

## **EXECUTIVE SUMMARY**

This Value for Money audit on Protection of Central Forest Reserves by National Forestry Authority (NFA) was conducted in accordance with Article 163 (3) of the Constitution of the Republic of Uganda. This mandate is amplified by Section 21 (1) of the National Audit Act 2008 which requires the Auditor General to carry out value for money audits for purposes of establishing economy, efficiency and effectiveness in the operations of any Ministry or Department.

### **Motivation**

Forests provide a wealth of direct and indirect environmental benefits to the people. Tropical High Forests (THFs) are particularly important as they provide disproportionately high values of natural products, environmental services and support high levels of biodiversity. However, in Uganda, the quantity and quality of the THFs has declined overtime. Well over 30% of the THF in Uganda is now degraded, with private forests shrinking more rapidly than forests managed by the government.<sup>1</sup>

### **Major Findings:**

#### **Forest Management Plans (FMP)**

A review of documents and management interviews confirmed that out of 506 only 8 FMPs for Mabira (6 CFRs), Kalinzu (1 CFR) and Namavundu (1 CFR) had been approved by 2010. This implies that only 46,123 ha, representing 4% ha are managed according to plan leaving 1,219,348 ha, that is, 96% of forest coverage managed at the discretion of NFA management without approved plans, since the National Forestry Tree Planting Act (NFTPA) came into force in 2003. It was further noted that seventeen (17) FMPs that were submitted to the Minister in 2009 have remained unapproved to date, while the remaining FMPs are still with the Board. Although the process of making FMPs was not concluded, a review of documents relating to the financing of NFA revealed that shs.100,650,000 and shs.902,143,992 was budgeted for FMPs and board members and a total of shs.123,904,340 and shs.769,840,313 was spent on FMPs and board members respectively for the three years.

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<sup>1</sup> The Value of Uganda's forests: A livelihoods and ecosystems approach, 2004

### **Recommendation**

NFA should expedite the review and submission of draft FMPs for approval. Efforts should also be taken to get feedback on the submitted FMPs to the Minister responsible. Board members outputs should be clearly determined with clear timelines.

### **Opening and Maintenance of Forest Roads for effective management of CFRs**

Out of the 404 km forest roads planned only 122 kms were actually opened and maintained representing 30% performance. The 122 km work was done in only eight out of the thirty five CFRs i.e. in Budongo, Mabira, Kalinzu, Namanve, Itwara, Bugoma, South Busoga and Mbale. From the review of documents, it was noted that shs.572,326,000 was budgeted for road maintenance and shs.224,612,051= was spent in the three years under review.

### **Recommendation**

NFA should ensure that forest roads are well maintained to facilitate responsible forest management. This can be achieved by setting realistic achievable targets in a phased manner in the operational plans.

### **Forest boundaries**

The boundaries of the thirty five forests in the sample were found to be unclear. The sampled forests have a total cut-line boundary length of 1340.32 kms. In the three years under review 668.85 kms of forest boundary were planned for reopening and maintenance. Out of this, only 453.3 kms of the boundary were actually maintained, representing 68 % performance. Review of the financial statements indicated that shs.1,123,910,000 was budgeted for boundary opening and shs 809,804,810= was spent in the three financial years under review, implying that the boundaries of the forests should have been clear.

### **Recommendation**

NFA should ensure that Forest boundaries are opened and maintained. Beacons (Pillars) such as the ones used in South Maramagambo CFR, should be installed at forest boundaries that are unclear and prone to encroachment. Work plans and budgets should be prepared on the basis of the resource envelope so that they can be effectively implemented.

### **Prevention of Forest Fires**

The audit revealed that for all the thirty five forests in the sample there were no serious cases of fire except in the South Busoga CFR. This is because natural forests have a very low risk of fire since they are ever green. While the fire cases were not serious, the forest stations were not equipped with the necessary tools to fight fire in the event that serious fires broke out. Station managers reported that the small fires were fought using fire beaters (tree branches). It was also noted that there were no nearby sources of water to fight the fires in case of emergency. Furthermore the stations did not have a fire monitoring crew and there was no evidence of sensitization of surrounding communities on the prevention of fire. The analysis of financial statements revealed that shs.553,420,000 was budgeted for fire control and shs 300,062,084 was spent during the period under review.

### **Recommendation**

Using the budget allocation, NFA should ensure that basic tools and equipments for firefighting are prioritized and procured for forest stations. Fire monitoring and fighting crews should be established.

### **Illegal Activities within CFRs**

Audit found out that in all the thirty five forests under study, there were various illegal activities going on. Management reports, field observations and fines (as a revenue source) confirmed the existence of illegal activities, such as: timber harvesting, cultivation, settlement, grazing, sand mining and charcoal burning. Review of the financial records revealed that shs.865,675,000 was budgeted for forest patrols and shs 1,143, 585, 291= was spent on this activity, implying that illegal activities should have been drastically reduced but which is not the case.

### **Recommendation**

NFA should implement a zero tolerance on illegal activities. Collaborative Forest management practices should be stepped up to make the communities appreciate the value of forests. NFA should form collaborative arrangement with the local government to sensitize the communities on the benefits of forests so that the community may appreciate them.

### **Encroachment**

All the 35 forests in the sample had been encroached on and, according to management; the number of encroachers has gone much higher since the last census in 2005. In South Busoga CFR, for example, 13,105.6 ha out of the 16,382 ha of the forest, representing 80%, had been encroached on by 844 settlers according to the 2005 census by NFA. The analysis of the financial records indicated that shs. 380,597,988= was budgeted for law enforcement and shs.639,313,366= was incurred, implying that encroachment of CFRs should have been scaled down.

### **Recommendation**

The NFA should restore the legal integrity of CFRs by evicting all encroachers. Furthermore, NFA as the lead agency mandated to protect all CFRs in Uganda, should plan and expedite the introduction of environmental police just like UWA has wild life conservation police to protect CFRs from encroachment.

### **Community Sensitization and Participation**

Review of documents and interviews with management revealed that twenty-two Collaborative Forest management (CFM) agreements were signed with communities adjacent to five (5) CFRs only, out of the thirty five sampled, representing 14 % performance. The analysis of the financial statements for the financial year under review revealed that shs 738,553,068= was budgeted and shs 284,524,400=, indicating a performance of 38.5% implying that this activity was not prioritized by management.

### **Recommendation**

NFA should embrace community participation in responsible forest management by ensuring that as many CFM groups as possible are formed and respective agreements signed to reduce the level of encroachment.