

EXECUTIVE SUMMARY

In accordance with Section 13(b) of the National Audit Act 2008, I carried out an environmental audit of Forestry activities in the country. The audit involved a review of the activities that have been implemented in the Forestry Sector from July 2003 to December 2009 as well as field observations of selected forests across the country.

The National Forestry and Tree Planting Act (2003) grants powers for the management of Central Forest Reserves to The National Forestry Authority, while the rest of the forests are under the management of District Forest Services (DFS). The Act assigns the role of policy, guidelines and regulations formulation for the sector to the line **Ministry of Water, and Environment**.

The audit focused on the activities of the National Forestry Authority since its inception in 2003. However, several issues noted during the audit also touch on the other players in the sector (i.e. the DFS and the Ministry of Water and Environment).

The findings summarized below were therefore presented to the NFA management and the Ministry of Water and Environment. Only NFA management provided me with written clarifications regarding the matters there in.

FINDINGS:-

- The Regulations to operationalise the National Forestry and Tree Planting Act, 2003 have never been developed as required by the Act. Without these regulations, adherence to the provisions of the Act may not be effectively enforced.
- There have been shortfalls in funding for forestry programmes over the years leading to many key activities in the strategic plan not being implemented.
- There has been continued decline in forestry cover despite the various government interventions over the years. This is a result of the limited capacity by NFA to achieve its afforestation targets, weaknesses in forestry management practices and illegal activities in government forests.

- The NFA licensed part of the central forest reserves to various private tree developers to plant fast maturing species like pine and eucalyptus. Several licensed individuals have not adhered to the conditions stipulated in the contracts signed with the NFA.
- Most Central Forest Reserves have no approved management plans. Without plans, management of the forest reserves may not follow best practices. This can result into inefficiencies and waste.
- Boundary demarcation in the forest reserves has not been properly undertaken. This exposes the reserves to the risk of encroachment and illegal allocations.
- There is continuing encroachment of forest land in various parts of the country.
- The mandate of the districts in regard to the sustainable forests management is not being adequately undertaken. The majority of districts have not set up District Forestry Services to manage local forest reserves. Where they have been established, they are understaffed and grossly underfunded.
- Some forests were degazetted with no alternative land of equal measure being allocated for the plantation of new forests to strike a balance between development initiatives and the environment. This also explains the high rate of deforestation.
- Illegal activities continue to be carried out unchecked, in the forest reserves. These were mainly in the form of land clearing for agriculture, illegal settlement on the reserves, charcoal burning, and animal grazing by the communities adjacent to the reserves.
- Management does not have a proper risk management strategy.
- Not all CFRs have approved Environmental Impact Assessment reports.
- Some forest reserves are being attacked by invasive species.

Recommendations

- The Ministry of Water and Environment should expedite the process of formulation and approval of the regulations to enable effective implementation of the National Forestry Act.
- NFA management should come up with strategies to boost internally generated revenues and also strengthen the internal control procedures in the revenue collection and

inventory management systems to enable the entity achieve its goal of financial sustainability

- Management of the forestry sector needs to review the strategies they have applied over the years if positive trends on forestry cover are to be attained
- NFA management is urged to intensify its monitoring arrangements to identify all the non compliant farmers and ensure enforcement of all the contracts they entered with them.
- NFA management is advised to expedite the process of preparation and approval of the management plans to enable systematic management of the forests.
- There is need to expedite the process of demarcating and re-opening of boundaries for all forest reserves.
- The illegal allocation of forest land should be properly investigated and appropriate action taken against those responsible. The Ministry of Water and Environment should also strengthen its monitoring and inspection activities and ensure proper coordination between the stakeholders involved.
- The requirements of the current law regarding degazetting of forest land should be strictly enforced.
- Management needs to adopt a proactive and comprehensive approach to management of risks by crafting a clear strategy to manage all the identified risks.
- There is need for coordinated action by all stake holders including government, local communities, politicians, etc, to address the problem of illegal activities in the forest reserves, in addition to intensifying monitoring and promotion of public awareness.
- The requirements of the current law regarding degazetting of forest land should be strictly enforced.

John F.S. Muwanga
AUDITOR GENERAL

26th July 2010.