



Darwin Initiative Main Project Annual Report

To be completed with reference to the “Writing a Darwin Report” guidance: (<http://www.darwininitiative.org.uk/resources-for-projects/reporting-forms>). It is expected that this report will be a **maximum** of 20 pages in length, excluding annexes)

Submission Deadline: 30th April 2018

Darwin Project Information

Project reference	23-019
Project title	Achieving No Net Loss for communities and biodiversity in Uganda
Host country/ies	Uganda
Contract holder institution	University of Oxford
Partner institution(s)	National Environment Management Authority (NEMA), Nature Uganda (NU), International Institute of Environment and Development (IIED), Wild Business Ltd, Wildlife Conservation Society (WCS) Uganda
Darwin grant value	£299,363.00
Start/end dates of project	01/04/2016 – 31/03/2019
Reporting period (e.g., Apr 2017 – Mar 2018) and number (e.g., Annual Report 1, 2, 3)	Apr 2017 – Mar 2018; Annual Report 2
Project Leader name	E.J. Milner-Gulland
Project website/blog/Twitter	http://www.iccs.org.uk/project/achieving-no-net-loss-communities-and-biodiversity-uganda
Report author(s) and date	Victoria Griffiths & E.J. Milner-Gulland

1. Project rationale

Governments, financial institutions and businesses worldwide are adopting No Net Loss (NNL) targets for biodiversity, and using offsetting to achieve this as part of the mitigation hierarchy. The CBD highlighted how offsets can help Parties to achieve conservation goals. The technical challenges of NNL are widely explored from an ecological perspective within [academic literature](#). However, while international guidance calls for offsets not to make local people worse off, there is a fundamental lack of understanding of how to achieve NNL with regard to people’s use of, and cultural values for, biodiversity, and the social, economic and ecological trade-offs involved. This is a major challenge for countries where poor people depend on natural resources, where poorly planned offsets can exacerbate local poverty, and where impacts vary by gender and livelihood.

Uganda is adopting biodiversity offsetting to balance development with the resultant biodiversity loss. But the national importance of developments can over-shadow their significant costs to poor people, and Uganda and other nations must address issues of human rights, livelihoods and

wellbeing of the individuals, households and communities affected by both developments and offsetting.

The World Bank-funded [Bujagali Hydropower Project](#) (BHP) was completed in 2012, with a Sustainable Management Plan for its offset (Kalagala) to address biodiversity and human impacts. The Isimba Hydropower Project (IHP) is being constructed downstream of BHP (planned completion in 2018). An Environmental and Social Impact Assessment of IHP and its effects on the Kalagala Offset is [now being undertaken](#). The area has high cultural, livelihood and biodiversity value. The National Environment Management Authority (NEMA), the responsible Government agency, and Nature Uganda (NU), a leading conservation NGO, have identified an urgent need to understand [how the Isimba project may affect the Kalagala offset](#), and for general guidance on monitoring and mitigating social and ecological impacts of offsetting in Uganda.

This project is supporting government, NGOs and business to integrate local poverty alleviation, equity and cultural heritage into biodiversity offsets for national economic development. From research on the biggest hydropower project/offset in Uganda, it will produce, and support implementation of, local and national policy guidance for Uganda, and generate lessons internationally. The Kalagala Offset Sustainable Management Plan (SMP) considers the sharing of costs and benefits of BHP between districts and communities. Our project will take this further, supporting the Ugandan government to ensure that local people are no worse off because of the Kalagala Offset. Specifically, we will highlight imbalances between costs and benefits of the development and offset between groups (e.g. women versus men; different livelihood strategies and resource-user groups; poorer versus better off), and between geographical areas. This will enable policy-makers and practitioners to work towards a more socially just balance of development/offset impacts.

The project is located in the Buikwe, Jinja, Kamuli and Kayunga Districts of Uganda, close to the town of Jinja (Figures 1 and 2).

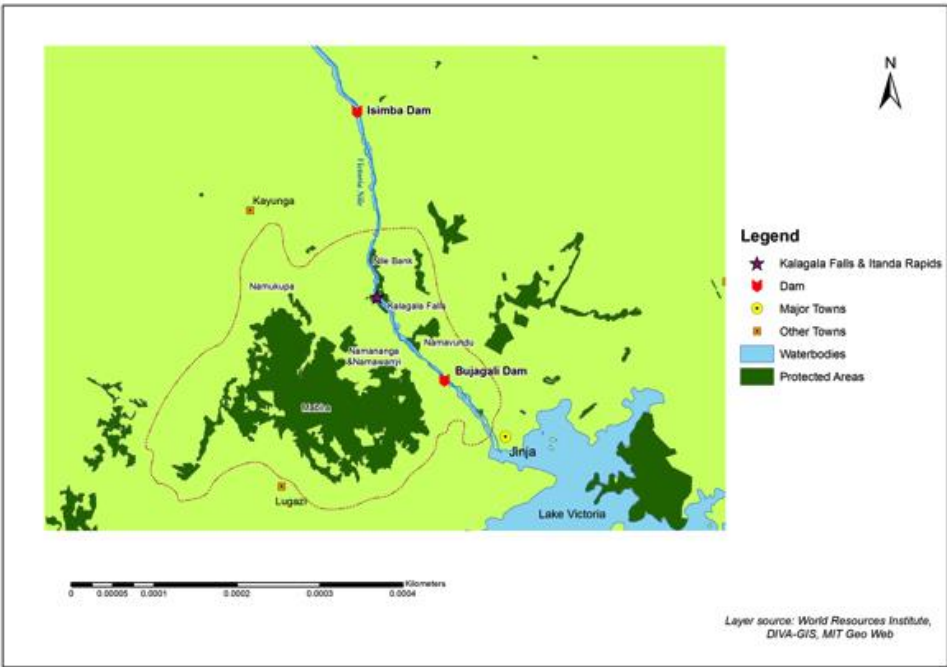


Figure 1: Study site near Jinja, Uganda. The dotted line represents the boundary of the Kalagala offset.

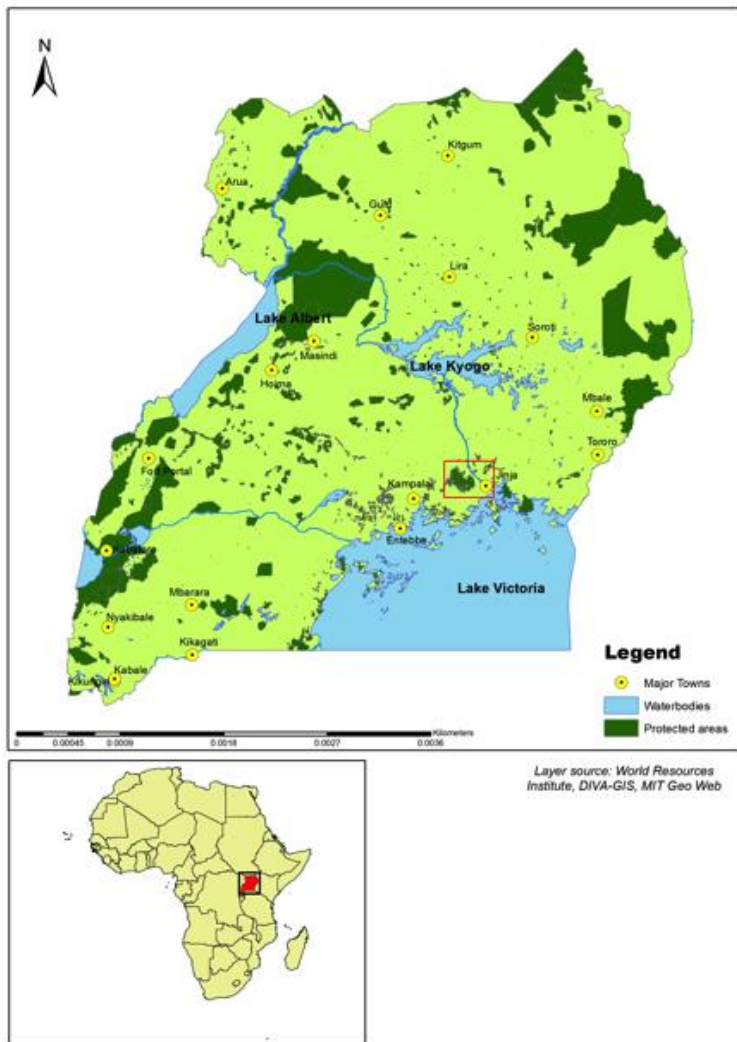


Figure 2: Location of the study area in Uganda.

2. Project partnerships

This is a collaborative project between three UK based institutions: Oxford University, the International Institute for Environment and Development (IIED) and Wild Business Ltd (WB), and three Uganda based institutions: The National Environment Management Authority (NEMA), Nature Uganda (NU) and the Wildlife Conservation Society-Uganda (WCS). Oxford University is the overall project lead, whilst NEMA is the host country lead.

During Year Two, there has been continuous engagement between all project partners and everyone has been kept up to date with project progress through two meetings: the six-monthly skype call held on the 20th of October 2017 and the annual Year Two meeting held in Uganda on the 9th of March 2018. In addition, individual skype meetings have been held between Oxford University and the project partners to discuss progress and required deliverables, and documents have been uploaded to the project's Basecamp pages.

The **National Environment Management Agency (NEMA)**, the principal agency in Uganda responsible for environmental management and project lead in Uganda, supported the implementation of the biological and social research in Years 1 and 2. They provided significant support to the social surveys (providing contacts for the local District Environmental Officers) and participating in a Focus Group Discussion (run by Victoria Griffiths, OU) that aimed to inform the development of the choice experiment. They also hosted a business engagement meeting at the Serena Hotel in Kampala on the 7th of March 2018 [minutes attached]. In **Y3**, they will coordinate the capacity building and training component of the project and be responsible for production, implementation and dissemination of the new national social NNL principles [draft attached] and other products from the project. They will also support the initiation of a Natural Capital Forum

for Uganda (which is the 'business and biodiversity forum' in the project log frame).

Nature Uganda is leading the ecological component of the research. In Y2, they completed the biological surveys and wrote a draft report on their findings [attached]. This work is contributing knowledge about the changes in biodiversity which have occurred in the study area over the ten years since the original Environmental and Social Impact Assessment for the hydropower project, by comparing biological surveys on flora and birds from 1998 (research study) and 2006 (ESIA) with their new surveys from 2017. In **Y3**, NU will work closely with the Project Leader E.J. Milner-Gulland (OU) and Joseph Bull (WB), who will provide additional statistical assistance and support to NU as they finalise their report. NU provided valuable advice and support to OU (Victoria Griffiths) on various aspects of social fieldwork in Uganda and also participated in Key Informant Interviews on cultural heritage in Uganda in Y2. They also led a preliminary research dissemination visit to local communities of the study area in March 2018 [report attached]. A collaborative paper presenting OU and NU's findings is planned for **Y3**. NU will also carry out further dissemination of the project findings in the study area, nationally and internationally, and work with NEMA to promote the social NNL guidelines in Uganda.

WCS-Uganda are leading a project called [COMBO](#) (Conservation, Impact Mitigation and Biodiversity Offsets in Africa) which aims to support government policies to improve the mitigation of industry impacts by supporting the uptake of best practice in the application of the mitigation hierarchy. During Y1 and Y2, our project has worked closely with COMBO, making sure that the objectives of both projects are aligned and that there is no duplication of work. OU, IIED (Julia Baker) and Wild Business (Joseph Bull) have drafted a set of national social NNL principles and, through partnering with COMBO, these principles will be integrated into the national biodiversity offsetting guidelines that COMBO are developing for Uganda. This will take place towards the end of **Y3**. The training of NEMA staff scheduled for Y3 will take place in collaboration with COMBO's training, currently planned for June 2018. This will ensure that the impact of the training is maximised, that the correct audience is targeted and that there is no duplication. WCS will also partner with OU and IIED to carry out a Natural Capital accounting case study in support of developing a Natural Capital Forum for Uganda.

Wild Business has been providing substantial technical support to the project team throughout Y1-2. Joseph Bull (WB) has been instrumental in drafting the national and international social NNL guidelines and engaging with stakeholders to solicit feedback. Together with Julia Baker (IIED), WB convened a workshop in Cambridge in February 2018 with a range of experts and interested parties (including WCMC, The Biodiversity Consultancy and COMBO) to gain this feedback [minutes attached]. WB also presented the draft social NNL guidelines at the workshop in Uganda to a range of Ugandan government, NGO and consultancy representatives. In **Y3**, WB will work with the team to finalise and launch the social NNL guidelines, particularly internationally, support IIED and OU to carry out a Natural Capital accounting case study, and support NU to finalise their ecological survey report and write it up for publication. WB will also be involved in training of NEMA and other government staff in social NNL principles.

The **International Institute for Environment and Development** has been engaged in all aspects of the project throughout Y1 and Y2, as described above, with particular responsibility for developing the social NNL guidelines, international liaison and dissemination, and guiding the formation of the Natural Capital Forum. This will continue in **Y3**, with Julia Baker participating in our COMBO-led training, liaising with international partners to integrate social NNL into wider policy debates, working with OU to host our planned international dissemination meeting, and supporting the continued development of a Natural Capital Forum for Uganda.

Oxford University (OU) completed the fieldwork for the social elements of the project in Y2. They also led the project overall, prepared materials and organised meetings, and participated in all aspects of the work. Victoria Griffiths worked with NU to carry out a dissemination visit to the study site villages in March 2018, and also presented our findings at a range of academic and conservation events [slides attached]. Our paper on the concept of social NNL is on the point of acceptance at the journal *Conservation Biology*. In **Y3**, OU will continue to lead on dissemination, with at least 3 papers planned for submission [draft Choice Experiment paper

attached], and an international meeting planned for Q4.

3. Project progress

3.1 Progress in carrying out project activities

The activities that were planned for Year Two (in the proposal) are presented in the GANTT chart below. They all fall under Outputs 1, 2 and 3.

Activity	No. of months	Year 2			
		Q1	Q2	Q3	Q4
Output 1: Research on the costs and benefits to local people and biodiversity of the Bujagali/Isimba Hydropower Projects and the Kalagala Offset					
1.1 Inception workshop	1				
1.2 Collate existing datasets	3				
1.3 Social field surveys	8				
1.4 Ecological field surveys	8				
1.5 Analyse datasets, write up	10				
1.6 Research published and disseminated	12				
1.7 Project meetings	1				
1.8 Research workshop	1				
1.9 Annual presentations to Advisory Committee & reports to Darwin	3				
Output 2: Review of the Kalagala Offset Sustainable Management Plan and Isimba Management Plan					
2.1 Review Kalagala Offset Sustainable Management Plan	6				
2.2 Prepare recommendations on Isimba management plan	6				
2.3 Local consultation and dissemination	3				
2.4 Analysis and reporting on implementation of recommendations	3				
Output 3: New guidance on incorporating social costs and benefits into biodiversity offsetting					
3.1 Draft National/International guidelines prepared and discussed	6				
3.2 Feedback obtained at Research Workshop	1				
3.3 Training of NEMA staff	6				
3.4 Business and Biodiversity Forums	1				
3.5 Publication of new guidelines by NEMA & launch event	1				
3.6 Drafting of new international guidelines and publication by BBOP	3				
3.7 Business engagement workshop in Oxford	1				

3.8 Two international businesses commit to implementation	3				
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Activities carried out have been broadly in line with the schedule above, with the exception of Activities 2.1 and 2.2 under Output 2. The reasoning for this is explained under the respective activities below. As described in the first Annual report, the ecological field surveys were slightly delayed, only commencing in the fourth quarter of Year One (as opposed to the second quarter). As a result, they were completed in the first quarter of Year Two (as opposed to the fourth quarter of Year One). This did not create significant time delays as the analysis and write-up of the results was commenced in the second quarter of Year Two (as opposed to the fourth quarter of Year One). There were no financial delays associated with this temporal delay.

Progress on implementing the activities for Year Two is detailed below:

1.5 Analyse datasets and write up

Analysing the biological and social data sets and write up of results continued throughout Year Two.

The analysis and writing up of the social data began in March 2017 OU finalised a manuscript exploring the conceptualisation of ‘Social Impacts of Biodiversity No Net Loss’ in May 2017 . This paper looks at who experiences the costs and benefits of the biodiversity losses and gains associated with a development and its associated biodiversity offset. It outlines the challenges associated with operationalising this concept (Social impacts for whom, as a result of what and compared to what?). OU (Victoria Griffiths) finished analysing data from the Choice Experiment and the results have been drafted in the form of a manuscript for submission to a scientific journal. This was done in collaboration with economists at St Andrews University. The draft manuscript was circulated to the project team for their comments in February 2018 and will be submitted in Q1 Y3. Analysis of local perceptions of cultural heritage and the impact of development and the associated biodiversity offset on their cultural values commenced in November 2017. The thematic analysis of the focus group discussions and exploratory non-parametric statistics are complete and the Principal Component Analysis and regression analyses are underway. Writing-up of this manuscript is underway, with a first draft being completed for the end of April 2018 (first quarter Year Three). The only outstanding analysis is evaluating the impact of the dam on local people’s wellbeing. Analyses will commence in May 2018, with drafting of manuscript being completed by July 2018 . No major delays are foreseen, and all analyses will be complete by the end of Y3, as envisaged in the project logframe.

The biological data analysis and write-up began in the first quarter of Year Two. NU has produced a draft report on the ecological findings which was reviewed by E.J. Milner-Gulland (OU) in March 2018 . The report is now being updated by NU and additional statistical tests are being carried out (under the guidance of Joseph Bull of WB and OU). The report will be finalised by the end of the June 2018.

Overall assessment - activity on target, and as envisaged in the original proposal

1.6 Research published and disseminated

The first manuscript on the conceptualisation of social NNL was submitted to *Conservation Biology* in May 2017. We received revisions from the editor and two reviewers, updated the manuscript accordingly, and re-submitted to *Conservation Biology* in December 2017. We are on the point of resubmitting the paper with amendments based on the feedback we have received from our consultations.

The second manuscript on the choice experiment results has been drafted and after final sign-off from the project team, will be submitted to *Biological Conservation* in April 2018.

Drafting of the other social analysis results is underway and once finalised, will be submitted to

peer review journals at the end of Year Three. A joint paper between WB, OU and NU on the biological results is also planned, with the aim of submitting a draft manuscript to a peer review journal by the end of Year Three.

The stakeholder and institutional analysis (an activity which we added as a result of our Theory of Change work during the Project Inception Workshop, see previous annual report) was published in May 2017 ([Esmail 2017](#)) and a [blog](#) published in June 2017 to publicise the report.

Preliminary results from the social aspects of the research have been disseminated widely to date. Dissemination events include: an international conference (International Congress for Conservation Biology, [ICCB](#), July 2017), a meeting with [The Biodiversity Consultancy](#) in Cambridge (February 2018), a workshop with NGOs and businesses in Cambridge (February 2018) and at a SNAPP ([Science for Nature and People Partnership](#)) workshop on [Compensatory Conservation](#) (March 2018). The project results will be presented at a second international conference in May 2018, the [International Association for Impact Assessment](#) (IAIA). In addition, results from both the social and biological data has been presented to stakeholders in Uganda as part of workshops held in March 2018. The first workshop was held with Government agencies and consultants (see attached meeting minutes) and the second one with members of the Uganda Poverty and Conservation Learning Group ([U-PCLG](#)). This group was established in 2011 to bring together Ugandan conservation and development practitioners to share their experiences and to work together to better inform policy and practice. The group is currently hosted by NU.

Overall assessment - on target, as envisaged, with several extra opportunities for dissemination having been seized as they have emerged.
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1.7 Project meetings

A Skype project meeting was held on the 20th October 2017. Those present included: EJ Milner-Gulland (OU; meeting chair), Dilys Roe (IIED), Joseph Bull (WB), Julia Baker (IIED), Victoria Griffiths (OU), Beatrice Kyasimiire (WCS-Uganda/COMBO), Dianah Nalwanga (NU), Judith Mirembe (NU) and Achilles Byaruhanga (NU), with apologies from Francis Ogwal (NEMA). The minutes and action points from the meeting (appended to this report) were shared with the project members on Basecamp and via email. Although unable to attend the meeting, Francis reviewed the minutes and provided comments.

A second project meeting was held on the 5th February 2018 to discuss the upcoming research workshop and annual project meeting in Kampala. Participants included: EJ Milner-Gulland (OU; meeting chair), Dilys Roe (IIED), Joseph Bull (WB), Julia Baker (IIED), Victoria Griffiths (OU) and Francis Ogwal (NEMA), with apologies from NU. The meeting minutes (appended to this report) were shared on Basecamp and emailed to the entire project team. A separate follow-up skype call was held with Dianah Nalwanga (NU) in February 2018 to discuss the workshops and the plans for the village dissemination meetings.

The annual project meeting for Year Two took place at the Protea Hotel in Kampala on Friday the 9th March 2018. The aims of the meeting were to reflect on progress to date and to discuss activities for the final year, Year Three. The presentations from the meetings are available on Basecamp. The meeting report is appended to this report. Representatives of all the project partners were present at the meeting, as well as two of the Uganda-based Advisory Committee members. A meeting with UK-based Advisory Committee member Kerry ten Kate was held on 17th April 2018 and one with Mark Infield is being arranged (Mark has been in the field and unavailable).

Overall assessment - activity on target, and as envisaged in the original proposal

1.8 Research workshop

Rather than holding one Research Workshop, this year we felt it would be more impactful to hold two meetings for different stakeholders, so that the research findings could be presented in a

tailored way for the appropriate audiences, and more detailed feedback obtained from smaller groups. Minutes for both meetings are appended.

The first meeting was held at the Serena Hotel in Kampala, Uganda, on Wednesday 7th of March 2018 (12.30pm – 5.00pm; fourth quarter of Year Two). The workshop was preceded by a lunch for attendees and followed by a drinks reception and networking opportunity. The aim of this meeting was to meet with Government agencies and ecological consultants to gather their feedback on the social NNL work carried out to date and their advice on how to shape the draft social NNL guidelines for Uganda (progress in 3.1 below). During this meeting, presentation topics included Natural Capital approaches and Social NNL for development in Uganda, an example of a Natural Capital Account in Uganda and an overview on a potential Natural Capital Forum for Uganda. This was followed by presenting the working definition of Social NNL, results from the research carried out a large hydropower project in Uganda and the draft social NNL guidelines for Uganda, which will form the foundations for new national and international guidelines on social NNL. There was a total of 28 participants (including the Darwin team members).

A second meeting was held with the Uganda Poverty and Conservation Learning Group (U-PCLG, a forum for Ugandan NGOs) on Friday morning, the 9th of March 2018 at the Protea Hotel, Kampala. The aim of this meeting was gather their feedback on the research carried out to date and the plans for Year Three of the project, as well as gather any recommendations that they might have on the work. During this meeting, we presented our findings from the biological and social surveys, our progress with developing a Natural Capital Forum in Uganda and our plans for the final year of the project (Year 3). Around 30 participants (including the Darwin team) were present.

Overall assessment - activity on target, and as envisaged in the original proposal

1.9 Annual presentations to Advisory Committee & reports to Darwin

Two members of the Advisory Committee were present at the annual project meeting held in March 2018 (fourth quarter of Year Two). Individual members of the Advisory Committee were also on call to the team for specific advice on their areas of particular expertise (Derek Pomeroy - ecological surveys, Mark Infield - cultural aspects and liaison with government, Panta Kasoma - liaison with Ugandan NGOs and engagement, Kerry ten Kate - international policy and practice in biodiversity NNL and offsetting). At the end of the annual project meeting, the advisory committee was given an opportunity to reflect on the progress and provide the team with their feedback and general observations. Separate meetings were held, and are being planned, with the two UK-based Advisory Committee members (Kerry ten Kate and Mark Infield), to update them on project progress and to seek their advice and feedback.

The six monthly Darwin report was compiled by Oxford University, with input from all project partners, and submitted in November 2017.

Overall assessment - activity on target, and as envisaged in the original proposal

2.1 Review Kalagala Offset Sustainable Management Plan

2.2 Prepare recommendations on Isimba management plan

These two activities posed significant challenges during Year Two, which remain unresolved, although a way forward is becoming clearer. We made the assumption in our proposal that there was still scope to influence the Isimba Mangement Plan based on our findings about the impact of the Kalagala SMP, however the management plans for Isimba and the ESIA Addendum for Kalagala have already been completed and approved by the government.

We are actively seeking ways to influence these plans and their outcomes. During our annual project meeting, Francis Ogwal (NEMA) told us that the World Bank is in the process of refinancing the Bujagali Hydropower Project. The aim of this refinancing is to reduce the cost of

electricity and make it more accessible to the rural poor. This will also be an opportunity for the World Bank to address the many environmental concerns of the project, notably, the implementation of the Kalagala Offset and the impact that the new Isimba dam may have on the offset. Francis mentioned that discussions are underway and that there is a new plan to extend the offset conservation area closer towards Bujagali, with additional funding for offsetting activities being made available. This will mean that the Kalagala Offset Sustainable Management Plan, which covered the smaller offset area, will be reviewed and updated. The refinancing is an important opportunity for our project to influence the new Kalagala offset activities and sustainable management plan.

The refinancing of the Bujagali hydropower project is highly contentious. See [here](#) and [here](#) for articles in the international media discussing it. Our project needs to tread carefully in Y3 to ensure that we support NEMA to influence the implementation of the revised offset to take into account the needs and priorities of local residents. Our research findings will be ready at exactly the right time to enable us to do this, and as a team we will work closely together to ensure that NEMA has the right information, at the right time and in an appropriate format, so that it has as positive an impact as possible. We will produce a policy brief about our Choice Experiment work on local preferences for different offset design options, that NEMA can use in their discussions about the design of the refinanced offset, for example. At the international level, we are in contact with colleagues at the IFC (which is working closely with the World Bank on the refinancing), who are keen to use our findings, as well as other international stakeholders such as IUCN and the Bank Information Center. However a question mark does still remain over the degree to which we are able to do this.

Overall assessment - activity facing challenges due to an assumption in the original proposal not having been met. This relied on processes external to the project being influenceable. However, we now have a way forward for Year 3, and we hope that we will be able to have an influence on the implementation of the World Bank refinancing of the hydropower project, and thereby achieve the associated project outcome.

2.3 Local consultation and dissemination

OU and NU carried out local dissemination meetings on 12th-16th March 2018. The aim of the dissemination exercise was to share feedback on the preliminary results from the biodiversity and socio-economic assessments with the communities that participated in the surveys. Meetings were held with communities in the same six villages that were sampled during the socio-economic surveys. These villages are located along the Victoria Nile River, in the Jinja, Buikwe, Kamuli and Kayunga districts, Eastern Uganda. Meetings were attended by a total of 142 participants, including 84 men and 58 women. Meetings were held in the Luganda or Lusoga languages, depending on the village location. The socio-economic results were presented by Victoria Griffiths (OU; with translation to local languages), while the biodiversity results were presented by Dianah Nalwanga (NU). Visual aids in the form of posters in both English and Luganda were used during the meetings and a set of Luganda posters was left with the Local Council Chairman (LC1) in each village. The four District Environmental Officers and four Research Assistants (who carried out the socio-economic surveys) were also invited to the village meetings. However, they were unable to attend them.

Overall assessment - activity on target, and as envisaged in the original proposal. Further dissemination is planned for year 3.

3.1 Draft National/International guidelines prepared and discussed

As a team, we spent time discussing the format and content of both the national and international guidelines. At this stage of development of biodiversity NNL policies, both within Uganda and internationally, and the current limited capacity for consideration of the associated social impacts, we felt it most appropriate to produce good practice principles rather than detailed guidelines. These principles will clearly set out what good practice looks like, thereby setting an ambition

which industry, investors and industry can strive to achieve. The principles will closely align with existing best practice guidance on NNL of biodiversity, ensuring that people's use and cultural values associated with biodiversity are taken into account when designing and implementing NNL projects.

The first draft of the national and international social NNL principles were compiled in the second half of Year Two by Joe Bull (WB) and Julia Baker (consultant to IIED), with input from E.J. Milner-Gulland (OU) and Victoria Griffiths (OU). It was developed from OU's research for this project and from international guidelines.

The draft principles were presented at a workshop held at UNEP-WCMC in Cambridge in February 2018. Participants were from various NGOs (including WCS, FFI, UNEP-WCMC), consultancies (TBC) and businesses (BP). The aim of the workshop was to gather feedback and recommendations, in order to ensure that they reflect good practice and are practical to implement. The principles for Uganda were presented and discussed during our meeting with government and consultants in Kampala, held on 7th March 2018. Interestingly, and encouragingly, very similar issues were raised by both sets of stakeholders (including how best to include equity and human rights in the principles, the value of using the term "social NNL", and the added value of social NNL over existing compensatory mechanisms). In addition, Kerry ten Kate (BBOP, one of our Advisory Committee member) reviewed the draft principles and gave comments, which we discussed in detail with her on 17th April 2018. WB and IIED are now revising the draft principles based on feedback from these meetings and consultations.

WB and IIED are working closely with COMBO on the national principles, which will be incorporated into the NNL and biodiversity offsetting guidelines being produced by COMBO. The guidelines will be finalised in Y3, and this collaboration will ensure the Darwin-project principles will have far greater traction within Uganda than originally envisaged at our project proposal stage.

For the international principles, official publication on the BBOP website may take longer than the three years of the Project because of BBOP's processes for adoption of new principles, thus the principles will first be published as an IIED or WB document at the end of Year Three and hopefully adopted as a BBOP document at a later stage. To progress the BBOP publication, we plan to host a BBOP webinar in Sept/Oct 2018 and then present the principles at the BBOP annual meeting in November 2018.

Overall assessment - activity on target. We are very pleased with the positive nature of our national and international consultations, the great interest in this initiative (with many commenting on the vital need for these principles) and the degree of collaboration with other groups that we have achieved (beyond, and slightly different to, what was envisaged).

3.2 Feedback obtained at Research Workshop

Feedback on project progress, results and draft social NNL principles were obtained from several different stakeholder groups, as described above.

Overall assessment - activity on target, and as envisaged in the original proposal

3.4 Business and Biodiversity Forum/Natural Capital Forum

Our original plan was to establish a Business and Biodiversity Forum (as stated in the project's log frame) to aid communication and engagement between academics, NGOs, government and the private sector in Uganda on improving biodiversity practices within industry, with the Forum eventually becoming a sustainable entity that would continue to run once the project concluded. Following discussions in project team meetings around the Year 1 workshop, the team decided to change the name to the "Uganda Natural Capital Forum". This name better reflects terminology that businesses will understand, rather than using the term "biodiversity" which may alienate

businesses. Moreover, as Natural Capital approaches are gaining traction within Uganda, a focus on Natural Capital was considered more likely to increase buy-in to the Forum and align the Forum's activities with thinking about the relationship between business and the environment both nationally and internationally. Finally, with NEMA and WCS both working on Natural Capital initiatives, the team felt that it was particularly important to align the Forum with their ongoing work so that it was sustainable post-project.

The project team held a roundtable discussion in Uganda with government, industry and NGO representatives on 17th August 2017 (Q3, Year Two). The aims were to illustrate how Natural Capital approaches can generate benefits for Uganda's economy, society and environment, and to gather views on whether and how a Natural Capital Forum could help Uganda's business community. There was an extremely positive response, with firm agreement about the need for this Forum in Uganda and that the Forum should not be a new entity, but part of an existing government committee, in order to have traction within both government and industry. However, concerns were raised about the abstract nature of the concept and it was suggested that a case study was needed to demonstrate how Natural Capital Accounting (NCA) could improve decision-making for development projects in Uganda. The minutes from this meeting are appended.

The project team acted on this recommendation. In consultation with WCMC (a leader in NCA with various Natural Capital projects in Uganda, including the development of national ecosystem accounts, see www.wcmc.io/0524), in Y2 IIED and OU (supported by WB) produced a report which reviewed the use of NCA throughout Africa, especially to illustrate the gap whereby NCAs are being produced at national levels but are rarely, if at all, applied to individual development projects in order to improve their environmental outcomes. The report also included a hypothetical example of a NCA for the construction of a sugar cane factory in Uganda. The report is currently being finalised and will be posted on the WB website in Y3 Q4.

The project team presented the findings of the report, including the hypothetical NCA example, to representatives of Uganda's government, industry and NGO sectors during the workshop in Kampala on 7th March 2018. Julia Baker then led discussion on the Natural Capital Forum including ways to take it forward. Again there was an extremely positive response, with great interest in a Natural Capital Forum that was far beyond the expectations of the project team. Discussions pointed towards two main avenues to pursue – firstly, to complete a NCA of a real-life flagship development project in Uganda to raise the profile of NCA at the project level (i.e. as opposed to national-level accounting). Secondly, to use the findings to engage government in order to establish Uganda's Natural Capital Forum as part of an existing government committee.

The project team is currently acting on the first avenue. Simon Nampindo (Director of WCS-Uganda) has found a real-life case study, and in Y3, a researcher from Imperial College London will work with IIED, OU, WCS and WB to complete a NCA for the project and produce a report for in-country stakeholders (proposal attached).

For the second avenue, the project team will continue to support discussions on establishing the Natural Capital Forum in Year Three, especially to support engagement with government and the business community. The most important thing, from our perspective, is to create something that adds value to existing and planned work, especially as the Forum will not be a self-standing, independent body in the absence of substantial ongoing funding. Both Ugandan and UK partners will provide technical input, especially with practical real-life examples that clearly demonstrate how NCA can improve decision-making given the current surge of infrastructure projects in Uganda. The actual engagement with government and the business community will then be taken forward by the Ugandan partners, in order for the Forum to be sustainable.

Overall assessment - activity on target. The focus has shifted from the original proposal (see Year 1 report), and new collaborations and activities have been initiated to maximise our impact. The associated minor budgetary changes were approved by LTS.

3.2 Progress towards project Outputs

Output One: Research on the costs and benefits to local people and biodiversity of the Bujagali/Isimba Hydropower Projects and the Kalagala Offset

Overall Assessment: This output is comfortably on track, or ahead of schedule. In year 3, we will focus on finalising the research outputs, and on dissemination of our findings to stakeholders from the local to the international level. We expect to fulfil or exceed all measurable and progress indicators, and we have no substantive changes to the indicators or activities from those originally envisaged.

Table 1: Measurable and progress indicators for Output 1 in Year Two

Indicator	Progress
Measurable indicators	
All relevant previous biodiversity and social survey data collated into a spatially explicit database and analysed to assess impacts of projects/offsets, by end Year One.	<u>No change from last report:</u> Biodiversity and social databases have been compiled and analysed.
At least 3 Focus Groups held in each of the 3 sites (of different potentially affected groups), to develop locally appropriate wellbeing measures and explore cultural and social values of biodiversity in the area and effects of projects and offsets (current & potential).	<u>No change from last report:</u> A total of 60 Focus Group Discussions (FGDs) were held. There were 4 FGD in each of 3 villages to develop the Basic Necessities Survey, and 8 per village in 6 villages to discuss wellbeing and livelihoods (4 groups) and cultural heritage (4 groups). The 4 FGDs were because each theme was discussed separately with women and men, and the gendered groups were divided by livelihood strategy (farmers and fishers, business people). Overall 566 people participated in these groups, averaging 8-10 people per group. [this clarification of numbers was requested in the last AR]
At least 200 local people, stratified by livelihood and wealth, in each of 3 sites, are surveyed to gain perspectives on costs and benefits of projects and offsets.	<u>No change from last report:</u> Approximately 240 individuals in each village at each study site (6 villages in total) were sampled during the household surveys.
At least 50 people in each of the 3 sites participate in choice experiments and scenario interviews, to gain views on potential mitigation for social impacts of current and new projects/offsets.	<u>No change from last report:</u> All people that took part in the household survey also took part in the choice experiment. This meant that approximately 240 people in each village at each site took part in the choice experiment.
Biodiversity surveys carried out in affected areas to assess ecological mitigation carried out and current biodiversity value, by end of Y2.	Biodiversity surveys (of plants and birds) in the study area is complete and preliminary analyses have been done. Additional analyses will be carried out in Y3, supported by EJMG and Joe Bull.

<p>Datasets analysed, published and disseminated in appropriate formats and to stakeholders including local leaders, government and business, by end Y2.</p>	<p>Analysis and writing-up of two (out of four) social components is complete, with one submitted to a journal and the other under final review by the project team. Three more publications will be finalised and submitted in Y3.</p> <p>Presentations (in the form of workshops) have been used to disseminate the findings to stakeholders, including governments, businesses and NGOs. Findings were also presented to local leaders and village members (meetings and local-language posters).</p> <p>A report on the stakeholder and institutional analysis is online at the WB and OU websites and has been disseminated through a blog and twitter.</p> <p>Several further outputs are planned for Y3, in various formats for different user groups.</p>
<p>Progress indicators</p>	
<p>Annual reports of the project team to Darwin.</p>	<p>The 6 monthly and annual reports have been submitted to Darwin.</p>
<p>Minutes of 6-monthly project meetings and powerpoint presentations made.</p>	<p>Minutes and presentations from the research workshop, UPCLG meeting and the annual project meeting are available on the team's internal platform in Basecamp and have been submitted to Darwin. All project partners and the advisory committee have access to Basecamp.</p>
<p>Presentations to Advisory Committee (annual).</p>	<p>Presentations to the advisory committee took place during the project meetings/workshops and individual consultations.</p>
<p>Biodiversity database developed (end Y1) and enhanced (end Y2).</p>	<p>All the existing biodiversity data for birds and plants from the project area has been collated (1998, 2006, 2017) and will be held at Nature Uganda for future use.</p>
<p>Research Workshop is held in Uganda (end Y2) where the research results are presented by the project team and local people from the case study site to stakeholders (government, NGO and business)</p>	<p>The research workshops were held in Uganda on the 7th and 9th of March 2018, where the results of the project and plans for Year Three were presented to various stakeholders, including Government agencies, NGOs and businesses.</p>
<p>Summary of research findings is published in the local language of the case study site (mid Y2). Meetings held with local leaders</p>	<p>Village meetings were held with community members and local leaders in March 2018 to present feedback on the preliminary findings of the social</p>

to present the research findings (end Y1 and Y2).	and biological studies. Visual aids in the forms of posters in the local language (Luganda) were used and a set of posters was left with each village Chairman (LC1).
By project end, two research papers are published in peer reviewed journals and one IIED research report is published and available to download on the IIED website.	One manuscript is under second review with <i>Conservation Biology</i> and a second one will be submitted to <i>Biological Conservation</i> in April 2018. These are on track for publication by the end of the project. A research report is planned, and we expect further reports on specific elements of the project to be published as WB reports (one is already available).
By project end, the research is presented at a minimum of one international conservation conference and at least one international biodiversity offset policy meeting.	The project has already been presented at one international Conservation conference (the International Congress for Conservation Biology, ICCB) in July 2017. The research will be presented at another international conference in May 2018, the International Association for Impact Assessment conference, IAIA. We are hoping to present the results at the annual Business and Biodiversity Offsets Programme (BBOP) meeting in November 2018.

Output Two: Review of the Kalagala Offset Sustainability Management Plan and Isimba management plan

This output is on track in terms of the measurable and progress indicators for year 2, but as explained elsewhere in the report, we are still not sure that the output will actually lead to the impact we had hoped for because it relies upon influencing government and international lenders to change their behaviour.

Table 2: Measurable and progress indicators for Output 2 in Year Two

Indicator	Progress
Measurable indicators	
Project findings are published in local languages and meetings are held with local leaders to present them and NEMA's new guidelines (end Y2).	Dissemination meetings were held in the six villages that were sampled during the social surveys to feedback on the preliminary social and biological results. This was done in the local languages, using posters in the local language (Luganda) as visual aids.
Progress indicators	
Minutes of local and national-level meetings, publications in local languages.	A separate report has compiled about the village dissemination meetings, and includes the minutes from each

	meeting. Our local language posters are appended to this report.
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Output Three: New guidelines on incorporating social costs and benefits into biodiversity offsetting

This output is comfortably on track, and we expect to fulfil or exceed our original aims. We have shifted the focus to some extent, and expanded both our collaborations and our activities beyond what was originally envisaged, in response to opportunities and consultations in-country and internationally. But the core activities and indicators are still going to be fulfilled.

Table 3: Measurable and progress indicators for Output 3 in Year Two

Indicator	Progress
Measurable indicators	
Draft guidelines for Uganda developed collaboratively by project team and approved at research workshop (end Y2).	Draft national and international principles on social NNL have been drafted and were presented at research workshops in Cambridge and Uganda to obtain feedback, as well as reviews by our Advisory Committee members.
Progress indicators	
Minutes of research workshop, draft guidelines document posted on project website.	Minutes of the workshops in Uganda are appended to this report. The draft Social NNL principles is also appended; this is still under review by collaborators, so it is not yet ready for posting on the project website. All the documents are on the internal Basecamp, however.

3.3 Progress towards the project Outcome

The anticipated project outcome is “Government, developers and NGOs work collaboratively on ‘no net loss’ biodiversity offsets that genuinely reflect local people’s needs and values, support poverty alleviation in the long-term and are implemented equitably.”

We are making good progress towards achieving our outcome and are confident that we can achieve it, based on the strong Theory of Change which we have developed, which we are monitoring progress against, and the strong collaborative partnerships created within the project. Our Research Workshop held in March 2018 (the minutes of which are attached as verification of indicator 0.1) highlighted good overall progress by all partners across the different components of the project, as described in the activities section above.

During Year Two, significant interest was expressed in a Natural Capital Forum to engage with NGOs, consultants, the private sector, academics and government agencies. It was decided during the Year Two project workshop that this Forum needs to be integrated into other existing initiatives if it is to gain any traction in Uganda and be sustainable for the long-term. We have had good feedback from Government agencies and consultants, and ways to engage further with the private sector are being explored by the project team. We have a clear way forward for Year Three: the project team is acting on calls to produce NCAs of actual flagship development projects in Uganda and will support our Ugandan partners to use the case studies in order to further discussions about the Forum, and about integrating both biodiversity and the needs and values of local people into government and business planning. The minutes of the Natural Capital

Forum meeting provide verification of progress towards the outcome (outcome indicator 0.4).

3.4 Monitoring of assumptions

Outcome assumption 1: Political and economic stability in Uganda enables the project to be completed

Comment: This outcome still holds true and is likely to hold true for the remainder of the project. There is political and economic stability in Uganda.

Outcome assumption 2: There is still scope to influence the Isimba Hydropower Project's planning

Comment: As documented in our first annual Darwin project, this assumption no longer holds completely true as the management plans for Isimba as well as the ESIA Addendum have already been completed and approved by the government (NEMA). However, there may be an opportunity to influence the Kalagala Offset Sustainable Management Plan and Isimba dam during the World Bank's refinancing of the Bujagali Dam. They are currently extending the offset catchment to compensate for the impact of the Isimba dam on the offset. The project team is in the process of drafting a document which will support NEMA to engage with the World Bank, specifically to present the results of our Choice Experiments in which we asked local people what types of offset activities they preferred.

Outcome assumption 3: Government implementing agencies are receptive to our recommendations, and are prepared to change their management plans based on our study

Comment: As with our first Darwin Report, this assumption still holds true. Our continued partnership with WCS (and strong links with the COMBO project) gives more strength to our project and associated findings. NEMA is the lead partner on our project in Uganda, and will be involved in engagement with other government agencies. A large number of Government agencies attended our research workshop in Kampala and were receptive to our research, providing feedback on our work to date and valuable recommendations for taking the Natural Capital Forum forward, even suggesting that it should be hosted by the Government, for example, the National Planning Authority (NPA) or the Uganda Bureau of Statistics. We have also formed a new collaboration with WCMC, who have an ongoing project supporting the Ugandan government to implement Natural Capital Accounting, which we can feed into.

Outcome assumption 4: There is scope for poverty alleviation in the project site, through improvements in the Sustainable Management Plans

Comment: This assumption still holds true. The improvement of the Central Forest Reserves (CFRs) as part of the Kalagala Offset (and the updated management plan to be compiled during the World Bank refinancing) will have a benefit to local people. Our research results, and the subsequent consultations with local and national government, and other stakeholders, have clarified both the scope for poverty reduction and the best way of achieving it. We carried out a choice experiment to solicit local people's preferences for social gains as part of an offset activity. These results will allow offsets to be designed in a sustainable way so that it benefits both biodiversity and local communities. These recommendations will be published in a peer-reviewed journal, presented to Government and businesses in Uganda and submitted by NEMA in a brief to the World Bank in Year Three.

Outcome assumption 5: Businesses and NGOs are keen to engage, nationally and internationally

Comment: This assumption still holds true. So far, the team has had very positive interactions with NGOs both nationally and internationally, receiving their feedback on the research findings and the draft social NNL principles. Engagement with businesses in both the UK and Uganda has taken place, but we would like to strengthen this element in Year Three.

Output 1 assumption 1: Local people at the case study site are willing to participate in the

research

Comment: This assumption still holds true. The social research and data collection went ahead smoothly and the majority of the people in the villages were willing to take part in the focus group discussions, individual questionnaire and choice experiment. Local people were also eager to attend the dissemination meetings, were very receptive to the feedback and thanked the team for returning with the results.

Output 1 assumption 2: Existing biodiversity and social datasets are of a high enough quality for a before-after analysis to be feasible

Comment: This assumption partly holds true. Ecological data in the 2006 ESIA are detailed and the biodiversity team were able to follow the same methodology for their biodiversity surveys. Therefore, NU have been able to compare their preliminary results from the biodiversity surveys with those from 1998 and 2006. In terms of social data, the 2006 ESIA did not look at wellbeing and the raw data from the household surveys is not available, thus it is not possible to compare our dataset with that of the ESIA.

Output 1 assumption 3: Research team is able to build trust in order to gain reliable and truthful information on social impacts

Comment: This assumption holds true. Local research assistants were used during the social and ecological surveys and were able to build trust in the villages. Care was taken not to build expectations with the local communities however, there may have been some stakeholder fatigue as people in the area have been interviewed so many times. Further trust was built with the communities by returning to the villages to disseminate our research findings, as was promised during the social surveys. Several people thanked the team for keeping their promise and returning to provide feedback on the results.

Output 2 assumption 1: The Ministry of Water and Environment is receptive to implementing changes to the Kalagala offset management plans based on the research findings

Comment: This assumption no longer holds true. Although the Ministry of Water and Environment is receptive to our research and have been engaged in the work, the current Kalagala Offset Sustainable Management Plan will not be changed. With the refinancing of the Bujagali dam and extension of the Kalagala Offset, the Kalagala Offset Sustainable Management Plan will need to be updated. It is hoped that our research can inform part of this updated plan, provided that the party responsible for drafting the plan is receptive.

Output 2 assumption 2: The Isimba offset can be influenced and commitments made will be carried through to implementation

Comment: This assumption no longer holds true. There are no plans at present to develop an offset for the Isimba dam and the ESIA and ESIA Addendum have already been approved by the Government.

Output 3 assumption 1: NEMA retain their autonomy within Government to publish new guidelines

Comment: This assumption holds true. NEMA is the government agency responsible for all environmental management in Uganda and will be able to publish the guidelines, in collaboration with COMBO.

3.5 Impact: achievement of positive impact on biodiversity and poverty alleviation

During Year Two, the project has made good progress towards having a positive impact on biodiversity and alleviating poverty in the study area and more broadly. For biodiversity, our study has highlighted the major changes in bird and plant species richness in the region over 20 years, and some of the drivers such as land conversion and planting in riparian zones. This exposing of the loss of natural habitat, in contravention of the offset's Sustainable Management Plan, will be fed back to the responsible parties, thereby hopefully supporting better biodiversity management in future.

On the social side, data from the choice experiment have been analysed, a manuscript prepared, and the results fed back to people in the study villages. The choice experiment is an economic valuation tool used to assess people's preferences and demand for a certain product or service. We used this method to evaluate what social gains local people would prefer as part of an offset activity. The activities that we designed all aimed at compensating for the negative impacts to biodiversity from development, thereby achieving NNL of biodiversity, but each one was accompanied by a social gain, for example, revenue sharing or employment, which would contribute to poverty reduction. In year 3, we will engage with a range of actors associated with the Kalagala offset (local village leaders, World Bank, Ministry of Water and Natural Resources) to find ways to influence the development of the Kalagala offset so that these expressed preferences are taken into account. NEMA and NU will play a critical role in this activity.

At the national level, the new social NNL principles have been drafted and these will be incorporated into a set of biodiversity offset guidelines for the country (being developed by COMBO). Overall, the COMBO guidelines aim to ensure that NNL of biodiversity is achieved, by guiding the design and implementation of development projects and their associated biodiversity offsets. The principles contributed by our team will ensure that local people's use and cultural values of that biodiversity are also taken into account, so that local people affected by future developments in Uganda, and their associated offsets, are 'no worse off in terms of their wellbeing' as a result of the offset and development. In addition, our principles emphasise the importance of taking into account the views and priorities of marginalised and vulnerable groups (including women and natural resource dependent households). Therefore in the longer term (beyond the project) we expect our work to have a positive impact on biodiversity and poverty alleviation in Uganda.

Also at the national level, our work on Natural Capital Accounting, including a case study of how it can be integrated into biodiversity NNL design (for the Katosi water treatment plant; proposal appended) will support ongoing efforts to integrate biodiversity and poverty alleviation into development planning by the government and businesses. Our support for the uptake of Natural Capital as a concept, and its operationalisation, will lead in the longer term to improved decision-making at the project and national levels, to the benefit of biodiversity and poverty alleviation.

Internationally, our work with BBOP and WCMC and our various publications and other outputs will foster a better understanding of how to account for the social implications of biodiversity losses from development, and NNL activities, contributing to more effective biodiversity NNL projects which promote social justice and poverty alleviation.

4. Contribution to the Global Goals for Sustainable Development (SDGs)

This project contributes to SDGs 1, 9 and 15. When used in conjunction with the mitigation hierarchy, biodiversity NNL activities including offsets can offer the potential to reconcile economic development with biodiversity conservation thereby allowing for sustainable economic growth. Uganda has an enormous hydropower potential along the Victoria Nile River which will contribute significantly to the economic growth of the country (SDG 9) but at the same time, also has a wealth of biodiversity that needs to be protected (SDG 15) as well as local people who rely on this biodiversity (SDG1). It is also important to note that poorly planned offsets can exacerbate local poverty.

To date, this project has looked at the social and biological impacts of two hydropower developments (Bujagali and Isimba) and the Kalagala Offset along the Victoria Nile River. The national social principles have been drafted, and explain ways to ensure that local people are not negatively affected by the combined offset and development. When incorporated into the national biodiversity NNL and offsetting guidelines being developed by COMBO (in Y3), further progress will be made towards meeting the SDGs.

5. Project support to the Conventions, Treaties or Agreements

As stated in the proposal, this project will assist Uganda to meet their obligations under the CBD. At the 8th CoP, Parties discussed "[engagement with the private sector](#)" and identified the need for new tools including "mechanisms for biodiversity offsets"; also that "contributions from business and industry towards the implementation of the Convention could be facilitated by... guidance for potential biodiversity offsets". At the 10th CoP, [Decision X/3](#) "Strategy for resource mobilization" was adopted. It reaffirmed the commitment of Parties to meet obligations in [Article 20 'Financial Resources'](#); highlighted the need for Parties to develop national funding plans to implement the CBD Strategic Plan and its Aichi targets and, when doing so, "explore new and innovative financial mechanisms" including "biodiversity offset mechanisms where relevant and appropriate" ([Objective 4.2](#)).

This project contributes towards this objective and complements [CBD's existing guidance on offsetting](#). It contributes to Aichi Strategic Goal A [Target 4](#), and its objective on "strengthening partnerships among companies and industry associations, civil society and government agencies, in an accountable and transparent manner, to promote sustainable practices that address biodiversity". During Year Two, the project has developed a set of draft national and international social NNL principles that take into account local people and poverty alleviation. During Year Three, the project will work closely with the WCS COMBO, to ensure that these social principles are incorporated into COMBO's national guidelines on biodiversity NNL and offsetting. In addition, two meetings were held in Year Two to discuss the development of a Natural Capital Forum in Uganda which will help facilitate engagement with the private sector and promote the importance of both social considerations for biodiversity NNL initiatives and of biodiversity conservation.

NEMA is the focal point in Uganda for the CBD and is the lead in-country partner on this project. Francis Ogwal, who leads the NEMA team for this project, is the focal point for the CBD in Uganda. Francis has engaged in project activities throughout Y2 and will continue to do so in the upcoming year.

6. Project support to poverty alleviation

As mentioned above, the project is aiming to assist government and developers not to exacerbate poverty in the study area and Uganda as a whole. The aim is to raise awareness that offset policies should not only achieve a NNL of biodiversity, but also a social NNL, whereby people perceive their wellbeing to be at least as good as a result of the development project and associated offset, throughout the project lifecycle, than if the development had not been implemented. Our research will provide a deep understanding of the effects of the Bujagali and Isimaba dams and associated Kalagala offset on the wellbeing of local people living in the area (including loss of cultural heritage). In addition, as mentioned above, the choice experiment provides insight into what type of offsetting activities people prefer, that promote both their wellbeing and a NNL of biodiversity. This research will be used to explore with local and national governments both how they could improve wellbeing in the case study site, and how they can ensure that biodiversity offsets in the future are designed to ensure no net loss (and ideally net gain) from a social perspective.

7. Project support to gender equality issues

This project specifically sought to understand the gendered nature of the impacts of the Bujagali and Isimba dams and Kalagala offset. Separate male and female focus group discussions were

held during the social data collection process. In addition, the social NNL principles and definition of social NNL take into account gender equality issues by specifying that NNL should be appropriately aggregated at either the landscape, village, interest group (for example women), household or individual level. The more inequality present in a system, the lower the level of aggregation at which impacts to wellbeing are measured. Our guidance for improving the wellbeing of local people affected by these developments at the local level, as well as our input to national principles, will explicitly focus on ensuring that women are not disproportionately negatively affected by developments and their associated offsets.

8. Monitoring and evaluation

Monitoring and evaluation has been included in the design of this project. We are using the logframe indicators to monitor and check progress of the project as well as using reports such as this and the six month report. Project progress is also monitored and evaluated during the six monthly project meetings as well as with phone/skype calls with individual project partners. Moreover, the project's independent Advisory Committee reviews progress annually, and gives advice and suggested improvements to the project. All of the protocols and procedures used to collect the social data went through a rigorous ethical review by bodies at Oxford University and the Uganda National Council for Science and Technology. This allows us to monitor the ethical aspects of our project. We have an explicit agenda point in each project meeting at which we reflect upon our performance with respect to ethical best practice, and discuss potential improvements.

We are using a Theory of Change approach to monitor overall progress of the project. We evaluated our progress against the Theory of Change developed at the inception meeting during our Year 2 project meeting (see annual meeting report) and the only change we made (aside from changing the BBF to the Natural Capital Forum) was to move the target 'Offsets as a norm' to a level higher than the other targets and to rename it 'NNL and mitigation hierarchy as the norm'. This is a more correct phrasing than the original. The updated Theory of Change is presented in the Y2 project meeting report (appended).

The draft social NNL principles are in the process of going through a rigorous review by various stakeholders. They were first reviewed by representatives from UNEP-WCMC, FFI, TBC and BP followed by government agencies and consultants in Uganda. This helps ensure that the principles are feasible and practical, while clearly setting out good practice. The first two social outputs/ manuscripts will undergo a stringent peer-review process before they are published in a scientific journal.

9. Lessons learnt

Our detailed Theory of Change planning exercise in the Inception Workshop has borne fruit throughout the project. It highlighted areas where we were making assumptions about how our activities would lead through to the outcome, without having activities or budget to support the chain of causation. By recognising this, we were able to think strategically about these weaknesses in the ToC, and plan to address them before it was too late. This led, in Y1, to the commissioning of a Stakeholder and Institutional Analysis, to understand the roles, responsibilities and financial obligations of all the multifarious actors in the Bujagali, Isimba and Kalagala projects. It also led us to think hard about how best to engage with local government, and how to boost our business engagement.

We strongly recommend that a really rigorous and self-critical Theory of Change exercise is undertaken during the project proposal stage and then re-evaluated as soon as possible in the life of a project to ensure that it has the best chance of reaching its outcome.

In this past year we have made great strides in understanding the best approach to take in order to embed biodiversity conservation and poverty alleviation into government and business decision-making about their developments and associated NNL activities. We have taken care to listen to advice from national and international experts, and to adapt our activities accordingly. This has led us to move away from our original idea of a Business and Biodiversity Forum towards a Natural Capital-focussed approach. We have also worked hard to build new collaborations with

key national actors (such as the Uganda Chamber of Commerce, Uganda Bureau of Statistics, ecological consultants and embassies), and international actors (WCMC, Total, BP, The Biodiversity Consultancy) who are working in this space. This ensures that we are able to add value to others' work and that our relatively small and short-term project can contribute in a meaningful way to ongoing policy processes.

We recommend that projects set out to collaborate as fully as possible with other actors working on complementary or synergistic initiatives, to maximise the chances of reaching a sustainable end-point, even if this may reduce the distinctiveness of your own project, because the whole will definitely be greater than the sum of the parts. And listen to advice that may require a shift in emphasis and flexibility about specific activities to achieve the intended outcomes and outputs, but will engage end-users more effectively.

We have seized opportunities to do extra pieces of work that we feel can contribute to the broader discussions, and which we are well placed to carry out. In Y2 this involved preparing a document which reviewed the implementation of Natural Capital approaches in Uganda and Africa in general, with a hypothetical example, which we presented at our Workshops in March. In Y3, we have engaged a Masters student to carry out a real-world Natural Capital accounting exercise for a current project, as a demonstration of the methods involved. Each of these opportunities has been realised with minimal budgetary shifts (agreed with LTS).

Often there are cheap, or cost-free, additional activities that can be done to enhance the impact of your work with some reallocation of budget between partners; we recommend that project teams continually seek to identify and act on these opportunities.

The major lesson we have learnt is that we did have a killer assumption in our logframe (that there was still the opportunity to influence the Isimba ESIA and the revision of the Kalagala Sustainable Management Plan). It was a gamble to include this assumption, but it was our hoped-for route to direct local poverty and biodiversity impact. With the main responsible government agency (NEMA) as our lead partner in Uganda and based on discussions during the project proposal stage, we believed that this was likely to be possible. However we found that our immediate project team was not always well informed about events that NEMA was part of, and opportunities to influence the plans were mistimed with respect to our work (such that we were not far enough along in the project by the time the plans were being revised). Influencing governmental processes is a long and difficult task, and requires constant on-the-ground engagement. However, we now have a lifeline in the form of the World Bank refinancing, which has come at the perfect time, when we have very pertinent information to share. So we are still very hopeful about this project output and its contribution to the overall impact.

Sometimes one has to make assumptions that rest on alignments in timing and ability to influence government processes, when carrying out a policy-focussed project. We should have better understood the windows of opportunity to influence government before writing the proposal, but another lesson is to continue discussions and engagement, especially when situations are fluid, in order to be prepared to step in when windows open.

10. Actions taken in response to previous reviews (if applicable)

We were asked in the Annual Report review to clarify the number of participants in the focus groups for the social research:

A total of 60 Focus Group Discussions (FGDs) were held. There were 4 FGD in each of 3 villages to develop the Basic Necessities Survey, and 8 per village in 6 villages to discuss wellbeing and livelihoods (4 groups) and cultural heritage (4 groups). The four FGDs were because each theme was discussed separately with women and men, and the gendered groups were divided by livelihood strategy (farmers and fishers, business people). Overall 566 people participated in these groups, averaging 8-10 people per group.

11. Other comments on progress not covered elsewhere

N/A

12. Sustainability and legacy

Many dissemination outputs are in the pipeline, and will all be freely available online. The first results from the social aspects of the research were presented at an international conference (the International Congress for Conservation Biology) in July 2018. The next set of results (from the choice experiments), will be presented at a second international conference (International Association for Impact Assessment) in May 2018. These conferences, coupled with presentations of our work both in the UK and Uganda, have contributed significantly to raising the awareness and profile of the project in the UK and internationally. Our first report, the Stakeholder and Institutional Analysis was published online in Year Two and the second output, the manuscript conceptualising social NNL, will be published as an open access paper in Y3.

With regard to the exit strategy, one of the objectives is to develop a Natural Capital Forum in Uganda which may be hosted by a Ugandan Government agency yet to be decided, but could be the National Planning Authority (NPA) or the Uganda Bureau of Statistics. The aim is for this to be a sustainable initiative, which will continue after the life of the project. We are still in discussion with partners and collaborators about whether this would be a stand-alone Forum, or integrated with other initiatives that they are also pursuing.

The draft national social NNL principles will be incorporated into COMBO's national biodiversity offsetting guidelines in Y3. The aim is for COMBO's guidelines to accompany the draft National Environment Act (in review by parliament) and guide the development of offsets in Uganda that ensure NNL of biodiversity, but that also take into account local people's wellbeing and do not exacerbate poverty. This will be a direct outcome of our project which will outlive our project and direct Ugandan development in a sustainable way long into the future.

In Year Three, the project, in collaboration with COMBO, will host a training workshop to train stakeholders on the use and how to implement the social NNL principles. By collaborating with COMBO on the training event in Year Three, we will be able to reach a wider range of stakeholders than originally planned. It was initially thought that we would train NEMA staff but the target audience is now planned to include oil companies, Uganda National Roads Authority and EIA consultants. This will leave a legacy of informed and empowered people to implement social NNL principles in their future work.

13. Darwin identity

We have used the Darwin Initiative logo on all the project promotional material including the project flyer, the website as well as on all written project meeting reports. The logo has also been used on the first major output of the project, the stakeholder and institutional analysis, published by Wild Business. The Darwin Initiative logo has also been used on all presentations, both at meetings in Uganda and international meetings and conferences. We state on all promotional materials and in talks that the Darwin Initiative is a programme of the UK government. The project is distinct and has a clear identity as it is not part of a larger programme. Both draft manuscripts acknowledge the Darwin Initiative as the funder for the work.

We do not have a project social media account but keep the [project website](#) up to date with project progress and report on progress via our personal twitter accounts and the IIED and ICCS twitter accounts. We reference the Darwin Initiative twitter account at each relevant opportunity.

14. Project expenditure

Table 1: Project expenditure during the reporting period (1 April 2017 – 31 March 2018)

Project spend (indicative) since last annual report	2017/18 Grant (£)	2017/18 Total Darwin Costs (£)	Variance %	Comments (please explain significant variances)
Staff costs			1%	
Consultancy costs			0%	
Overhead Costs			0%	
Travel and subsistence			(1%)	
Operating Costs			(5%)	
Capital items				
Monitoring & Evaluation (M&E)			4%	
Others (see below)			0%	
TOTAL			0%	

Annex 1: Report of progress and achievements against Logical Framework for Financial Year 2017-2018

Project summary	Measurable Indicators	Progress and Achievements April 2017 - March 2018	Actions required/planned for next period
<p>Impact</p> <p>Local people's use and cultural values for biodiversity are embodied within 'no net loss' development goals, with biodiversity offsetting supporting both conservation and poverty alleviation at local and national levels.</p>		<p>Research and data collection on social and biological impacts of the Bujagali and Isimba dams and Kalagala offset have been completed. Analysis and write-up of the results are currently underway. Draft national and international guidelines on how to include the social aspects into the biodiversity offsetting have been compiled and two workshops have been carried out to gain feedback on them (both in the UK and Uganda).</p>	
<p>Outcome</p> <p>Government, developers and NGOs work collaboratively on 'no net loss' biodiversity offsets that genuinely reflect local people's needs and values, support poverty alleviation in the long-term and are implemented equitably.</p>	<p>0.1 8,700 people affected by the Bujagali Hydropower Project, 37,000 people affected by the Kalagala Offset, and 2,700 people potentially affected by the Isimba Hydropower project have the actual or potential impacts of these projects on their wellbeing better taken into account in sustainable management plans (by end Y3).</p> <p>0.2 Improved biodiversity conservation outcomes of Kalagala Offset, and reduced biodiversity impacts of Isimba Hydropower Project, with livelihood and cultural values of biodiversity for different groups (particularly of vulnerable groups including women) taken into account, based on an evaluation of impacts to date (by end Y3).</p>	<p>0.1. Research completed. Analysis of both social and biological data sets is underway and results are being drafted. Reporting back to local government and engagement of national government with the results has taken place.</p> <p>0.2. Research completed on both social biological aspects.</p>	<p>0.1 Continuation of the biological and social analysis and write-up.</p> <p>0.2. Drafting material to present to the World Bank via NEMA.</p>

	<p>0.3 Best practice guidelines for incorporating social impacts into biodiversity offsets are adopted by industry and government in Uganda and internationally, leading to commitment to embed guidelines into operations from at least 2 Ugandan and international businesses and developers (by end Y3)</p> <p>0.4. A network of engaged people, with the capacity and will to improve the biodiversity and local social outcomes of national-level economic developments; belonging to at least 10 organisations within Uganda (government, NGOs, business), by end Y3.</p>	<p>0.3 Best practice principles (national and international) have been drafted and two workshops held to gain stakeholder feedback. A Stakeholder and Institutional Analysis has been completed.</p> <p>0.4 Plans for a Natural Capital Forum are being advanced. Conversations with key stakeholders initiated.</p>	<p>0.3. Incorporation of draft social NNL principles into COMBO NNL guidelines. Publication of manuscript on the conceptual basis for social No Net Loss, input into international consultations on social no net loss. Continued engagement with businesses in Uganda interested in committing to social no net loss. Submission of manuscript on choice experiment results to a peer reviewed journal.</p> <p>0.4. Complete a NCA of a flagship development project in Uganda to support the establishment of a Natural Capital Forum in Uganda; explore ways to engage with businesses on-on-one during the establishment of the Forum.</p>
<p>Output 1.</p> <p>Study completed on the costs and benefits to local people and biodiversity of the Bujagali/Isimba Hydropower Projects and Kalagala Offset captures differentiated local impacts of these projects (end Y2)</p>	<p>1.1. All relevant previous biodiversity and social survey data collated into a spatially explicit database and analysed to assess impacts of projects/offsets, by end Y1.</p> <p>1.2. At least 3 Focus Groups held in each of the 3 sites (of different potentially affected groups), to develop locally appropriate wellbeing measures and explore cultural and social values of biodiversity in the area and effects of projects and offsets (current & potential), by end Y1.</p> <p>1.3 At least 200 local people, stratified by livelihood and wealth, in each of 3 sites, are surveyed to gain perspectives on costs and benefits of projects and</p>	<p>1.1. Database is completed. Social and biological diversity data from 1998 and 2006 have been accessed and collated.</p> <p>1.2. Completed - currently under analysis. A draft manuscript on the results of the choice experiments will be submitted to a peer review journal at the end of April 2018.</p> <p>1.3. Completed - currently under analysis.</p>	

	<p>offsets, by end Y1.</p> <p>1.4 At least 50 people in each of the 3 sites participate in choice experiments and scenario interviews, to gain views on potential mitigation for social impacts of current and new projects/offsets, by end Y1.</p> <p>1.5. Biodiversity surveys carried out in affected areas to assess ecological mitigation carried out and current biodiversity value, by end of Y2.</p> <p>1.6. Datasets analysed, published and disseminated in appropriate formats and to stakeholders including local leaders, government and business, by end Y2.</p>	<p>1.4. Completed - currently under analysis.</p> <p>1.5. Completed - currently under analysis.</p> <p>1.6. Biological and social data analysis is underway and draft reports have been compiled. Preliminary results have been disseminated to national stakeholders via workshops in Kampala (held in March 2018) and to local communities during village meetings (held in March 2018).</p>
<p>Activity 1.1</p> <p>Prepare for and run Project Inception Workshop. Complete and disseminate workshop report.</p>	<p>A project inception workshop was held at the Makindye Country Club, Kampala on the 23rd and 24th May 2016. Report was disseminated to all project partners and Advisory Committee members.</p>	
<p>Activity 1.2</p> <p>Existing biodiversity and social survey data collated into a spatially explicit database and analysed to assess baseline conditions and planned mitigation.</p>	<p>The social data in the Environmental and Social Impact Assessments (ESIAs) and Social Impact Assessments (SIAs) for both the Bujagali and Isimaba dams has been reviewed by Victoria Griffiths, researcher at Oxford University. Villages for social surveys were selected based on the villages included in these ESIAs and in discussion with the local District Environmental Officers.</p> <p>NU has collated existing biodiversity datasets (for plants and animals) for the study site in order to inform selection of sites for repeat surveys. They have also reviewed the methodology used to collect the ecological data in the Bujagali ESIA and replicated this methodology during their field surveys in 2017.</p> <p>In addition, a stakeholder and institutional analysis was carried out for the Bujagali and Isimba dams and the Kalagala offset. This was done by Wild Business on behalf of Oxford University and will be published in May 2017.</p>	
<p>Activity 1.3</p> <p>Social field surveys: a) Focus groups held at the 3 sites, wellbeing measures developed, cultural and social values of biodiversity in the area explored;. b) Individual surveys to gain perspectives of costs and benefits</p>	<p>Socio-economic data collection is complete and analysis is underway.</p>	

of developments and offset. c) Choice experiments and scenario interviews for Isimba offset.	
<p>Activity 1.4</p> <p>Biodiversity field surveys: a) Site visits to assess status of planned ecological mitigation activities at Bujagali and Kalagala; b) Transect surveys of tree planting sites, Central Forest Reserve and agricultural land at Kalagala to assess biodiversity (trees, culturally valuable plants and birds) and signs of human use (tree cutting, snares).</p>	Biological data collection is complete.
<p>Activity 1.5</p> <p>Analysis of datasets for impact evaluation of offset.</p>	Analysis and write-up of the biological and social data is underway and will be completed in year Three. The choice experiment data has been analysed and written up in the form of a draft manuscript. This is under review and will be submitted to a journal in April 2018. A preliminary report on the biological results has been compiled but further statistical analyses are required.
<p>Activity 1.6</p> <p>Data sets published and disseminated, including conference abstracts and summaries of research findings in local languages.</p>	Research has been presented at one international conference in July 2017 (the International Congress for Conservation Biology) and will be presented at a second international conference in May 2018 (The International Association for Impact Assessment). Posters presenting preliminary research findings have been presented in all six villages that were sampled during the social surveys. In addition, posters in the local language were left with each Local Chairman. The manuscript on conceptualising social NNL is currently under second review with <i>Conservation Biology</i> .
<p>Activity 1.7</p> <p>Six monthly project meetings (alternating in-country and by skype), including preparation and dissemination of minutes.</p>	<p>A Skype project meeting was held on the 20th October 2017. A second meeting was held on the 5th February 2018 to discuss the upcoming research workshop and annual project meeting in Kampala.</p> <p>The annual project meeting for Year Two took place at the Protea Hotel in Kampala on Friday the 9th March 2018. A meeting with UK-based Advisory Committee member Kerry ten Kate was undertaken in April 2018 and one with Mark Infield is being arranged for when Mark returns from the field.</p> <p>Minutes of all the meetings are appended to this document.</p>
<p>Activity 1.8</p> <p>Research Meeting to present results to stakeholders and gain feedback</p>	<p>The main stakeholder meeting to present our research results and get feedback was held at the Serena Hotel in Kampala, Uganda, on Wednesday 7th of March 2018.</p> <p>A second meeting was held with the U-PCLG on Friday morning, the 9th of March 2018.</p> <p>Minutes from these meetings are appended to this report.</p>
Activity 1.9	The Advisory Committee's Ugandan members were present at the annual project meeting held in March 2018. The six monthly Darwin report was compiled by

<p>Annual reports to the project team at Darwin and annual presentations to the Advisory Committee.</p>	<p>Oxford University, with input from all project partners and submitted in November 2017.</p>
<p>Output 2. The Kalagala Offset Sustainability Management Plan is reviewed, and recommendations made for the Isimba management plan, with a focus on how to ensure NNL of biodiversity and net positive social impacts, based on the findings from Output 1, by end of Y3.</p>	<p>2.1. By early Y3, the Kalagala Offset Sustainability Management Plan is reviewed by the Ministry of Water and Environment (MoWE), with a view to revision based on inputs from the project team.</p> <p>2.2. By early Y3, recommendations for the Isimba offset management plan are submitted to MoWE, including local feedback on preferred offsetting options (based on output 1.3).</p> <p>2.3. Project findings are published in local languages and meetings are held with local leaders to present them and NEMA's new guidelines (end Y2).</p> <p>2.4. By project end, MoWE reports and NEMA site visits demonstrate implementation is taking place (end Y3).</p>
<p>Activity 2.1. Review the existing Kalagala Offset Sustainable Management Plan and provide recommendations to inform the updating of the plan.</p>	<p>We have reviewed the Kalagala Offset Sustainable Management Plan. The attributes of the choice experiment which we used to gain local preferences for offsetting activities were based on the actions which were supposed to have been part of the SMP (although these were, in fact, not implemented). Therefore the preferences expressed are for activities in line with the SMP. Our results could therefore inform any future updating of the plan, for example as a result of the WB's refinancing.</p>
<p>Activity 2.2. Provide recommendations for the Isimba management plan, including local feedback on preferred offsetting options.</p>	<p>We will provide these recommendations but we have no power to require the MoWE or the developers to implement them. We are hoping to influence the implementation of the refinanced offset.</p>
<p>Activity 2.3.</p>	

<p>Publish study results in local languages, hold meetings with local leaders to present them with new guidelines.</p>	<p>Feedback meetings were held in the same six villages that were sampled during the social surveys. Posters (in the local language) were used to facilitate the meetings and a set of posters was left with each Local Village Chairman (LC1). See dissemination report attached.</p>
<p>Activity 2.4. Analyse meetings and MoWE reports, site visit by NEMA, and report on implementation of recommendations.</p>	<p>For Year Three: see caveats above.</p>

<p>Output 3. New guidelines on incorporating social costs and benefits into biodiversity offsetting within Uganda and internationally are published and being implemented, by end of Y3</p>	<p>3.1. Draft guidelines for Uganda developed collaboratively by project team and approved at research workshop (end Y2).</p> <p>3.2. A minimum of 5 NEMA staff are trained with the necessary knowledge and skills to implement the new guidelines, and a minimum of 2 NEMA staff are trained as 'trainers' to continue the training to other / new NEMA staff (by end Y3).</p> <p>3.3 By project end, the new guidelines are published by NEMA, and integrated into the planning for at least two biodiversity offsets in Uganda.</p> <p>3.4. International guidelines published in collaboration with BBOP, by end Y3.</p> <p>3.5. By end Y3, at least 2 international businesses commit to implementing these guidelines within their operations.</p>	<p>3.1. Draft national and international social NNL principles have been developed collaboratively by the project team and presented at the research workshop in Uganda for feedback, as well as a workshop in Cambridge.</p> <p>3.2. For Year Three: Training of NEMA staff will take place in Year Three in collaboration with COMBO. Training will be aimed at NEMA staff, and also planned for wider Government, Uganda National Roads Authority (UNRA), oil companies and EIA consultants, with a day focusing on the social aspects of biodiversity offsetting, what guidance already exists, what are the gaps and how this fits in with the EIA process. Discussions on training modules are already underway between COMBO, IIED and OU and the training is planned for the first quarter of Year Three.</p> <p>3.3. For Year Three: we are working with COMBO for our Social NNL principles to be published as part of their guidelines. We are confident that the guidelines will be available to all, but the NEMA annual timetable may mean that they are published post-project. As COMBO will continue to work with NEMA post-project we are confident that they will be published at some point.</p> <p>In terms of planning for two biodiversity offsets, we are now engaging with the Katosi water treatment plant, Total's Murchison Falls project, Kampala-Jinja Expressway, and hope that therefore our work will indeed be integrated into the planning of at least one of these.</p> <p>3.4. For Year Three: we are confident this will be achieved. BBOP will not be able to publish them themselves in this timescale, but we will publish them as an IIED or WB document and disseminate them through various BBOP events and forums for BBOP to incorporate them at a later stage.</p> <p>3.5. For Year Three: we have several businesses interested in our social NNL principles (including Total and BP) and we will continue to engage with them as we finalise the principles .</p>
<p>Activity 3.1. Draft guidelines prepared and discussed at project workshop.</p>		<p>Draft national and international social NNL principles have been drafted. These were presented to stakeholders at a workshop in Cambridge as well as at the project research workshop in Uganda. Valuable feedback was received and the guidelines will be updated.</p>
<p>Activity 3.2. Research workshop held to solicit feedback on research results and guidelines from a range of stakeholders.</p>		<p>A research workshop was held in Kampala, Uganda on the 7th of March 2018. Report and minutes from this workshop are appended to this report.</p>

<p>Activity 3.3. Training of NEMA staff on the new guidelines and associated technical needs.</p>	<p>For Year Three: we are confident this will be achieved, as we are working with COMBO to undertake our training in conjunction with theirs (which will reach a much wider audience than we originally envisaged)</p>
<p>Activity 3.4. Business and Biodiversity Forums held in Kampala.</p>	<p>A meeting was held in August 2017 to discuss the need and purpose of a Natural Capital Forum (previously called the Business and Biodiversity Forum). This was followed up with a second Natural Capital workshop held in Kampala, Uganda in March 2018.</p>
<p>Activity 3.5. Publication of new guidelines by NEMA and launch event.</p>	<p>For Year Three: a launch event will be held but formal publication may take longer.</p>
<p>Activity 3.6. Drafting of new international guidelines and publication by BBOP.</p>	<p>New international social NNL principles have been drafted, with publishing planned for Year Three.</p>
<p>Activity 3.7. Business engagement workshop in Oxford.</p>	<p>For Year Three: we are confident this will be achieved.</p>
<p>Activity 3.8. Two international businesses to commit to implementing these new guidelines.</p>	<p>For Year Three: we have several businesses interested in our guidelines (including Total and BP) and we will continue to engage with them as we finalise the principles.</p>

Annex 2: Project’s full current logframe as presented in the application form (unless changes have been agreed)

Project summary	Measurable Indicators	Means of verification	Important Assumptions
<p>Impact: Local people’s use and cultural values for biodiversity are embodied within ‘no net loss’ development goals, with biodiversity offsetting supporting both conservation and poverty alleviation at local and national levels.</p>			
<p>Outcome:</p> <p>Government, developers and NGOs work collaboratively on ‘no net loss’ biodiversity offsets that genuinely reflect local people’s needs and values, support poverty alleviation in the long-term and are implemented equitably.</p>	<p>0.1 8,700 people affected by the Bujagali Hydropower Project, 37,000 people affected by the Kalagala Offset, and 2,700 people potentially affected by the Isimba Hydropower project have the actual or potential impacts of these projects on their wellbeing better taken into account in sustainable management plans (by end Y3).</p> <p>0.2 Improved biodiversity conservation outcomes of Kalagala Offset, and reduced biodiversity impacts of Isimba Hydropower Project, with livelihood and cultural values of biodiversity for different groups (particularly of vulnerable groups including women) taken into account, based on an evaluation of impacts to date (by end Y3).</p> <p>0.3 Best practice guidelines for incorporating social impacts into biodiversity offsets are adopted by industry and government in Uganda and internationally, leading to commitment to embed guidelines into operations from at least 2 Ugandan and international</p>	<p>0.1 Project start-up meeting report (Y1). Report of Research Workshop (end Y2). At least two peer-reviewed papers and IIED report (end Y3).</p> <p>0.2 Policy briefs with recommendations to inform the review of the Kalagala SMP and preparation of IHP’s plan. Records of commitments to change management plans by implementing agencies, based on study results, with implementation timetables (end Y3).</p> <p>0.3 Guidelines and accompanying report published through BBOP (end Y3). Meetings in Kampala and Oxford to disseminate findings and engage business leaders - presentations available online (end Y3). NEMA adopts project recommendations (end Y3). Written commitment by at least 2 international developers to incorporate guidelines into their operations in future (end Y3).</p> <p>0.4 Minutes of NEMA training workshops; evidence of attendance</p>	<p>Political and economic stability in Uganda enables the project to be completed [there is no reason currently to think this will be an issue]</p> <p>There is still scope to influence the Isimba Hydropower Project’s planning [the Environmental and Social Impact Assessment has been referred for revision, they have not yet started their offset].</p> <p>Government implementing agencies are receptive to our recommendations, and are prepared to change their management plans based on our study [we have a Letter of Support from MoWE expressing a strong interest in the project and willingness to engage, and NEMA is an important player in approving and monitoring offsets within the government]</p> <p>There is scope for poverty alleviation in the project site, through improvements in the Sustainable Management Plans [preliminary discussions with project</p>

	<p>businesses and developers (by end Y3)</p> <p>0.4. A network of engaged people, with the capacity and will to improve the biodiversity and local social outcomes of national-level economic developments; belonging to at least 10 organisations within Uganda (government, NGOs, business), by end Y3.</p>	<p>at, and engagement with Research Workshop and Launch Event by relevant organisations; minutes and attendance records for Business and Biodiversity Forums (Y2 & 3); minutes of U-PCLG meetings (annual); evidence of implementation of project findings in organisations' policies and practice (end Y3).</p>	<p>partners and other stakeholders in Uganda suggest that this is likely]</p> <p>Businesses and NGOs are keen to engage, nationally and internationally [initial meetings with relevant stakeholders at both national and international scales have been very positive]</p>
<p>Output 1</p> <p>Study completed on the costs and benefits to local people and biodiversity of the Bujagali/Isimba Hydropower Projects and Kalagala Offset captures differentiated local impacts of these projects (end Y2)</p>	<p>1.1. All relevant previous biodiversity and social survey data collated into a spatially explicit database and analysed to assess impacts of projects/offsets, by end Y1.</p> <p>1.2. At least 3 Focus Groups held in each of the 3 sites (of different potentially affected groups), to develop locally appropriate wellbeing measures and explore cultural and social values of biodiversity in the area and effects of projects and offsets (current & potential), by end Y1.</p> <p>1.3 At least 200 local people, stratified by livelihood and wealth, in each of 3 sites, are surveyed to gain perspectives on costs and benefits of projects and offsets, by end Y1.</p> <p>1.4 At least 50 people in each of the 3 sites participate in choice experiments and scenario interviews, to gain views on potential mitigation for social impacts of current and new projects/offsets, by end Y1.</p> <p>1.5. Biodiversity surveys carried out in affected areas to assess ecological</p>	<p>1.1-1.5. Annual reports of the project team to Darwin. Minutes of 6-monthly project meetings and powerpoint presentations made. Presentations to Advisory Committee (annual).</p> <p>1.1, 1.5. Biodiversity database developed (end Y1) and enhanced (end Y2).</p> <p>1.1-1.5: Research Workshop is held in Uganda (end Y2) where the research results are presented by the project team and local people from the case study site to stakeholders (government, NGO and business)</p> <p>1.6. Summary of research findings is published in the local language of the case study site (mid Y2). Meetings held with local leaders to present the research findings (end Y1 and Y2).</p> <p>1.6. By project end, two research papers are published in peer reviewed journals and one IIED research report is published and available to download on the IIED website.</p> <p>1.6. By project end, the research is</p>	<p>Local people at the case study site are willing to participate in the research [involvement of NU, Makerere University and NEMA and their existing positive relationships with local leaders will support this]</p> <p>Existing biodiversity and social datasets are of a high enough quality for a before-after analysis to be feasible [If not, then inferences on biodiversity and social impacts will be weaker; data on perceived social impact, and biodiversity surveys in control and impact sites, will still give an indication of impact. NEMA has the datasets generated for the ESIA, which will be made available to the team.]</p> <p>Research team is able to build trust in order to gain reliable and truthful information on social impacts. [Our long experience of social research, including 2 previous Darwin/IWT projects in Uganda will help us here]</p>

	<p>mitigation carried out and current biodiversity value, by end of Y2.</p> <p>1.6. Datasets analysed, published and disseminated in appropriate formats and to stakeholders including local leaders, government and business, by end Y2.</p>	<p>presented at a minimum of one international conservation conference and at least one international biodiversity offset policy meeting.</p>	
<p>Output 2</p> <p>The Kalagala Offset Sustainability Management Plan is reviewed, and recommendations made for the Isimba management plan, with a focus on how to ensure NNL of biodiversity and net positive social impacts, based on the findings from Output 1, by end of Y3.</p>	<p>2.1. By early Y3, the Kalagala Offset Sustainability Management Plan is reviewed by the Ministry of Water and Environment (MoWE), with a view to revision based on inputs from the project team.</p> <p>2.2. By early Y3, recommendations for the Isimba offset management plan are submitted to MoWE, including local feedback on preferred offsetting options (based on output 1.3).</p> <p>2.3. Project findings are published in local languages and meetings are held with local leaders to present them and NEMA's new guidelines (end Y2).</p> <p>2.4. By project end, MoWE reports and NEMA site visits demonstrate implementation is taking place (end Y3).</p>	<p>2.1 Document containing approved recommendations for revision of the Sustainability Management Plan for Kalagala, that make explicit the social net positive commitment, and how they will achieve it.</p> <p>2.2. Document containing approved recommendations for a Sustainability Management Plan for Isimba, that make explicit the social net positive commitment, and how they will achieve it.</p> <p>2.3. Minutes of local and national-level meetings, publications in local languages.</p> <p>2.4. Analysis of meetings and reports from NEMA and MoWE in Y3, site visit report from NEMA, minutes of final project meeting.</p>	<p>The Ministry of Water and Environment is receptive to implementing changes to the Kalagala offset management plans based on the research findings [See letter of support]</p> <p>The Isimba offset can be influenced and commitments made will be carried through to implementation [Given the short timespan of the project, there will be limited time in which to see actual outcomes at Isimba based on our findings. However, the onward engagement of NEMA and the Ministry for Water and Environment with local perspectives and biodiversity impacts can be gauged by project end. We are also not in control of the timetable for the Isimba offset (which will be agreed between the World Bank and various Ministries, including NEMA and MoWE), although currently it appears that it will be congruent with the project.]</p>
<p>Output 3</p> <p>New guidelines on incorporating social costs and benefits into biodiversity offsetting within Uganda and</p>	<p>3.1. Draft guidelines for Uganda developed collaboratively by project team and approved at research workshop (end Y2).</p>	<p>3.1. Minutes of research workshop, draft guidelines document posted on project website.</p> <p>3.2. A report of the training for NEMA</p>	<p>NEMA retain their autonomy within Government to publish new guidelines [there is no reason to suppose this will change - NEMA are well respected and consulted within the Ugandan</p>

<p>internationally are published and being implemented, by end of Y3</p>	<p>3.2. A minimum of 5 NEMA staff are trained with the necessary knowledge and skills to implement the new guidelines, and a minimum of 2 NEMA staff are trained as 'trainers' to continue the training to other / new NEMA staff (by end Y3).</p> <p>3.3 By project end, the new guidelines are published by NEMA, and integrated into the planning for at least two biodiversity offsets in Uganda.</p> <p>3.4. International guidelines published in collaboration with BBOP, by end Y3.</p> <p>3.5. By end Y3, at least 2 international businesses commit to implementing these guidelines within their operations.</p>	<p>staff on the new guidelines posted on the project website.</p> <p>3.3. By project end, the new guidelines are listed on NEMA's website and NEMA hosts an event to formally launch the new guidelines in Kampala.</p> <p>3.3. By project end, Social and Environmental Impact Assessment reports (or equivalent) of a minimum of two biodiversity offsets in Uganda are published that make reference to application of the new guidelines.</p> <p>3.4. Guidelines document on BBOP website and launched at project/BBOP co-hosted international meeting in Oxford.</p> <p>3.5. Public documentation of commitments by businesses concerned on website, or reference to guidelines made in specific offset project documents.</p>	<p>government planning system]</p> <p>NEMA continues its commitment for local people's use and values associated with biodiversity to be fully incorporated into offset decision-making in order to integrate social fairness into the offset process [their full involvement as partners in this project will support this]</p> <p>Biodiversity offset projects in Uganda continue to occur at a level to enable application of the new guidelines within the timeframe of this project, and clients/funders/developers are receptive to applying these guidelines [offsetting at the moment is growing fast as an approach in Uganda, hence the need for the project, and engagement with clients/funders/developers by the project team throughout will help to ensure that they are keen to be involved. We have relationships with Lafarge, Tullow and Total, who are all planning or implementing developments and offsets in Uganda. They will attend our Business and Biodiversity forums and other engagement activities in Uganda, and our UK meeting.]</p> <p>Businesses internationally are interested to engage with issues of social fairness in a proactive way [BBOP involvement will help to build trust, Oxford's team have an ongoing relationship with several thought-leading international businesses on supporting improvement in their biodiversity performance (through a NERC Knowledge Exchange project), who will be targeted for project engagement. Project team members Julia Baker (IIED) and Joe Bull (Wild Business) work in the corporate sector,</p>
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			and have strong links to relevant businesses]
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Activities (each activity is numbered according to the output that it will contribute towards, for example 1.1, 1.2 and 1.3 are contributing to Output 1)

1. Research on the costs and benefits to local people and biodiversity of the Bujagali/Isimba Hydropower Projects and Kalagala Offset

- 1.1 Prepare for and run Project Inception Workshop. Complete and disseminate workshop report.
- 1.2 Existing biodiversity and social survey data collated into a spatially explicit database and analysed to assess baseline conditions and planned mitigation.
- 1.3 Social field surveys: a) Focus groups held at the 3 sites, wellbeing measures developed, cultural and social values of biodiversity in the area explored;. b) Individual surveys to gain perspectives of costs and benefits of developments and offset. c) Choice experiments and scenario interviews for Isimba offset.
- 1.4 Biodiversity field surveys: a) Site visits to assess status of planned ecological mitigation activities at Bujagali and Kalagala; b) Transect surveys of tree planting sites, Central Forest Reserve and agricultural land at Kalagala to assess biodiversity (trees, culturally valuable plants and birds) and signs of human use (tree cutting, snares).
- 1.5. Analysis of datasets for impact evaluation of offset.
- 1.6 Data sets published and disseminated, including conference abstracts and summaries of research findings in local languages.
- 1.7 Six monthly project meetings (alternating in-country and by skype), including preparation and dissemination of minutes.
- 1.8 Research Meeting to present results to stakeholders and gain feedback
- 1.9 Annual reports to the project team at Darwin and annual presentations to the Advisory Committee.

2. Review of the Kalagala Offset Sustainability Management Plan and Isimba management plan

- 2.1 Review the existing Kalagala Offset Sustainable Management Plan and provide recommendations to inform the updating of the plan.
- 2.2 Provide recommendations for the Isimba management plan, including local feedback on preferred offsetting options.
- 2.3 Publish study results in local languages, hold meetings with local leaders to present them with new guidelines.
- 2.4 Analyse meetings and MoWE reports, site visit by NEMA, and report on implementation of recommendations.

3. New guidelines on incorporating social costs and benefits into biodiversity offsetting

- 3.1 Draft guidelines prepared and discussed at project workshop.
- 3.2. Research workshop held to solicit feedback on research results and guidelines from a range of stakeholders.
- 3.3. Training of NEMA staff on the new guidelines and associated technical needs.
- 3.4. Business and Biodiversity Forums held in Kampala.
- 3.5. Publication of new guidelines by NEMA and launch event.
- 3.6. Drafting of new international guidelines and publication by BBOP.
- 3.7. Business engagement workshop in Oxford.
- 3.8. Two international businesses to commit to implementing these new guidelines.

Annex 3: Standard Measures

Table 1 Project Standard Output Measures

Code No.	Description	Gender of people (if relevant)	Nationality of people (if relevant)	Year 1 Total	Year 2 Total	Year 3 Total	Total to date	Total planned during the project
1A	One person will submit a thesis for PhD qualification	Female	British/ South African			1	0	1
1B	One person will attain a PhD qualification	Female	British/ South African			1	0	1
2	One person will attain a Masters qualification	Female	British			1	0	1
6A	NEMA staff will be trained on how to implement the new national biodiversity offsetting guidelines		Ugandan			5	0	5
6A	2 NEMA staff will be trained as 'trainers' to continue the training to other / new NEMA staff		Ugandan			2	0	2
8	Powerpoint presentations and leaflets will be used for training of the NEMA staff on the Social NNL principles					2	0	2
9	Draft national biodiversity offsetting guidelines will be produced (in collaboration with Combo).				1		1	1
9	National and international guidelines documenting how to incorporate					1	0	1

	social impacts into biodiversity offsetting will be produced.							
11A	Two research papers will be published in peer reviewed journals and one IIED research report will be published and available to download on the IIED website.					3	0	3
12B	The biological databases from Nature Uganda and the social database from Oxford University will be handed over to Uganda.					2	1	2
14A	A Research Workshop will be held in Uganda where the research results are presented by the project team and local people from the case study site to stakeholders (government, NGO and business)		Ugandan		1		1	1
14A	Summary of research findings will be published in the local language of the case study site and meetings will be held with local leaders to present the research findings.		Ugandan		1	1	1	2
14A	Launch event for the new		Ugandan			1	1	0

	draft national guidelines. This will be hosted by NEMA and delegates from various government Ministries and NGOs in Uganda will be invited.							
14A	Business engagement workshop in Oxford		International			1	0	1
14B	By project end, the research will be presented by Victoria Griffiths at least one international biodiversity offset policy meeting	Female	British/ South African			2	1	2
23	Matched funding will be obtained from the Combo project (led by WCS). This will assist with drafting of the national guidelines and the launch event. Will also assist with the training of NEMA staff		Ugandan			1	1	1

Table 2 Publications

Title	Type (e.g. journals, manual, CDs)	Detail (authors, year)	Gender of Lead Author	Nationality of Lead Author	Publishers (name, city)	Available from (e.g. weblink or publisher if not available online)
Stakeholder and institutional analysis	Research report	Esmail, 2017	Female	Kenyan/ Canadian	Wild Business Ltd	Project website Appended to this report

Checklist for submission

	Check
Is the report less than 10MB? If so, please email to Darwin-Projects@ltsi.co.uk putting the project number in the Subject line.	x
Is your report more than 10MB? If so, please discuss with Darwin-Projects@ltsi.co.uk about the best way to deliver the report, putting the project number in the Subject line.	Yes
Have you included means of verification? You need not submit every project document, but the main outputs and a selection of the others would strengthen the report.	x
Do you have hard copies of material you want to submit with the report? If so, please make this clear in the covering email and ensure all material is marked with the project number.	No
Have you involved your partners in preparation of the report and named the main contributors	x
Have you completed the Project Expenditure table fully?	x
Do not include claim forms or other communications with this report.	

