

PROJECT IDEA NOTE

Plan Vivo Uganda

A. Project description, type, location and schedule

Technical summary of the project Date submitted: March 15, 2005

Objective of the project	Carbon sequestration through small-scale, farmer led, forestry projects.
Project description and proposed activities (including a technical description of the project)	<p>The project partners include the Edinburgh Centre for Carbon Management (ECCM), ECOTRUST (a Ugandan NGO) and the International Center for Research in Agroforestry (ICRAF).</p> <p>Small-scale farmers in the Bushenyi district of southwestern Uganda have carried out tree planting activities. Registration and monitoring of forestry activities and administration of carbon sales is being carried out by Ecotrust. The project will build local and regional capacity and develop generic carbon management systems that may be replicated in other regions of the country.</p> <p>The carbon-offset potential of forestry/agroforestry activities has been calculated and modeled by ICRAF and ECCM, with assistance from the Uganda National Biomass Survey and the Ugandan Forest Research Institute (FORRI).</p>
Technology to be employed	<p>Forestry and agroforestry of small land holdings using a mixture of native tree species with the aim of providing a sustainable flow of forest products and income to local communities while reducing pressure on forest reserve land.</p> <p>Economic and social impacts of these activities have been assessed by CARE Uganda. The results of the studies have indicated that carbon trading through small-scale forestry in Uganda is feasible and will likely result in sustainable land use practices and improved livelihoods.</p>

Project developers	
Name of the project developer Organizational category	The Environment Conservation Trust of Uganda (ECOTRUST) Non Governmental Conservation Trust Fund
Other function(s) of the project developer in the project	Project Administration, Operational entity / Technical advisor
Summary of the relevant experience of the project developer	The Environmental Conservation Trust of Uganda (ECOTRUST) is a Ugandan Conservation Trust Fund that has for a period of five years supported conservation initiatives while enhancing income generation for poverty eradication. ECOTRUST is a leading Ugandan organization in building partnerships to conserve Uganda's natural heritage. ECOTRUST has experience in grant

	management linked to capacity building. ECOTRUST has demonstrated experience working with Community Based Organizations, local and international NGOs and Government institutions to strengthen environmental conservation in Uganda. ECOTRUST is working with a number of development partners such as USAID, GEF, small grants, and Tetra Pak UK
Address	ECOTRUST Plot 12 John Babiha Avenue PO Box 8986 Kampala, Uganda
Contact person	Dr. Joy Tukahirwa Executive Director, ECOTRUST
Telephone / fax	Tel. +256 41 343129, 343157, 346972 Fax +256 41 341821
E-mail and web address, if any	jtukahirwa@ecotrust.or.ug http://www.ecotrust.or.ug/
Name of the project developer	The Edinburgh Centre for Carbon Management Ltd (ECCM)
Organizational category	Private company
Other function(s) of the project developer in the project	Technical advisor
Summary of the relevant experience of the project developer	The Edinburgh Centre for Carbon Management is one of Europe's leading centres of technical and policy advice and expertise on climate change mitigation and adaptation in the land use / rural sector. Expertise in LULUCF includes: <ul style="list-style-type: none"> • Carbon accounting systems for forestry and land use; • Regional baseline-setting; • Development of forestry carbon sequestration projects; • Assessment and monitoring of carbon uptake; • Social and ecological impact assessment of projects. Of particular relevance is the development of the Plan Vivo carbon management system. The system is currently used in the Scolel Té community forestry carbon sequestration project in Chiapas, Mexico, the Women for Sustainable Development Project in India, and the Nhambita Community Carbon Project in Mozambique.
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Contact person	Jessica Orrego
Telephone / fax	Tel: +44 131 666 5070 Fax: +44 131 666 5055
E-mail and web address, if any	jessica.orrego@eccm.uk.com www.eccm.uk.com , www.planvivo.org
Project sponsors	
<i>(List and provide the following information for all project sponsors)</i>	

Name of the project sponsor	UK Department for International Development (DFID)
Organizational category	Government agency
Address (include web address, if any)	1 Palace Street London SW1E 5HE United Kingdom Tel: +44 (0) 20 7023 0000 Fax: +44 (0) 20 7023 0016 Website: www.dfid.gov.uk
Main activities	DFID is a UK Government agency, working to promote sustainable development and eliminate world poverty.
Summary of the financials	Funding from DFID, through the Ugandan Forest Secretariat, supported ECCM's initial project scoping, training, and technical work.
Name of the project sponsor	USAID Mission Uganda
Organizational category	Government agency
Address (include web address, if any)	Plot 42 Nakasero Road P.O. Box 7856 Kampala, Uganda Tel: (256) 31-387387/ 41-387387 Fax (256) 41 - 387292/3 Email: nnantamu@usaid.gov Website: www.usaid.org
Main activities	USAID is a Government agency, supporting long-term and equitable economic growth among poor societies of the world.
Summary of the financials	Funding from USAID through a grant to ECOTRUST has been supporting activities for establishing structures for administering carbon funds. The funds also enabled ECOTRUST to conduct farmer registration and initial verification and development of a monitoring framework for carbon sequestration.
Name of the project sponsor	START/PACOM
Organizational category	Non-Governmental Organization
Address (include web address, if any)	International START Secretariat 2000 Florida Avenue NW Washington DC 20009, USA Tel: +1-202-462-2213 Fax: +1-202-457-5859 Email: psipher@agu.org Website: www.start.org
Main activities	START, the Global Change System for Analysis, Research and Training promotes regional networks for conducting research in environmental change to assess the impacts and vulnerability to such changes, and provide this information to policy makers in developing countries.
Summary of the financials	START is providing funding of USD \$ 23,000 for the establishment

	of regional carbon baselines and fluxes and further development of technical specifications for different forestry systems. Establishment of carbon baselines is essential since this will demonstrate project additionality. Activities under this support are scheduled to begin in October 2004.
Name of the project sponsor	Tetra Pak UK
Organizational category	Private Company
Address (include web address, if any)	Bedwell Road, Cross Lane, Wrexham, UK LL13 0UT http://www.tetrapak.com/uk/
Main activities	Tetra Pak is a large international packaging company.
Summary of the financials	Tetra Pak UK has purchased carbon credits to offset their 2003 CO ₂ emissions in the amount of 14,000 tCO ₂ . The revenue generated from this transaction has been divided among ECCM (15%), ECOTRUST (25%), and the rural Ugandan farmers (60%) who have planted the trees. It is also very likely that Tetra Pak will continue to purchase carbon credits from the project on an annual basis for the next 5 years.
Type of the project	
Greenhouse gases targeted	CO ₂
Type of activities	CO ₂ Sequestration
Field of the activities	
a. Energy supply	N/a
b. Energy demand	N/a
c. Transport	N/a
d. Waste management	N/a
CO ₂ Sequestration	Carbon sequestration through forestry activities
Location of the project	
Region	East Africa
Country	Uganda
City	Pilot phase is underway in Bushenyi district of southwest Uganda
Brief description of the location	The project is currently based in the southwestern Ugandan district of Bushenyi. Pilot phase planting activities included forestry/agroforestry activities on small-scale land holdings. In subsequent planting seasons project activities will expand to include planting on degraded forest reserve land. The project will work closely with the new National Forest Authority (NFA) to help communities obtain leases for planting trees. Reforestation of forest reserves and buffer zones is a priority of the National Forest Authority (NFA) and the Ugandan Wildlife Authority (UWA) for the purpose of reducing pressure on protected lands.
Expected schedule	
Earliest project start date	The Project began in May 2003
Estimate of time required before becoming operational after approval of the PIN by VROM	Time required for financial commitments: 6 months Time required for legal matters: 6 months Time required for negotiations: 0 months Time required for construction: 6 months
Expected first year of CER	2006

delivery	
Project lifetime	25 years
Current status or phase of the project	The pilot phase is underway. Tasks already accomplished include: A feasibility study, economic and social assessments, two capacity building and training workshops for targeted farmer groups, an established project administration system, completed baseline studies for plots of initial farmers, carbon offset estimation, collection and production of seedlings and established nursery in Bushenyi, initial planting by farmers, administration of first payments to farmers and recruitment of additional farmers.
Current status of the acceptance of the Host Country	All relevant government agencies are aware of the project and have given approval for the activities.
The position of the Host Country with regard to the Kyoto Protocol	Uganda signed and ratified the Kyoto Protocol on 25 March 2002. The project partners have been in contact with the officer steering the process prior to having a Designated National Authority of Uganda about this project. For details please contact: Mr. Bwangu Apuuli Director Ministry of Water Lands and Environment, Government of Uganda Email: bwangu.apuuli@meteo-uganda.net

B. Expected environmental benefits

Estimate of Greenhouse Gases abated / CO₂ Sequestered (in metric tonnes of CO₂-equivalent)	<p>The CO₂ emissions reduction is calculated on a per hectare basis for each distinct forestry system (defined by species, management regime and environmental conditions). The average net accumulated carbon uptake by year 10 is expected to be 180 tCO₂ per ha.</p> <p>The aim of the project is to establish 5,000 ha over the next 10 years, the sequestration potential of project activities will therefore be approximately 900,000 tCO₂.</p> <p>However, the area planted each year is dependent on the volume of carbon sold through the project. Since an institutional framework and rigorous project administration system is already in place, rapid expansion in response to a large carbon purchase would be quite tenable.</p>
Baseline scenario	<p>The baseline scenario for forestry activities is based on carbon stocks in existing vegetation in degraded/deforested land and expected land use change in the future.</p> <p>For the pilot phase, the baseline estimates are being calculated on a per hectare basis for each individual farmer entering into the project and takes into account the future changes in existing vegetation in the absence of the project.</p> <p>This information was generated in the first stage of the pilot project in 2003.</p>

	<p>Furthermore, funds have been secured to conduct a regional baseline analysis. This will use the CLIMAFOR methodology which was also used in the Scolel Té project in Mexico and has been adopted by The Nature Conservancy as well.</p>
<p>Specific global & local environmental benefits</p> <p>Which guidelines will be applied?</p>	<p><i>(In total about ¼ page A4)</i></p> <p>-----</p> <p>The Plan Vivo System (www.planvivo.org)</p> <p>The Plan Vivo system includes specified administrative procedures, guidelines, and standards to aggregate carbon benefits from multiple small- and medium-scale activities. The operating system also contains guidelines for participatory project design to assist farmers and communities to develop activities to suit their own needs, through a process of structured participation and dialogue with project operators. Each project activity is described in a technical specification of standard format. Based upon scientific data and practical experience, technical specifications set out the key criteria and indicators that must be achieved to deliver specific carbon (and other environmental) benefits. Communities benefit from sales of Plan Vivo carbon offsets by allowing them to invest revenues in forestry, agroforestry and bio-energy activities that would not otherwise be financially viable.</p> <p>There are currently Plan Vivo projects in Mexico, Mozambique, Uganda, and India. The Plan Vivo Network enables partnerships between companies working to reduce their environmental impacts and communities who provide carbon services. These partnerships are consistent with good environmental practice as recommended by IUCN, UNEP and other international agencies participating in the Three Conventions Partnership.</p>
<p>-----</p> <p>Local benefits</p>	<p>Community access to markets for timber and non-timber products, carbon payments, job creation in tree nursery and wood lot maintenance, reduced pressure on forest resources on nearby protected lands, and soil conservation through agroforestry practices.</p>
<p>-----</p> <p>Global benefits</p>	<p>Habitat restoration and protection in rural Uganda. Lying directly on the Equator, Uganda is regarded globally as one of the important centres of biodiversity with a diversity of overlapping ecological communities of the dry East African savanna and the West African rain forests. It is home to vast tropical lakes and wetlands, and supports one of the largest concentrations of animal and bird species. Ugandan ecosystems are home to highly threatened animal species such as Mountain gorillas and Chimpanzees, as well as Columbus monkeys, Elephants, Hippos, Bucks, Antelopes and Kobs.</p>
<p>Socio-economic aspects</p> <p>What social and economic effects can be attributed to the project and which would not have</p>	<ul style="list-style-type: none"> • Improved income generation and sustainable livelihood opportunities for rural communities. • Development of community based organisations with the

<p>occurred in a comparable situation without that project?</p>	<p>capability to manage natural resources in a sustainable and equitable manner.</p> <ul style="list-style-type: none"> • Capacity in community based organisations, local technical organisations and government bodies to enable rural communities to invest in sustainable resource management using income from environmental services.
<p>Which guidelines will be applied?</p>	<p>The Plan Vivo System www.planvivo.org</p>
<p>What are the possible direct effects</p>	<ul style="list-style-type: none"> • Increased income from carbon payments. • Local income generation through timber utilization, casual labor for woodlot establishment and maintenance. • Jobs will be created at a community-run tree nursery, maintenance and planting of new forestry through project. • Benefits from other products and services including, construction wood, fuel wood, poles, fodder, medicines, fruits and honey. • Increased capacity in agro/forestry and sustainable land use management.
<p>What are the possible other effects?</p>	<ul style="list-style-type: none"> • Erosion control and water shed protection. • Provision of a community level model for forest management utilizing the sale of environmental services that can be scaled up to include other communities in the region. • Habitat and biodiversity protection • Climate change mitigation
<p>Environmental strategy/ priorities of the Host Country</p>	<p>2001 Forestry Policy. Has the goal of an integrated forest sector that achieves sustainable increases in the economic, social and environmental benefits from forests and trees by all the people of Uganda, especially the poor and vulnerable. Of particular note:</p> <ul style="list-style-type: none"> ➤ The development and sustainable management of natural forests on private land will be promoted; ➤ Profitable and productive forest plantation business will be promoted ➤ Collaborative partnerships with rural communities will be developed for sustainable management of forests ➤ Tree growing on farms will be promoted in all farming systems ➤ A strategy is included to create awareness of the ownership of planted trees to provide clear incentives and security for individuals undertaking on-farm tree growing. <p>National Forest Plan (NFP). Facilitates the enacting of new Forestry Policy, which provides a strategic framework for the development of the forest sector, to be regularly updated to keep pace with changes, and supported by a process of regular forest sector reviews.</p> <p>Over the last four years there has been a transformation of the Ugandan Forestry sector resulting into the creation of the National</p>

	<p>Forestry Authority as a lead agency in forest management. This reform of current institutional structures will encourage good governance, transparency and accountability, and focus on outputs rather than activities.</p> <p>1997 Poverty Eradication Action Programme (PEAP). A broad strategy for poverty eradication in Uganda, within which sits the:</p> <p>2000 Plan for the Modernisation of Agriculture (PMA). Provided a holistic framework for eradicating poverty through multi-sectoral interventions that enable people to improve their livelihoods in a sustainable manner. Forestry is included as one of the main contributing sectors to people's livelihoods.</p> <p>1998 Land Act. Introduced individual ownership to encourage a more productive use of land, based on the principles of economic liberalization. It converted customary ownership of land into formal ownership through the creation of written deeds.</p>
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C. Finance

Total project cost estimate	
Development costs	€200,000
Installed costs	€600,000
Other costs	€200,000
Total project costs	€1 million Project costs are dependent on the area of land planted with trees.
Sources of finance to be sought or already identified	USAID, START, Tetra Pak UK and UK DFID (Please see descriptions above in 'sponsors' section)
Equity	Some initial project development was funded by UK DFID although this expired in August 2003. ECOTRUST has also received a grant from START to conduct regional baseline work. In addition, ECOTRUST has received funds from USAID for the development of project administrative and management systems. Additionally, Tetra Pak UK was identified as a carbon purchaser of Voluntary Offsets. The first year of carbon credits have already been purchased, and it is expected that Tetra Pak will continue to purchase offsets for the next 4 years.
Debt – Long-term	None
Debt - Short term	None
Not identified	
CDM contribution sought	€1 million
CDM contribution in advance payments	€500,000 will be required in advance to fund project expansion and development including tree planting activities and technical and administrative requirements and support to farmers by project technicians. These funds will also be used to cover costs associated with PDD submission, baseline assessments, and project validation.
Indicative CER Price (subject to negotiation and financial	Estimated €5 /tCO ₂

due diligence)	
Total ERPA Value	€1 million
A period until 2012 (end of the first budget period)	€1 million
A period of 10 years	€xx
A period of 7 years	€xx
A period of 14 years (2 * 7 years)	€xx
If financial analysis is available for the proposed CDM activity, provide the forecast financial internal rate of return for the project with and without the CER revenues. Provide the financial rate of return at the expected CER price above and at EURO equiv. of 3/ tCO ₂ e.	Internal Rates of Return do not apply to this project, where CER revenues are passed directly to individual farmers or community groups. It may be assumed that the Internal Rate of Return is zero