ Thresholds generally differ by country and project. Consult OD 11.04 "Review of Procurement Documentation" and contact the Regional Procurement Adviser for guidance.

Disbursement

Allocation of credit/grant proceeds (Table C)

Disbursements of IDA funds will initially assume the traditional disbursement mechanisms for this project. It is expected that the project will become effective in June 2002. Disbursement will be done using traditional methods. An advance into the Special Account will be made at the inception of the project, and subsequent replenishments will be made on the basis of withdrawal applications and Statements of Expenditure (SOE's).

Quarterly reports and forecasts will be prepared by the project and submitted to the IDA for review.

Table C: Allocation of Credit/Grant Proceeds

Expenditure Category	Amount in US\$million	Financing Percentage
Civil Works	12.10	
Goods	2.90	
Consultant Services & Training	3.20	
Operating Costs	5.20	
Total Project Costs	23.40	
Total	23.40	

Use of statements of expenditures (SOEs):

All applications to withdraw proceeds from the Credit will be fully documented except for expenditures against contracts (i) with an estimated value of US\$100,000 or less for works, goods and consulting firms; (ii) contracts with an estimated value of US\$50,000 or less for individual consultants; and (iii) all operating costs which may be claimed on the basis of certified statements of expenditure (SOE). Documents supporting these expenditures would be retained by the PCU and will be available for review upon request by IDA supervision missions and project auditors.

Special account:

To facilitate disbursements the Government of Uganda will establish and maintain a special account in US dollars in a commercial bank acceptable to IDA. In order to ensure timely release of funds for the project activities, a project account in Uganda Shillings will be maintained in the same bank.

Annex 7: Project Processing Schedule
UGANDA: Protected Areas Management and Sustainable Use Project

Project Schedule	Planned	Actual
Time taken to prepare the project (months)		
First Bank mission (identification)		07/23/2001
Appraisal mission departure	11/26/2001	11/26/2001
Negotiations	02/15/2002	
Planned Date of Effectiveness	06/30/2002	

Prepared by:

Project Coordination Unit, Ministry of Tourism, Trade and Industry

Preparation assistance:

David Abura-Ogwang, Project Director

Juliet Byaruhanga, Project Implementation Coordinator

Bank staff who worked on the project included:

Name	Speciality
Nathalie W. Johnson	Environmental Specialist
Jean-Michel Pavy	Peer Reviewer
Christine E. Cornelius	Operations Officer
Joseph M. Kizito	Financial Management Specialist
Jay Wysocki	M&E Specialist
Jack Ruitenbeck	Economist
Richard A. Cambridge	Operations Adviser
Marius Koen	Financial Management Specialist
Agi Kiss	Lead Ecologist
Reynaldo Castro	Operations Analyst
Marie Claire Li	Program Assistant
Dahir Warsame	Procurement Specialist

Annex 8: Documents in the Project File*
UGANDA: Protected Areas Management and Sustainable Use Project

A. Project Implementation Plan

Project Implementation Manual

B. Bank Staff Assessments

Procurement Assessment

Financial Management Assessment

C. Other

Letter of Sector Policy from the Government of Uganda

*Including electronic files

Annex 9: Statement of Loans and Credits

UGANDA: Protected Areas Management and Sustainable Use Project

03-Jan-2002

Project ID	FY	Purpose	Original Amount in US\$ Millions			Cancel.	Undisb.	Difference between expected and actual disbursements ^a	
			IBRD	IDA	GEF			Orig	Frm Rev'd
P002984	2002	UG FOURTH POWER PROJECT	0.00	62.00	0.00	0.00	60.59	0.00	0.00
P065436	2002	2ND PHASE OF THE RD. DEVELOPMENT	0.00	64.52	0.00	0.00	64.39	0.00	0.00
P069996	2002	PROGRAM	0.00	49.15	0.00	0.00	48.09	0.00	0.00
P044695	2001	Energy for Rural Transformation Project	0.00	45.00	0.00	0.00	44.66	0.00	0.00
P050439	2001	National Agric. Advisory Services Proj.	0.00	48.50	0.00	0.00	44.38	21.46	0.00
P073089	2001	PRIVATIZATION & UTILITY SECTOR REFORM	0.00	22.00	0.00	0.00	21.03	8.15	0.00
P072482	2001	EMCBP II	0.00	47.50	0.00	0.00	45.35	12.52	0.00
P070627	2001	HIV/AIDS Control Project	0.00	20.00	0.00	0.00	19.61	2.50	0.00
P044679	2000	Regional Trade Fac. - Uganda	0.00	34.04	0.00	0.00	26.38	14.09	0.00
P002992	2000	Second Economic and Fin. Mgmt. Project	0.00	80.90	0.00	0.00	46.53	-28.12	0.00
P059223	1999	LOCAL GOV DEVE.PROGRAM	0.00	22.40	0.00	0.00	15.03	15.76	0.00
P002941	1999	NAKIVUBO CHANNEL REH	0.00	12.40	2.00	0.00	2.15	0.50	0.00
P059127	1999	ICB-PAMSU	0.00	26.00	0.00	0.00	19.48	6.88	0.00
P002970	1999	AGRIC.RES & TRNG. II	0.00	90.98	0.00	0.00	74.42	20.74	0.48
P057007	1998	ROADS DEVT PROGRAM	0.00	27.60	0.00	16.98	5.62	24.25	0.00
P040551	1998	EL NINO EMERG RD REP	0.00	34.00	0.00	0.00	15.29	4.58	0.00
P049543	1998	NUTRIT.CHILD DEV	0.00	30.00	0.00	0.00	19.97	22.25	0.40
P046836	1997	ROAD SECT/INST.SUPP	0.00	12.10	0.00	0.00	2.12	1.90	0.00
P046870	1997	Lake Victoria Env.	0.00	9.80	9.80	0.00	3.04	2.75	0.00
P035634	1996	LAKE VICTORIA ENV.	0.00	12.30	0.00	2.18	1.29	4.76	1.46
P002971	1995	PRIV. SECTOR COMPETI	0.00	45.00	0.00	0.00	0.34	1.03	0.00
P002963	1994	DISTRICT HEALTH	0.00	50.00	0.00	0.00	1.67	2.51	0.00
P002957	1994	SEXUAL.TRANS.IN SMALL TOWNS WATER	0.00	42.30	0.00	0.00	2.89	3.86	0.00
Total:			0.00	888.49	11.80	19.16	584.31	142.37	2.34

UGANDA
STATEMENT OF IFC's
Held and Disbursed Portfolio
OCT-2001
In Millions US Dollars

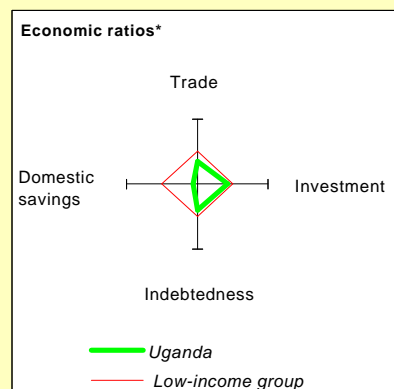
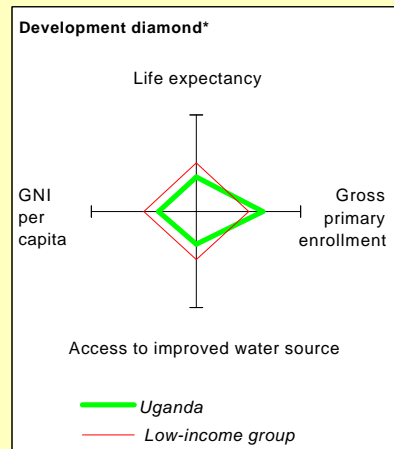
FY Approval	Company	Committed				Disbursed			
		IFC				IFC			
		Loan	Equity	Quasi	Partic	Loan	Equity	Quasi	Partic
1999	AEF Gomba	1.40	0.00	0.00	0.00	1.40	0.00	0.00	0.00
2001	AEF Kabojja	0.35	0.00	0.00	0.00	0.35	0.00	0.00	0.00
1998	AEF Kampala Flwr	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2000	AEF Kasambya	0.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	AEF Kiwa II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1997	AEF Ladoto	0.80	0.00	0.00	0.00	0.80	0.00	0.00	0.00
2000	AEF LongFreight	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2000	AEF Mosa Court	0.48	0.00	0.00	0.00	0.48	0.00	0.00	0.00
1998	AEF Nile Roses	0.16	0.00	0.00	0.00	0.16	0.00	0.00	0.00
1993	AEF Rainbow	0.79	0.00	0.00	0.00	0.79	0.00	0.00	0.00
1995	AEF Rwenzori	0.23	0.00	0.00	0.00	0.23	0.00	0.00	0.00
1993	AEF Skyblue	0.51	0.00	0.00	0.00	0.51	0.00	0.00	0.00
1994	AEF White Nile	0.24	0.00	0.00	0.00	0.24	0.00	0.00	0.00
1998	AEF Wstern Hgh	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1999	CelTel Uganda	3.00	0.70	0.00	0.00	3.00	0.70	0.00	0.00
1994/00	DFCU	0.00	0.60	0.00	0.00	0.00	0.60	0.00	0.00
0/84/92	DFCU LEASING	0.79	0.00	0.00	0.00	0.19	0.00	0.00	0.00
1995/96	Jubilee	0.00	0.10	0.00	0.00	0.00	0.10	0.00	0.00
1993	Kasese Cobalt	9.33	3.60	0.00	0.00	9.33	3.60	0.00	0.00
1996	Tilda Rice	2.16	0.00	0.00	0.00	1.66	0.00	0.00	0.00
1998	Uganda Sugar	4.02	0.00	0.00	0.00	4.02	0.00	0.00	0.00
1983	AEF Agro Mgmt	0.60	0.40	0.00	0.00	0.55	0.40	0.00	0.00
1996	AEF Clovergem	0.84	0.00	0.00	0.00	0.84	0.00	0.00	0.00
1992	AEF Conrad Plaza	0.94	0.00	0.00	0.00	0.94	0.00	0.00	0.00
1997	AEF Exec. Invmnt	0.86	0.00	0.00	0.00	0.86	0.00	0.00	0.00
1998									
	Total Portfolio:	30.29	5.40	0.00	0.00	26.35	5.40	0.00	0.00

FY Approval	Company	Approvals Pending Commitment			
		Loan	Equity	Quasi	Partic
2002	AEF Makss	1.35	0.00	0.00	0.00
	Total Pending Commitment:	1.35	0.00	0.00	0.00

Annex 10: Country at a Glance

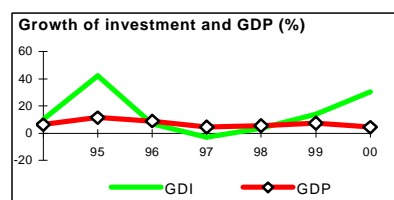
UGANDA: Protected Areas Management and Sustainable Use Project

POVERTY and SOCIAL	Uganda	Sub-Saharan Africa	Low-income		
2000					
Population, mid-year (millions)	22.2	659	2,459		
GNI per capita (Atlas method, US\$)	300	480	420		
GNI (Atlas method, US\$ billions)	6.8	313	1,030		
Average annual growth, 1994-00					
Population (%)	3.0	2.6	1.9		
Labor force (%)	2.7	2.6	2.4		
Most recent estimate (latest year available, 1994-00)					
Poverty (% of population below national poverty line)	35	..	..
Urban population (% of total population)	13	34	32		
Life expectancy at birth (years)	42	47	59		
Infant mortality (per 1,000 live births)	97	92	77		
Child malnutrition (% of children under 5)	26	..	..
Access to an improved water source (% of population)	52	55	76		
Illiteracy (% of population age 15+)	38	38	38		
Gross primary enrollment (% of school-age population)	122	78	96		
Male	129	85	102		
Female	114	71	86		
KEY ECONOMIC RATIOS and LONG-TERM TRENDS					
	1990	1999	2000		
GDP (US\$ billions)	4.3	6.4	6.2		
Gross domestic investment/GDP	12.7	16.4	18.1		
Exports of goods and services/GDP	7.2	11.3	10.1		
Gross domestic savings/GDP	0.6	4.7	2.6		
Gross national savings/GDP	0.6	10.3	10.6		
Current account balance/GDP	-10.0	-11.6	-13.9		
Interest payments/GDP	..	0.6	0.7		
Total debt/GDP	51.2	63.7	59.1		
Total debt service/exports	80.2	23.7	25.5		
Present value of debt/GDP	..	27.3	15.9		
Present value of debt/exports	..	225.3	146.2		
	1980-90	1990-00	1999	2000	2000-04
(average annual growth)					
GDP	4.1	7.1	7.5	4.4	6.3
GDP per capita	1.3	3.9	4.5	1.1	3.8
Exports of goods and services	2.0	15.4	31.3	-0.7	6.3



STRUCTURE of the ECONOMY

	1990	1999	2000
(% of GDP)			
Agriculture	56.6	44.4	42.5
Industry	11.1	17.8	19.1
Manufacturing	5.7	8.7	9.1
Services	32.4	37.8	38.4
Private consumption	91.9	85.4	86.9
General government consumption	7.5	9.9	10.5
Imports of goods and services	19.4	23.1	25.6



(average annual growth)

	1980-90	1990-00	1999	2000
Agriculture	3.3	3.7	6.9	4.1
Industry	6.8	12.3	9.3	6.5
Manufacturing	4.8	13.6	11.7	1.9
Services	3.9	7.9	7.2	5.3
Private consumption	3.9	7.5	17.3	0.9
General government consumption	1.7	6.4	-4.5	4.6
Gross domestic investment	11.2	10.1	14.1	30.5
Imports of goods and services	5.9	13.2	47.8	6.3

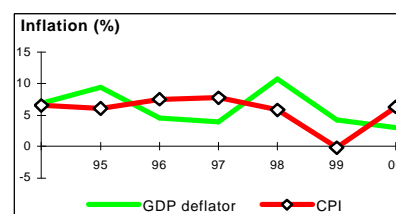


Note: 2000 data are preliminary estimates. Uganda data are in fiscal year: 1999 refers to 1998/99; 2000 refers to 1999/00.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

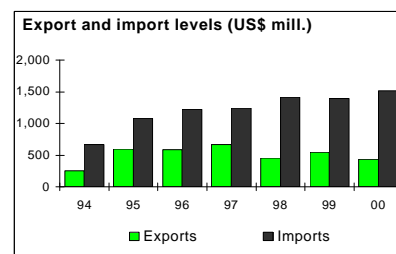
PRICES and GOVERNMENT FINANCE

	1990	1999	2000
Domestic prices			
<i>(% change)</i>			
Consumer prices	45.5	-0.2	6.3
Implicit GDP deflator	44.4	4.2	3.0
Government finance			
<i>(% of GDP, includes current grants)</i>			
Current revenue	6.8	10.9	10.8
Current budget balance	-0.3	0.9	0.4
Overall surplus/deficit	-5.9	-5.9	-9.0



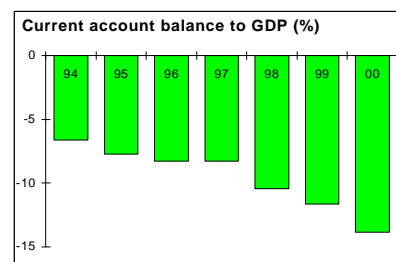
TRADE

	1990	1999	2000
<i>(US\$ millions)</i>			
Total exports (fob)	210	549	439
Coffee	159	307	187
Cotton	..	11	23
Total imports (cif)	584	1,392	1,513
Food	..	..	..
Fuel and energy	78	108	143
Capital goods	..	..	..
Export price index (1995=100)	56	67	58
Import price index (1995=100)	83	103	104
Terms of trade (1995=100)	67	65	56



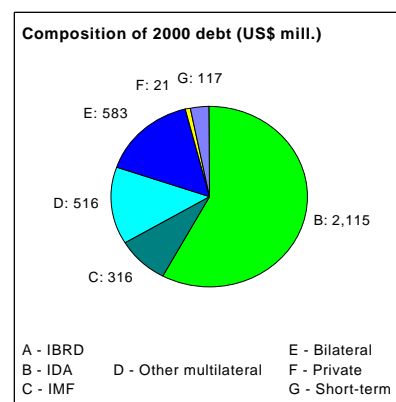
BALANCE of PAYMENTS

	1990	1999	2000
<i>(US\$ millions)</i>			
Exports of goods and services	246	726	626
Imports of goods and services	676	1,834	1,985
Resource balance	-430	-1,107	-1,359
Net income	-77	-14	-15
Net current transfers	78	375	513
Current account balance	-429	-746	-861
Financing items (net)	419	780	846
Changes in net reserves	10	-33	15
Memo:			
Reserves including gold (US\$ millions)	35	748	719
Conversion rate (DEC, local/US\$)	319.6	1,362.0	1,511.4



EXTERNAL DEBT and RESOURCE FLOWS

	1990	1999	2000
<i>(US\$ millions)</i>			
Total debt outstanding and disbursed	2,202	4,078	3,668
IBRD	21	0	0
IDA	805	2,043	2,115
Total debt service	197	184	172
IBRD	7	0	0
IDA	6	27	29
Composition of net resource flows			
Official grants	153	277	312
Official creditors	..	195	169
Private creditors	0	4	11
Foreign direct investment	6	230	248
World Bank program			
Commitments	227	165	107
Disbursements	165	132	190
Principal repayments	6	13	14
Net flows	159	119	176
Interest payments	7	14	15
Net transfers	152	104	161



**Additional
Annex 11**

**Threats and Root Causes of Biodiversity Loss and Mitigating Actions
Uganda: Protected Areas Management And Sustainable Use Project**

Critical Threats	Root Causes	Current Situation	Solution (GEF intervention)
<p>1. Integrity of Protected Areas in Uganda.</p> <p>2. Lack of Awareness of value of PAs and roles of respective stakeholders.</p> <p>3. Insufficient Conservation Education.</p> <p>4. Absence of a policy and strategy for sustainable and collaborative management of PAs.</p>	<ul style="list-style-type: none"> • 20 years of civil war and insufficient funding for PA management resulted in extensive encroachment, ignorance of PA boundaries and ignorance of the role of UWA and central government. • Extensive rural poverty and depletion of natural resources outside PAs. • Government has placed less emphasis on an integrated approach to sustainable biodiversity conservation than for example, the Plan for the Modernisation of Agriculture. • There is a lack of awareness for the economic opportunities that exist through the preservation of unique and globally threatened ecosystems (tourism, for example). • Central management and decision making does not involve sufficient local participation, <i>ergo</i> ownership and responsibility for resources. 	<p>1.1 A new proposed PA system has been passed by Parliament, after six years of planning.</p> <p>1.2 This proposal excises many areas that have been settled and dissolves conflicts resulting from 70,000 people previously living inside PAs.</p> <p>1.3 Three new PAs have been created at the demand of the respective districts and communities.</p> <p>2.1 The recent establishment of decentralised government units in Uganda has created a need for building capacity at a local level to fully integrate PAs into district level planning for infrastructure and education complementarity.</p> <p>3.1 The existence of UWEC is an opportunity for education and awareness building..</p> <p>3.2 The existence of the nationwide network of Wildlife Clubs of Uganda is an opportunity that can be utilized to sensitise the nation on conservation education especially in rural areas where WCU already has a presence.</p> <p>4.1 Current wholly centralised PA management systems are not sustainable.</p>	<ul style="list-style-type: none"> • Finance boundary marking exercise for all PAs where required. • Awareness building and training of decentralised government officers (district, sub-county and parish levels) where their areas of responsibility include PA systems and communities around the PAs. • Support and advice for sustainable community-based biodiversity conservation and management initiatives that will be encouraged through policy and strategic interventions. • Support for Uganda Wildlife Education Centre and wildlife Clubs of Uganda to continue and strengthen their roles in conservation education and awareness building for the general public and especially school children. • Support ongoing strategy and policy formulation towards sustainable and collaborative PA management.

NAME OF SITE	ECOSYSTEM	SIZE (km2)	OUTSTANDING FEATURE	MAIN THREATS	GEF JUSTIFICATION	GEF MITIGATION ACTIONS
Queen Elizabeth N.P and adjacent buffer Zone	Savannah woodlands with Rift Valley	2,461	<ul style="list-style-type: none"> • Kazinga Channel • Crater Lake • Giant forest hogs • Many species of water birds • Hippos, etc 	<ul style="list-style-type: none"> • Poaching • Encroachment • Fishing village expanding 	<ul style="list-style-type: none"> • Contains the Lake George Ramsar Site • Biosphere Reserve • Constitute the only fully protected parts of the ecosystem mosaic with highest known Mammalian carrying capacity in the world 	<ul style="list-style-type: none"> • Improve law enforcement through regular patrols • Awareness building and community based conservation activities • Boundary demarcation
Kidepo Valley N.P and adjacent buffer zone	Savannah woodland	1,442	<ul style="list-style-type: none"> • Cheetah • Ostrich • The Kidepo Valley with Borassus palm forest • Kudu 	<ul style="list-style-type: none"> • Poaching • Wild fires 	<ul style="list-style-type: none"> • Represents the Karamoja/Turkana Dry mountain ecosystem • Regional endemism • Stop over for palacarcic bird migrants 	<ul style="list-style-type: none"> • Awareness building community based conservation activities • Creating fire brakes at selected strategic locations around the Park • Better law enforcement through regular patrols
Lake Mbuoro N.P. and adjacent buffer zone	Savannah	260	<ul style="list-style-type: none"> • Zebra • Impala • Rare birds e.g. Narina's Trogon • Eland • Roan Antelope 	<ul style="list-style-type: none"> • Boundary uncertainty • Encroachment • Animal Grazing • Poaching 	<ul style="list-style-type: none"> • Supports 3 Red data book species of birds • Consensus part of the unique inter-lacustrine grassland ecosystem • Included in the IUCN's endangered parks of the world 	<ul style="list-style-type: none"> • Awareness building and country based conservation activities/initiatives • Boundary demarcation • Improved law empowerment through regular patrols
Bwindi Imp. N.P. and adjacent buffer zone	Afro Montane Forest	331	<ul style="list-style-type: none"> • Mountain Forest • Rare Birds • Chimpanzee 	<ul style="list-style-type: none"> • Pit Sawing • Wildfires • Encroachment • Boundary uncertainties with Zaire crop raiding 	<ul style="list-style-type: none"> • World Heritage site • One of the last habitats for the worlds largest remaining mountain gorilla population 	<p>In addition to Bwindi Trust Support, which covers mainly:-</p> <ul style="list-style-type: none"> - General Park Management support - Conservation awareness building and community based initiatives, and - Ecological monitoring and research <p>the Project will support the following:-</p> <ul style="list-style-type: none"> • Boundary demarcation • Support visitor centre establishment and initial operational aspects.
Mgahinga Gorilla N.P. and adjacent buffer zone	Afro Montane Forest	27	<ul style="list-style-type: none"> • Mountain Gorilla • Golden Cat 	<ul style="list-style-type: none"> • Encroachment • Pit sawing • Grazing • Crop raiding • Smuggling of 	<ul style="list-style-type: none"> • One of the few habitat for the worlds remaining mountain gorilla population 	-DITTO-

				<p>animals through the parks</p> <ul style="list-style-type: none"> • Poaching • Illegal removal of products 		
Kibale N.P. and adjacent buffer zone	Low altitude Tropical high Forest	983	<ul style="list-style-type: none"> • Chimpanzee • Other primate 	<ul style="list-style-type: none"> • Poaching • Pit sawing • Saw milling • Problem animals • Illegal forest product removal • Wildfires • Livestock grazing • Fishing within the park 	<ul style="list-style-type: none"> • Supports nine species of animals considered to be globally threatened • Has the highest primate density in the world 	<ul style="list-style-type: none"> • Support the implementation of sustainable utilisation of resources in the park through the multiple use zones approach outlined in the management plan • Improved law enforcement through regular patrols • Awareness building and county based conservation initiatives • Boundary demarcation
Rwenzori Mts. N.P. and adjacent buffer zone	Afro Montane Forest	996	<ul style="list-style-type: none"> • Lobelia • High altitude forest • Delicate bogs • Snow cap Mountain 	<ul style="list-style-type: none"> • Poaching • Illegal forest products removal • Agricultural encroachment 	<ul style="list-style-type: none"> • World Heritage site • Water Catchment • Snow feeds water into the Nile 	<ul style="list-style-type: none"> • Awareness building and community based conservation initiatives (e.g. Agro Forestry) • Improved law enforcement through regular patrols
Semuliki N.P. and adjacent buffer zone	Low altitude Rainforest	768	<ul style="list-style-type: none"> • Low altitude forest • Hot springs • Pygmies • Eastern extension of Congo forest belt 	<ul style="list-style-type: none"> • Wildfires • Problem animal • Fishing within park • Pouching • Illegal forest product removal 	<ul style="list-style-type: none"> • Transitional zone between Congo forest and E. African region • Contains half of the recorded bird species of the entire Congo basin • Located close to postulated pleistocene forest refugium 	<ul style="list-style-type: none"> • Creating fire brakes at selected strategic areas around the park • Awareness building and community based conservation initiatives • Improved law enforcement through regular patrols
Mt. Elgon N.P. and adjacent buffer zone	Afro Montane forest	1,192	<ul style="list-style-type: none"> • Afro Montane Forest • Caldera • Lobelia • Extensive Afro-alpine and bamboo zone • Endemic butterflies and bird species 	<ul style="list-style-type: none"> • Poaching • Cattle raiding • Smuggling (Cross Border) • Pit Sawing • Illegal forest product removal • Grazing 	<ul style="list-style-type: none"> • Extensive Afro-Montane with unique vegetation • Craters • Water catchment areas 	<ul style="list-style-type: none"> • Boundary demarcation • Awareness building and community based conservation initiatives (Agro Forestry)

**Additional
Annex 12**

STAP Technical Review

Uganda: Protected Areas Management And Sustainable Use Project

STAP Reviewer: Kenton R. Miller, Ph. D.

Date: October 8, 2001

KEY ISSUES

1. *Scientific and Technical Soundness of the Project.* The proposal is the second phase of a process that first focused on building the institutional and human capacity to restore the wildlife resource and the potential for tourism in Uganda. Given the nation's history in terms of the loss of wildlife resources and tourism capacity, and continuing insecurity, the two-step approach is rational. Of particular importance in project design is the long-term commitment of the effort. Project planners recognize the need for significant time to restore wildlife populations and communities, development of private sector capacity to operate tourism facilities, and the development of solid community relations and benefit sharing opportunities.

2. *Identification of the Global Environment Benefits.* Uganda was and remains one of the richest biodiversity countries for reasons explained in the document. Thus, the restoration of its wildlife is of global interest. What is perhaps weak in the document is the role of Uganda's ecosystems in terms of their ecosystem services that are of value to the greater region; water and fish protein resources are examples.

3. *Fit of the Project within GEF Goals.* The objectives and measures proposed fit well within the GEF operational guidelines. The proposal also responds to the directives of the COP, especially COP3.

4. *Regional Context.* The relationship of this work with activities and investments in neighboring Kenya and Tanzania could be strengthened in the document, including other GEF projects. The opportunities for cross-boundary PA work, and shared ecosystems including Lake Victoria could be mentioned.

5. *Replicability.* The lessons learned by the project will be of value and interest to neighboring countries and beyond. Specifically, this includes:

- restoring wildlife populations and tourism capacity following periods of insecurity;
- the work on financial sustainability;
- "business planning"; and
- establishing financial independence from regular governmental appropriations for the UWA and the UWEC.

6. *Sustainability of the Project.* The project proposal recognizes well the sequence of steps needed to create a sustainable economy based upon wildlife tourism. Specifically, establish the human and institutional capacity (ICB-PAMSU previous phase); secure the Protected Areas and enable wildlife populations to be re-established; build a private sector capable of managing tourism marketing and facilities; and, very importantly, work with local communities to address their concerns, e.g., animal damage to crops, and to engage them in planning, management of wildlife and tourism, leading up to

benefit sharing with them. This will take time, as the document makes clear.

7. *Indicate the Extent to which this Project will Contribute to Improved Definition of GEF Strategies and Policies.* Unfortunately, the situations that Uganda has experienced will be/is being repeated in Africa and elsewhere. Thus, GEF can continue to develop its strategies and policies to address this context drawing upon the lessons learned in Uganda. The key issues here are to be considered at the 5th World Protected Congress (Durban 2003), including:

- building the capacity to deal with biophysical, socio-economic, and institutional change;
- local communities, equity, and sustainability;
- decentralization;
- sustainable finance and business planning;
- management effectiveness; among other points.

SECONDARY ISSUES

8. *Linkages to Other Focal Areas.* Little reference is made in the document to other focal areas, specifically carbon sequestration, fresh water supplies and international waters. Clearly, Uganda's Parks contribute importantly to these other global goals.

9. *Linkages to Other Programs and Action Plans at Regional and Sub-regional Levels.* This proposal contributes importantly to wider East African biodiversity conservation and economic development based upon wildlife tourism. There are major investments by the GEF, bilateral assistance, and NGOs in Protected Areas, wildlife management and restoration, tourism, and capacity building.

10. *Other Beneficial Environmental Effects.* As noted above, the restoration of Uganda's Parks will yield outcomes beyond tourism and related economic development. These include restored and secured water regimes that flow into lakes that provide significant fish protein.

11. *Degree of Involvement of Stakeholders in the Project.* The document is not clear as to how local communities have been involved in project design. Also, the nomenclature of the document, using terms like "target population" and "target groups" suggest a one-way flow of energy. That is, the project is giving benefit to others. Rather, the project surely seeks to engage these communities and institutions in project design and management. In this way obviously these institutions and communities help share in the costs (effort) and benefits.

12. *Innovativeness of the Project.* The first significant innovation of this Project has been the separation of the original 1997 ambitious effort into what has become two phases: first, to develop institutional and human capacity, and then to restore wildlife populations and tourism facilities, and establish community-based cooperative mechanisms. The second is to take the important, normally neglected, step of reforming existing institutions to establish the capability to manage the key components of wildlife management and tourism. And third, is the way the Project has dealt with time. This is clearly a long-term effort in response to the biology of wildlife population restoration, developing tourism facilities anew, and importantly, an honest recognition that insecurity will limit the rate of tourism visitation to the Country.

Additional Annex 13

Response to the STAP Technical Review

Uganda: Protected Areas Management And Sustainable Use Project

Scientific and Technical Soundness of the project: The STAP reviewer's assessment of the project is that the proposal is scientifically and technically sound. Given the nation's history, and lack of institutional capacity in the sector, he views the two-step approach as rational. The reviewer cites the long-term commitment to the process of rehabilitation and capacity building as an important design feature of the project that should ultimately lead to greater success in achieving project objectives.

Identification of the Global Environment Benefits: The reviewer concurs with the evaluation of the biodiversity assets in Uganda and their global importance. He suggests that the proposal could be strengthened by including a discussion of the ecosystem services that are provided by the conservation of the ecosystems and their value to the greater region. This has been added to the proposal in the Summary Project Analysis section.

Regional Context: The reviewer suggests that mention should be made of related activities in the region, specifically Kenya and Tanzania, and also efforts to better manage Lake Victoria. Associated activities have now been included in the proposal under the Project Rationale section.

Replicability: The reviewer suggests that lessons learned by the project will be of value and interest to neighboring countries and beyond in the reviewer's judgment.

Sustainability of the Project: The reviewer thinks that the proposal recognizes well the sequence of steps needed to create a sustainable economy based upon wildlife tourism. He highlights the project's aim to work with local communities to address their concerns as an important element in achieving sustainability. The reviewer concurs with the view that this is a long-term goal that will take time to achieve.

Improved Definition of GEF Strategies and Policies: The reviewer's judgment is that the experience of Uganda is and will be repeated in Africa and elsewhere. Thus, GEF can continue to develop its strategies and policies to address this context drawing upon lessons learned in Uganda.

Secondary Issues

Degree of Involvement of Stakeholders in the Project: The reviewer thought the project proposal was not clear on the involvement of local communities. The proposal has been improved to address this concern under the Summary Project Analysis section Social.

**Additional
Annex 14**

Benchmarks Objectives

Uganda: Protected Areas Management And Sustainable Use Project

OBJECTIVES	BENCHMARKS FOR INITIATING APPRAISAL OF PAMSU PROJECT	STATUS OF BENCHMARKS FOR INITIATING APPRAISAL OF PAMSU PROJECT
Government/Sectoral Level		
Development of Tourism Policy and Strategic Plan	GOU approval of Policy Paper Proposals for legislative revisions (as needed) completed and submitted to Parliament	<ul style="list-style-type: none"> • Development of Tourism Policy and Strategic Plan is well underway, regional workshops have been accomplished. The Draft Policy Paper has been issued to stakeholder consultations. Cabinet approval of the Policy is expected by March 2002.
Strategic planning for Human Resources Development for Tourism Sector	HR Development plan completed, adopted by MTWA Licensing standards finalized, adopted	<ul style="list-style-type: none"> • HR Development Plan has been completed and adopted by MTTI. • Licensing Standards for tourism training institutions is being developed with full participation of the private sector. Draft Curricula will be submitted to the Ministry of Education in November 2001 for adoption. Not completed. Dropped as a benchmark for appraisal because no support for this component under PAMSU.
Tourism Statistical Database	Statistical Database fully operational, statistics for previous year published	<ul style="list-style-type: none"> • Tourism Statistical Database has been established and is fully operational, statistics for previous year is under process and were released.
Licensing Systems for Tourism Services and Facilities	Licensing and Inspectorate Department operational, handling applications with acceptable turn-around time	<ul style="list-style-type: none"> • Licensing and Inspectorate Department of MTTI fully operational; all approved posts filled; capacity of staff built through training and study tours (South African Study tour undertaken), the staff are handling applications with acceptable turn-around time.
Implementing Agency Level - General		
Clear mission/objectives	Final policy/mission statement adopted by respective governing bodies	<ul style="list-style-type: none"> • Mission objectives for UWA, UTB, UWEC and HTTI have all been adopted by the respective Boards.
Strategic, development and operational planning capacity	(i) Strategic and Development plans finalized and adopted by respective governing bodies (and approved by GOU as required; (ii) Draft operational plans for following 2 years prepared (with completed financial analysis/feasibility studies for any commercially-oriented investments)	<ul style="list-style-type: none"> • Strategic Plan for UWA developed and under implementation, the TOR for the Business Plan has been developed, the preparation of the Business Plan will be undertaken under the PAMSU Project with the guidance of the successor Executive Director. • The Master Plan and Business Plan for UWEC have been developed and are being implemented.
Development of human resource base and HR management	Any recommended restructuring or revisions approved by respective governing bodies; (iii) a 5-year training strategy and first year training plan developed; (iv) finalized performance indicators for all positions	<ul style="list-style-type: none"> • UWA has been restructured and all positions filled • Training Plan and Strategy for UWA have been developed and implementation commenced with ranger force training

		<ul style="list-style-type: none"> • Performance indicators for all positions in place.
Effective financial management	(i) an acceptable audit report by independent auditor for one financial year; (ii) evidence of acceptable budget planning/management for one year; (iii) completed physical asset inventory and valuation, and inventory tracking and internal audit systems operational	<ul style="list-style-type: none"> • Acceptable audit reports for the year ended June 2000 for both UWA and UWEC have been cleared by the Auditor General's office. • Physical assets inventory and valuation for UWA are in place. • Inventory tracking and internal audit systems for UWA and UWEC are operational
Environmental Impact Assessment Capacity	Evidence of implementation of EIA policy/procedures	<ul style="list-style-type: none"> • EIA procedures/policy for UWA are in place
Implementing Agency level – Other specific		
UWA		
1. PA System Rationalization	Revised PA System approved by GOU; implications for implementation (e.g. resettlement requirements if any, boundary demarcation and infrastructure development) identified and costs estimated	<ul style="list-style-type: none"> • Revised PA System Plan approved by Cabinet and is before Parliament for enactment.
2. Concessions Management	Recommended actions completed for all existing concessions and informal agreements; demonstration that approved concessions award and management procedures were/are being followed in all cases	<ul style="list-style-type: none"> • UWA Board adopted the Ministerial Concessions Committee report. • A Concessions coordinator has been recruited. • All Concessionaires have been served with a notice aimed at standardizing the Contracts/Agreements in line with the committee's report, however the process of renegotiating the Contracts/Agreements will take sometime because of the legal implications involved. • All new concessions to be awarded will be based on the standardized procedures (none awarded so far).
3. UWA Staff Training	2-year training plan completed; additional training needs identified	<ul style="list-style-type: none"> • Training Plan and Strategy for UWA completed. • Training for rangers based on the Plan has been undertaken. • Additional training needs have been identified and will be undertaken under PAMSU.
4. UWA Board of Trustees Capacity Building	-----	<ul style="list-style-type: none"> • Board Operational Manual developed and adopted. • Board TOR developed and adopted.
5. Effective PA Management	(i) 5 PA management plans under are implementation and investment needs incorporated in UWA Development and Operational Plans; 5 additional PA Management Plans under preparation being updated (ii) 2-year field staff training plan completed, additional training needs identified	<ul style="list-style-type: none"> • 6 PA Management Plans are approved and under implementation (QE, MFNP, Kidepo Valley, Mt. Elgon, Bwindi and Mgahinga National Parks). Additional 4 PA Management Plans are under preparation. • Ranger Force training has been completed.
Wildlife Department		
Refinement of Wildlife Policy and Legislation	Proposed policy/legislation amendments and regulations adopted, or submitted to Parliament, as appropriate	<ul style="list-style-type: none"> • Policy due for submission to Cabinet, expected submission time March 2002.
Uganda Wildlife Education Centre		
1. Facilities rehabilitation	All rehabilitation under allocated funds completed; feasibility studies and designs completed for further infrastructure	<ul style="list-style-type: none"> • Rehabilitation to covered under allocated funds due to start soon, Consultancy contract awarded; feasibility studies and designs

	rehabilitation/development (per strategic /business plan)	completed for further infrastructure rehabilitation/development.
2. Development of Educational Exhibits	Exhibits completed and open to visitors	<ul style="list-style-type: none"> • Civil Works Contract for exhibits awarded.
3. Strategic/business planning	Business plan completed, feasibility studies for proposed new developments Completed	<ul style="list-style-type: none"> • Business Plan completed and under implementation, feasibility studies for proposed new development completed.
Uganda Wildlife Training Institute		
Strategic and Business planning	Business plan completed, including feasibility studies of any proposed infrastructure development or expansion	<ul style="list-style-type: none"> • A feasibility Study for the UWTI completed.
Uganda Tourism Board (and Uganda Investment Authority)		
1. Strengthen capacity and broaden methods used for tourism promotion and marketing	(i) Second round of fam trips and sales calls (European market) completed; (ii) investment prospectus completed and distributed; (ii) pilot public relations contract underway	<ul style="list-style-type: none"> • 2 fam trips and sales calls (European Market) completed. • 6 trade fairs attended in the European Market (WTM, ITB and Milan). • no PR contract because it was too expensive.
2. Promote increased professionalism in tourism sector	Private sector tourism associations begin to contribute 10% of UTB operating costs	<ul style="list-style-type: none"> • No action due to poor performance of the industry as a result of insecurity (Bwindi Incident etc.).
Hotel and Tourism Training Institute, and Uganda Association of Tourism Training Institutes		
Improve quality of tourism training through institutional capacity strengthening and Implement "Train-the-Trainer" Program	At least 6 (3 additional) short courses held	<ul style="list-style-type: none"> • 5 Train-the-Trainer short courses held • Curricula were to be submitted to the Ministry of Education in November 2001 for adoption, but were not completed. Dropped as a benchmark for appraisal, since this will not affect the objectives of PAMSU and the project will not finance this component.

**Additional
Annex 15**

Letter of Endorsement

Uganda: Protected Areas Management And Sustainable Use Project

Telephone: 22470031 (10 lines) Kampala
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THE REPUBLIC OF UGANDA

Ministry of Tourism, Trade and Industry
and Economic Development
Finance Headquarters Building
Plot 2 - 12 Appala Kagga Rd
P.O. Box 8147
Kampala
Uganda

Reference: ISS 57/255/28

5th October 2001

The Country Director for Uganda
Africa Region
The World Bank
1818 Street N W
Washington D.C. 20433
USA

Dear Mr. Adams,

**PROTECTED AREAS AND SUSTAINABLE USE (PAMSU) PROJECT -
ENDORSEMENT FOR THE GEF-FUNDING**

As you may be aware, the Institutional Capacity Building phase of PAMSU Project is coming to an end in June 2002 and arrangements are underway for the second phase.

The Government reaffirms its commitment to biodiversity conservation and protected areas management as contained in the project document. In continuing the work initiated under the ICB-PAMSU, the second phase will consolidate the foundation for a biodiversity strategy in Uganda.

The Ministry of Tourism, Trade and Industry will continue to be the focal point for the project and for biodiversity planning.

I take this opportunity to thank the Bank for the assistance rendered for the sustainable development of this country.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M. C. Muduli'.

M. C. Muduli (Mrs.)

For: Permanent Secretary/Secretary to the Treasury

c.c The Permanent Secretary
Ministry of Tourism, Trade and Industry
Kampala

Document of
The World Bank

Report No: 22914-UG

PROJECT APPRAISAL DOCUMENT
ON A
PROPOSED CREDIT/GRANT
IN THE AMOUNT OF SDR 25.1 MILLION(US\$31.4 MILLION EQUIVALENT)
TO THE
REPUBLIC OF UGANDA
FOR A
PROTECTED AREAS MANAGEMENT AND SUSTAINABLE USE PROJECT

JANUARY 23, 2002

**Environment and Social Development Unit
Africa Regional Office**

CURRENCY EQUIVALENTS

(Exchange Rate Effective)

Currency Unit = Shillings
UShs 1 = US\$0.00058
US\$1 = UShs 1729

FISCAL YEAR
July 1 -- June 30

ABBREVIATIONS AND ACRONYMS

CAS	Country Assistance Strategy
CAST	Conservation and Sustainable Tourism
CBD	Convention on Biological Diversity
CBO	Community Based Organization
CFAA	Country Financial Accountability Assessment
CITES	Convention on International Trade in Endangered Species
COP	Conference of Parties
EC	European Commission
EFMP II	Second Economic and Financial Management Project
GEF	Global Environment Fund
GOU	Government of Uganda
IA	Implementing Agency
ICB-PAMSU	Institutional Capacity Building for Protected Areas Management and Sustainable Use
IDA	International Development Association
ITMP	Integrated Tourism Master Plan
KD	Kidepo National Park
LGDP	Local Government Development Project
MF	Murchison Falls National Park
MTTI	Ministry of Tourism, Trade and Industry
NGO	Non-Governmental Organization
PA	Protected Area
PAMSU	Protected Areas Management and Sustainable Use
PASP	Protected Areas System Plan
PAWS	Protected Areas and Wildlife Service
PCU	Project Coordination Unit
PEAP	Poverty Eradication Action Plan
PRSC	Poverty Reduction Support Credit
QE	Queen Elizabeth National Park
SWAP	Sector Wide Action Plan
TA	Technical Assistance
TOR	Term of Reference
UMMA	Uganda Museums and Monuments Agency
UTB	Uganda Tourist Board

UWA Uganda Wildlife Authority
UWEC Uganda Wildlife Education Centre
UWS Uganda Wildlife Statute
WCE Wildlife Conservation Education
WD Wildlife Department

Vice President:	Callisto E. Madavo
Country Director:	James W. Adams
Sector Manager:	Agi Kiss
Team Leader:	Nathalie W. Johnson

UGANDA
PROTECTED AREAS MANAGEMENT AND SUSTAINABLE USE PROJECT

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MAP(S)