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FORESTS, CLIMATE CHANGE AND THE NATIONAL TREE FUND

Press Release about the Need to Operationalize the Tree Fund

Tuesday 17th March 2015

On 21st March 2015, Uganda will join the rest of the world to celebrate the International Day of Forests. This day is celebrated to, among other things raise awareness about the importance of forests and their contribution to humanity. The theme of this International Forest Day is “Forests and Climate Change.” The theme is intended to communicate the important linkage between forests and climate change and call for serious action in ensuring the conservation and sustainable management of forests.

Uganda is one of the countries in the world experiencing the effects of climate change. Changes in climate are threatening the country’s ecosystems and the lives and livelihood security of many people who depend on them. The rise in temperature and reduced rainfall are increasingly leading to scarcity of the water resources. The increased incidents of prolonged droughts, erratic rains leading to landslides and floods as a result of climate change are affecting agricultural production and food security. Erratic rains are also affecting human health and settlements. Uganda’s vulnerability to climate change is predicted to increase unless serious mitigation and adaptation measures are adopted.

There is some evidence to suggest that climatic changes in Uganda are connected to loss of forest and tree cover. In the last two decades alone, Uganda is estimated to

have lost about a quarter (1.3 million hectares) of its forest cover. This is attributed to the high rates of deforestation and forest degradation.

Many Government and non-government initiatives aimed at restoring forest cover and promoting tree planting and growing are constrained by the limited financial resources. The forestry sub sector in Uganda is one of the least funded sub-sectors. Cognizant of this fact, in 2003, Parliament enacted the National Forestry and Tree Planting Act. Under Section 40, Parliament established a Tree Fund. The Fund was intended to provide a financing mechanism for promoting tree planting and growing at national and local levels, and also support tree planting and growing efforts of a non-commercial nature which are of benefit to the public.

In 2008, Cabinet approved the operationalization of the Tree Fund with some sources of funding. When approving the operationalization of the Tree Fund, Cabinet also approved a levy of 0.005 per cent of the market value of resources generated out of hydro-electricity and production of hydrocarbons to be paid into the Fund. To date, the Tree Fund has never been operationalized. As our study on the ***Operationalization of Uganda's National Tree Fund*** shows, there is no justifiable reason that explains the delay/failure to have the Tree Fund fully operational.

In the meantime, Government is coming up with other projects and programmes aimed at enhancing forest development; the latest being "Greening Uganda's economy through Tree planting and sustainable forest management". **Without adequate and sustainable funding, "Greening Uganda's Economy" and other government initiatives aimed at promoting tree planting and growing are unlikely to achieve their objectives.**

The Tree Fund provides the best option for ensuring long-term, predictable and sustainable funding for the forestry sub-sector's special needs. It provides opportunity to development partners and other private sector players who are particularly concerned about forestry issues to contribute resources to a Fund dedicated to specific purposes

they are interested in. The Tree Fund is also an important catalyst for easy access to existing and international financing mechanisms. Indeed, the continued delay to operationalize the Tree Fund is costing the forestry sub-sector a lot in terms of missing opportunities to access international finance and government funding among others sources.

The delay/failure to operationalize the Tree Fund also amounts to contempt of Parliament that established it. If decisions of Parliament as reflected in the law are not implemented, they are as good as useless. This is especially in cases where the duty bearers do not give any compelling reasons for their delay/failure to implement the law. Therefore:

- (I) As an accountability issue, we call upon the Prime Minister (as Leader of Government Business in Parliament) and the Parliament to make an inquiry into the way the issue of operationalization of the Tree Fund has been handled. A lot of time and other resources have been spent in the process, without any tangible results.
- (II) To demonstrate serious commitment to enhancing forest development, conservation and sustainable management, we also call upon the Ministry of Water and Environment to fast-track the process of operationalization of the Tree Fund.
- (III) To ensure the independence of the Tree Fund, the management structure of the fund should be constituted of different stakeholders. It should have representation of all major stakeholders including private sector, civil society organizations, development partners and potential beneficiaries. The secretariat of the Fund should also be outside Government establishment.
- (IV) We also call upon Government to provide the Tree Fund with additional dependable and sustainable sources of revenue. In addition to the approved levy of 0.005 per cent of the market value of resources generated out of hydro-electricity and production of hydrocarbons, a levy can be made on fuel tax as a contribution to this fund. This is justifiable since once burnt, fuel emits carbon dioxide which trees absorb.

Further, we recommend that at least 30 per cent of the non-tax revenue generated by the forestry sector should be paid into the Tree Fund.

Issued for and on behalf of Advocates Coalition for Development and Environment

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