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ANNEX 1

to the Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of Uganda for 2024

Action Document to Support the Sustainable Tourism Value Chain in Uganda

ANNUAL ACTION PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Support the Sustainable Tourism Value Chain in Uganda OPSYS number: ACT-62608 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out in Uganda
4. Programming document	Multi-annual Indicative Programme for Uganda 2021-2027
5. Link with relevant MIP(s) objectives / expected results	Priority area 1: Green and Climate transition (<i>DAC codes 410, 312, 430</i>) Objective 1.1 - Promoting a sustainable environment and natural resources management Priority area 2: Promoting sustainable and inclusive growth and jobs s (<i>DAC codes 240, 250, 160</i>) Objective 2.1 - Promoting sustainable investments
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	410 Environmental protection; 312 Forestry; 430 Other Multisector; 240 Banking and Financial Services; 250 Business and other services; 160 Other Social Infrastructure and Services
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): Decent Work and Economic Growth (SDG 8) Other significant SDGs: Responsible Consumption and Production (SDG 12); Climate Action (SGD 13); Gender Equality and Women Empowerment (SDG 5); Reducing Inequalities (SDG 10).
8 a) DAC code(s)	33210 – Tourism policy and administrative management – 35% 41010 – Environmental policy and administrative management – 10% 25010 - Business Policy and Administration – 15% 25030 – Business Development Services – 25%

	24010 – Financial policy and administrative management – 15%				
8 b) Main Delivery Channel	Indirect management				
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance				
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective	
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	RIO Convention markers	Not targeted	Significant objective	Principal objective	
	Biological diversity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
		Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	/
Connectivity @		<input checked="" type="checkbox"/>	<input type="checkbox"/>		

	digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities@	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line: 14.020121 Total estimated cost: EUR 15 500 000 Total amount of EU budget contribution EUR 15 500 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with entrusted entities to be selected in accordance with the criteria set out in section 4.4.1.			

1.2 Summary of the Action

Uganda remains one of the poorest countries in the world. The majority of Uganda's population continues to be employed in low productivity / low value sectors including primary agriculture and micro services. In 2019/2020, 12.3 million people (30.1% of the population) lived below the poverty line of USD 1.77 per person per day (Uganda Bureau of Statistics, 2021). The challenge for Ugandan policy makers is therefore to manage the labour force's transition from a predominant involvement in low productivity subsistence agriculture to increased involvement in higher productivity sectors which can deliver higher wages, faster employment growth and increased resilience.

The Government of Uganda recognises that the tourism sector can play an important role in driving the transition towards higher productivity and inclusivity, including in rural and remote areas of the country. The third National Development Plan (NDP III)¹ and the Uganda Vision 2040² identify tourism as a fundamental opportunity to facilitate socio-economic transformation and emphasise the importance of gender mainstreaming and social transformation³. The EU-Uganda Forest partnership identifies tourism as one of the priority areas to benefit forest-dependent communities and promote conservation. Aligned with this strategic priority and the goals of the Forest Partnership, the objective of the Action is to support the Government of Uganda to increase the adoption of sustainable practices within the Ugandan sustainable tourism sector, while stimulating SME growth and local ownership in the tourism value chain, thereby contributing to inclusive and more resilient growth. The development of the sustainable nature-based tourism sector presents significant challenges that the Action intends to help address.

First, leisure tourism is based on tourism circuits, often multi-day, that connect tourism sites, services and attractions into packaged experiences for visitors. Businesses, including accommodation, attractions, catering, service providers, will need to come together to develop, promote and operate attractive and sellable circuits. These tourism circuits will need to be able to demonstrate their sustainability credentials, based on a sustainability certification system tailored to Uganda. Moreover, there is a need to diversify the offer beyond National Parks to other natural landscapes. This includes areas where communities can have a significant role in the potential revenue

¹ <http://library.health.go.ug/sites/default/files/resources/Third%20National%20Development%20Plan%20III%2C%202020-21-2024-25.pdf>

² <https://npa.go.ug/vision2040/>

³ [vision20204011.pdf \(worldbank.org\)](#)

stream that tourism generates (i.e. own a part of the asset), protected lands where tourism could play a role in ensuring their long-term viability (i.e. critical Central Forest Reserves) and conservancies. In many of these landscapes, there is a critical need for tourism planning to ensure tourism development occurs in a sustainable way and brings benefits to communities. Furthermore, current access to tourism markets is limited and promotion efforts need to focus on niche markets of more sustainable and locally impactful tourism. A targeted marketing campaign is needed which would help position Uganda as a sustainable tourism destination, help to engage businesses and build the capacity of all involved in messaging and marketing sustainability in their tourism promotion efforts long-term.

Second, there is a critical need to ensure that tourism contributes effectively to local community development. Communities need to be more involved in tourism planning and governance in their regions, and the capacity of communities established to own part of the tourism value chain and benefit from a share in tourism revenues beyond simple employment needs to be enhanced. In practice, this means raising the awareness of tourism value chain actors of the importance and opportunities for local procurement of goods and services and local recruitment, as well as building the capacity of local SMEs and the workforce to supply goods, services and labour in line with the needs of the market. In turn, for these efforts to be sustainable, the capacity of local business support service providers and training institutions also needs to be strengthened.

Third, there is a pressing need to improve access to finance for MSMEs and communities engaged in the tourism value chain through an improved business enabling environment and the provision of tailored financial products delivered through innovative digital channels.

The Overall Objective of this action is to contribute to the growth of the nature-based tourism sector in Uganda in an inclusive and sustainable manner, in line with the Forest Partnership principles.

The Specific Objectives (Outcomes) of this action are to:

- 1 Increase Uganda's visibility and attractiveness as a sustainable travel destination.
- 2 Increase local communities' participation and reaped benefits from tourism in natural landscapes and their conservation.
- 3 Improve the business environment and support the companies active in the tourism value chain and the local communities.

The Action builds on initiatives taken by the EU Member States in the development of the tourism value chain, following a Team Europe Approach. It will contribute to the fulfilment of the EU Gender Action Plan 2021-2025 GAP III⁴ and the EU Strategy on the Rights of Persons with Disabilities⁵.

1.3 Zone benefitting from the Action

Action shall be carried out in Uganda which is included in the list of ODA recipients.

2 RATIONALE

2.1 Context

While Uganda's economy has grown significantly over recent years, a significant proportion of the country's population are not benefiting optimally from this growth. The vast majority of Uganda's labour force remains employed in low productivity activities, such as subsistence agriculture. The challenge for Ugandan policy makers is therefore to manage the labour force's transition from a predominant involvement in low productivity subsistence agriculture to increased involvement in higher productivity sectors including manufacturing and services.

Uganda has a progressive legal and policy framework to support gender equality and women's empowerment (GEWE). The Constitution prohibits all forms of discrimination against women and provides for the protection

⁴ The [Gender Action Plan III](#) is a Joint communication by the Commission and the High Representative of the Union for Foreign Affairs and Security Policy which was welcomed through [EU Presidency Conclusions](#) of 16 December 2020 endorsed by 24 Member States.

⁵ <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8376&furtherPubs=yes>

and promotion of women's rights. Several specific laws provide a legal framework for the empowerment of women and girls and for addressing barriers that negatively affect women's status in society.

Although much has been achieved especially on the legal and policy framework for GEWE, there still exists a significant gap between laws and policies on one hand and reality on women's and girls' lives on the other. As an example the unequal division of unpaid care and domestic work, and the discrimination in public office remain significant barriers to gender equality in Uganda⁶

The Government of Uganda recognises that the tourism sector can play a key role in driving the required transition of the economy towards higher productivity and inclusivity. The NDP III and the Uganda Vision 2040 identify tourism as a fundamental opportunity that should be harnessed as a priority to facilitate socio-economic transformation of Uganda into a prosperous upper middle-income country. The tourism sector is expected to contribute towards job creation, foreign exchange earnings, investment promotion, poverty reduction and conservation promotion.

The tourism sector is already a major contributor to the Ugandan economy. In 2019, it provided around 667,000 direct jobs (6.7% of national employment), 5.9% of GDP and \$1.6 billion in revenue. Indirectly the sector generates spill-over effects on auxiliary services including banking, manufacturing, telecommunication, utilities, trade, etc, and the World Bank estimates that \$1 of expenditure by a foreign tourist generates, on average \$2.5 of GDP across the tourism supply chain. However, to date the tourism sector has performed far below its potential. For example, of the 1.5 million international arrivals to Uganda in 2019, only 126,000 classified themselves as leisure travellers (less than 10%), compared to 75% in Kenya and Tanzania. The contribution of the sector to GDP has actually decreased from a peak of 8.4% in 2016 to 5.9% in 2019, well below that of regional competitors such as Kenya, Tanzania and Rwanda. Furthermore, Uganda currently ranked only 112th out of 140 countries on the World Economic Forum 2019 Travel and Tourism Competitiveness Index.⁷ As comparison, Kenya ranked 82, Tanzania 95 and Rwanda 107.

The potential for further growth in the tourism sector is significant. Uganda has abundant natural and cultural attractions as well as the businesses and infrastructure to be a significant tourism player in the region. It is one of the most biodiverse countries on the planet, endowed with unique attractions such as mountain gorillas, the Nile River, lakes, and proximity to the equator. Forests make an important contribution to the nature-based tourism industry; there are currently 506 Central Forest reserves managed by the National Forest Agency, which form part of the country's protected areas. The total area of land covered is 12,657 km² or 6.3 per cent of the total land area of the country.

Stakeholders from government, international development agencies, trade associations, academic institutions, non-governmental organizations and private firms acknowledge that, given Uganda's comparative advantage in natural and cultural attractions, a key priority is to stimulate sustainable tourism in and around natural landscapes. The emphasis on sustainability is key: tourism can provide a growing source of opportunities for enterprise development and employment creation as well as stimulating investment and support for local services, even in remote communities, and it can bring tangible economic value to natural and cultural resources. This can result in direct income from visitor spending for their conservation, and an increase in support for conservation from local communities. However, tourism growth can also present considerable challenges and potential threats to the environment and local communities if not well managed. It can place direct pressure on fragile ecosystems causing degradation of the physical environment and disruption to wildlife, create competition for the use of scarce resources, notably land and water, contribute to pollution and be a vulnerable and unstable source of income, as it is often very sensitive to actual or perceived changes to the environmental and social conditions of destinations.

The emphasis on sustainable nature-based tourism also speaks to recent demand-side trends in tourism markets. Some of the most significant shifts include: (i) an increase in traveller goodwill linked to a growing sense of responsibility among travellers to make travel choices for the benefit of others, and resulting in demand for travel experiences that leave places better than they were found; (ii) growing importance of the people aspect of tourism-travellers want tourism not only to be 'green' (to benefit the planet) but also to be 'good' (to benefit local people and communities); (iii) growing emphasis among travellers on travelling more sustainably; (iv) a requirement for more information on where to find and identify sustainable options for travel; and, in addition to the traveling public, (v) host communities are also changing their perspective to ask how travellers support the community they

⁶ CLIP Uganda | Capacity4dev (europa.eu)

⁷ Travel and Tourism Competitiveness Index, World Economic Forum, 2019 (Uganda was not included in more recent reports)

are visiting. This shift has profound implications for tourism in nature-based destinations. Communities that host visitors increasingly want to better define their relationship with tourism, to make it more equitable for residents, while still providing a great experience for guests.

Although the NDP III provides a roadmap for realising the sector's growth potential, resources to implement that plan have not been fully committed and it appears the government will actually decrease the budget of the Ministry, limiting its ability to implement the plan. Given these resource limitations and competing priorities across ministries and agencies, planning and prioritisation will be critical to ensuring effective government investment in the tourism sector. The Government of Uganda will need to focus on the most critical areas for development, in consultation with the private sector and other stakeholders, and focus investment on these areas.

The Government of Uganda faces significant challenges in realising tourism's potential contribution to economic transition. It must effectively address basic challenges such as the need to upgrade essential infrastructure, address skills shortages throughout the value chain, promote and facilitate private sector investment, upgrade marketing and promotion and improve data availability. At the same time, the emphasis on sustainable nature-based tourism will require proactive measures to upgrade and verify the product range, effectively connect to sustainable tourism markets, facilitate opportunities for enterprise development, employment creation and local services development, even in remote communities, generate support for conservation from local communities, while managing pressures on the local ecosystem and increasing resilience.

For this to work, investment from the private sector, alongside Government, will be crucial across the value chain. The private sector will also need to be convinced of the economic opportunity to turn to sustainability and helped to take the appropriate steps to green their businesses, as well as to source their products and services closer to where they are located.

The proposed Action will adopt a collaborative approach, building on the technical assistance programmes and channels that have already been established by Team Europe members, e.g. the Belgian ENABEL Fair Certification Framework for Tourism, the Netherlands Centre for the Promotion of Imports from developing countries (CBI), which is implementing a new 4-year project for tour operator coaching with the objective of making the Ugandan tourism industry more sustainable. Another notable programme is GIZ's Employment and Skills for Development in Africa (E4D) which includes a tourism component. The programme is co-funded by the European Union (EU), with other funders being BMZ and the Norwegian Agency for Development Cooperation (NORAD). The goal of the program is to increase employment, employability and work conditions in the sector and bridge the mismatch between the qualifications local jobseekers have and the skills that are in demand by employers. A new follow up project with more of a focus on women and the green economy (WE4D) will be implemented from 2024 through 2026. Through Senso-Media Fejlesztő és Szolgáltató Zrt, the Hungarian government is supporting a 'Smart Tourism' program in Uganda. The program is producing and installing digital infrastructure and systems to support the tourism sector. Beyond EU Member States, Swisscontact has been involved in trade, agriculture (agri-tourism) and hospitality training in Uganda in previous years, but tourism was recently phased out of their portfolio (2022), with the exception of agri-tourism, focusing on coffee, cocoa, apiculture (beekeeping) and horticulture with an emphasis on employment and sustainability.

Through the proposed Action, the EU will have the opportunity to scale current actions implemented by Member States, fill gaps and provide the glue for a comprehensive sustainable tourism program that can position Uganda as the top sustainable, connected, diversified and community driven tourism destination in the region.

2.2 Problem Analysis

To fully harness the tourism sector's potential for Uganda's economic transformation, several priority challenges must be addressed:

Lack of a clear strategy targeting niche markets: Uganda has the opportunity to focus its efforts on niche markets and leverage trends that show travellers are seeking more sustainable and locally impactful tourism experiences. There is a need to better profile these target markets and sub-segment of them, so as to be able to form targeted niche strategies specific to each market profile. To incentivize participation and build a critical mass of sustainable tourism products and facilities in the country, a targeted marketing campaign is also needed. This would help position Uganda as a sustainable tourism destination, help to engage businesses to participate in the sustainability

program and build the capacity of all involved in messaging and marketing sustainability in their tourism promotion efforts long-term.

Lack of sustainable tourism circuits: Uganda's tourism largely centers around national parks and a few other sites, lacking cohesive circuits for visitors. Efforts are needed to upgrade infrastructure, ensure quality consistency, and enhance collaboration among stakeholders to develop viable sustainable tourism circuits.

Negative environmental impacts of tourism: Unsustainable tourism practices contribute to environmental degradation, including waste mismanagement and deforestation. Establishing a tailored sustainability certification system can incentivize businesses to adopt environmentally friendly practices and mitigate these impacts.

Limited local community ownership in the tourism value chain: Despite tourism's potential for community development, local participation and ownership are low. Supporting communities to develop and own tourism products and services can enhance their economic empowerment and foster sustainable tourism growth. The role of women, youth and other disadvantaged groups in the value chain is particularly disadvantaged due to: limited access to information, extension and financial services, infrastructure, social protection and decent employment; limited access to physical and capital resources, limited control over markets and pricing and they are excluded from decision-making and leadership positions.

Limited diversity in the tourism offer: Nature-based tourism is a critical component of Uganda's tourism product and there is a need to diversify the offer beyond National Parks to other natural landscapes. This includes areas where communities can have a significant role in the potential revenue stream that tourism generates (i.e. own a part of the asset) as well as other protected lands where tourism could play a role in ensuring their long-term viability (i.e. critical Central Forest Reserves).

Poor access to finance for sustainable tourism: Access to finance is a major barrier for businesses, especially SMEs, in the tourism sector. Providing tailored financial products and technical assistance can unlock investment opportunities and support the growth of sustainable tourism enterprises. Given that business operating in the tourism VC are usually collateral-poor, further developing the ecosystem for movable collateral should also be addressed.

Weak business enabling environment: Complex regulations and lack of coordination among stakeholders hamper tourism business growth. Streamlining regulations, improving quality assurance mechanisms, and enhancing collaboration can create a conducive environment for tourism development.

Main stakeholders (duty bearers and right holders) of this action are as follows:

- *Local communities including those in remote areas:* Local communities will benefit from the action through increased opportunities to establish small enterprises supplying goods and services for the tourism sector, through increased direct employment opportunities and ownership as well as greater levels of participation.
- *SMEs operating along the tourism value chain:* SMEs in the tourism market system will benefit from improved competitiveness, market access and resilience leading to great margins, profitability and enterprise growth. New opportunities will be created for start-up ventures in traditional and innovative tourism product and service development. Firm growth will lead to increased employment as well as locally retained revenues.
- *National and local government Ministries, Departments and Agencies (MDA) at national and local levels:* These agencies will benefit from capacity building to regulate and enforce quality standards and promote conservation of protected areas. Uganda Tourism Board (UTB) will be supported in its role to promote Uganda as tourism destination.
- *Private Sector Associations* under the Uganda Tourism Association (UTA), the national apex organizations including UHOA, AUTO, ESTOA, YUTO, TUGATA, as well as associations in other subsectors of the tourism value chain (handicrafts, transport, creative industries, etc.) They will support implementation through convening members, distribution of information, training and development of promotional materials.
- *CSOs, international and local NGOs* who will coordinate their actions with the programme and possibly implement parts of it through sub-contracting.
- *EU Member States, International organisations (IO) and bilateral development agencies* who will coordinate their actions with the programme and possibly implement parts of it, preferably in a Team Europe approach.
- *Financial Sector:* Financial intermediaries such as commercial banks, asset financiers, Venture Capital funds, impact investors, are crucial in facilitating the develop of a sustainable nature-based tourism sector.

- *Regulators:* Bank of Uganda, Uganda Microfinance Regulatory Authority, Capital Markets Authority, etc. will be partners in the implementation of the project.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective of this action is to contribute to the growth of the nature-based tourism sector in Uganda in an inclusive and sustainable manner, in line with the Forest Partnership principles.

The Specific Objectives (Outcomes) of this action are to:

1. Increase Uganda's visibility and attractiveness as a sustainable travel destination.
2. Increase local communities' participation and reaped benefits from tourism in natural landscapes and their conservation.
3. Improve the business environment and support the companies active in the tourism value chain and the local communities, particularly focusing on micro and small enterprises owned and operated by women entrepreneurs.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

1. *SO1 – Increase Uganda's visibility and attractiveness as a sustainable travel destination*
 - 1.1. Tourism firms have access to and are utilizing sustainable tourism standards and fair-trade certification programs
 - 1.2. Sustainable local, regional, and sub-national tourism circuits and hubs are developed.
 - 1.3. Tourism marketing platforms, programs and tools that bundle and promote sustainable or fair-trade tourism products are developed.
2. *SO2 – Increase local communities' participation and reaped benefits from tourism in natural landscapes and their conservation*
 - 2.1. SMEs and communities along sustainable tourism circuits supply quality goods, services and labour to the sector.
 - 2.2. Conservancies and protected landscapes have access to the technical and financial support required to scale up their operations.
 - 2.3. Local communities derive greater benefits from tourism businesses (new or existing).
3. *SO3 – Improve the business environment and support the companies active in the tourism value chain and the local communities.*
 - 3.1. Tourism-related businesses and local communities derive benefit from streamlined Government policies and procedures.
 - 3.2. Borrowers and lenders active in the tourism value chain benefit from an improved Business Enabling Environment.
 - 3.3. Tourism firms and communities have greater access to capital to invest in sustainable tourism product development and technologies, especially those supportive of the Forest partnership agenda.

3.2 Indicative Activities

1. *SO1 - Increase Uganda's visibility and attractiveness as a sustainable travel destination*
 - 1.1. *Tourism firms have access to and are utilizing sustainable tourism standards and fair-trade certification programs*

Indicative activities: strengthen existing quality assurance policies and practices and scale up offerings related to the sustainable tourism value chain certification programs, support the certification of businesses and products like museums and cultural sites along targeted tourism circuits that include tour operators, accommodations service and activity providers, assist with online and off-line marketing strategies for certified businesses, especially those contributing to the implementation of the European Union-Uganda Forest Partnership roadmap, training of trainers

on business sustainability certifications, identification, capacity building and capital investments for establishing a local body that will take on the operation and enforcement of the certification programme.

1.2. Sustainable local, regional, and sub-national tourism circuits and hubs are developed

Indicative activities: market analysis, identification and capacity building of target tourism circuits and hubs, establishment of a sustainable product development accelerator, encourage the formation of new partnerships between accommodations, tour operators, experience providers, transport and logistics operators and other market system actors.

1.3. Tourism marketing platforms, programs and tools that bundle and promote sustainable or fair-trade tourism products are developed

Indicative activities: needs assessment/gap analysis of the existing digital platforms to inform the Unified National Digital Tourism platform creation in consultation with private and public sector stakeholders to ensure digital presence of diverse range of stakeholders, with the emphasis on local communities; train local IT professionals to provide updates and maintenance of the platform, create a mobile-friendly “Welcome to Uganda” experience, for prospective and arriving tourists, design and implement a marketing campaign for the sustainable tourism network, sustainable tourism circuits and certified businesses, build the capacity of local business advisory service providers focused on sustainability, support the development of ICT based advisory service delivery mechanisms to (i) reduce the cost and increase the viability of advisory services for firms, and (ii) facilitate access to advisory services for tourism market system actors based in remote areas.

2. SO2 - Increase local communities’ participation and their benefits from tourism in natural landscapes and their conservation

2.1. SMEs and communities along sustainable tourism circuits supply quality goods, services and labour to the sector.

Indicative activities: facilitate and strengthen linkages between local SMEs and communities and established tourism firms to identify opportunities for the supply of goods, services and labour in the sector, support and capacitate the businesses in the potential supply chain to meet the requirements of the established tourism firms so as to ensure vertical supply chain integration, enhancing local purchasing and employment as well as catalysing a culture of businesses engaging local service providers.

2.2. Conservancies and protected landscapes have access to the technical and financial support required to scale up their operations.

Indicative activities: along the targeted sustainable tourism circuits identify the conservancies’ and other protected landscapes’ needs and opportunities within each landscape, support their long term business planning activities, provide seed funding to implement the tourism plans within target conservancies and protected lands, establish a technical support facility based on an existing institution to provide a review and analysis of potential grant applications, technical guidance to successful applicants as they implement their projects as well as providing support to structuring agreements between conservancies and private sector investors.

2.3. Local communities derive greater benefits from tourism businesses (new or existing)

Indicative activities: support local communities to sustainably upgrade critical tourism infrastructures, such as solar-powered outlets, latrines, waste management, tourist reception areas, museums, crafts kiosks, cultural sites, located within local communities along the selected circuits, support local communities to expand offerings to tourists, such as bundling nature walks with visiting local cultural villages and craft markets, developing new programs.

SO3 - Improve the business environment for the companies active in the tourism value chain and for the local communities

3.1. Tourism-related businesses and local communities derive benefit from streamlined Government policies and procedures

Indicative activities: develop and operationalize the local tourism levy sharing ordinance for selected tourism-intensive districts, evaluate the existing tourism concessions pricing and award mechanism and tourism taxation and incentives policies, including those encouraging forest conservation, against good regional practices, streamline start-up, including licensing, of enterprises along the tourism value chain.

3.2. Borrowers and lenders active in the tourism value chain benefit from improved Business Enabling Environment.

Indicative activities: conduct a detailed diagnostic of the regulatory environment, strengthen the legal and regulatory environment by identifying and addressing the constraints within the credit information market and larger Movable Assets-Based Lending (MABL) ecosystem, build the capacity and train regulatory bodies on best regulatory practices and encourage their active participation in MABL market development in a supervisory role, improve the secondary markets for movable assets in terms of asset recovery, valuation, and disposition in Uganda, strengthen the MABL ecosystem with skills development for key stakeholders (enforcement, valuation, auctioneer and other appropriate intermediaries) and awareness creation and sensitization about the MABL industry.

3.3. Tourism firms and communities have greater access to capital to invest in sustainable tourism product development and technologies, especially those supportive of the Forest partnership agenda.

Indicative activities: create a shared ICT platform for credit information submitted to Credit Bureaus, create a Data Hub/Credit registry at the Bank of Uganda to improve the quality of credit information, support financial institutions (including Fintechs) to increase their knowledge about the needs of and the opportunities for financing of MSMEs in the tourism value chain, a.o., support selected lending institutions in the development and implementation of algorithmic (data-driven lending), psychometric scoring systems as alternative risk assessment methodologies, technical assistance and business development services (BDS) to address tourism businesses' capacity gaps and to promote a green transition towards responsible production and enabling them to develop bankable investment proposals based on green and circular economy principles (special attention to women-led businesses), set up innovative de-risking mechanisms and finance mechanisms to provide access to finance to the private sector for innovative business initiatives in the sustainable tourism value chain.

3.3 Mainstreaming

Environmental Protection & Climate Change

Outcomes of the SEA screening (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that no further action is required.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the Action as Category B (not requiring an EIA, but for which environment aspects will be addressed during design).

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this Action is no or low risk (no need for further assessment). This project aims to reduce carbon emissions and mitigate climate change, in line with Uganda's NDC through improved regulation and certification and private sector development with a focus on transition to a more sustainable tourism sector.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this Action is labelled as G1. This implies that Gender Equality is a significant objective within the action.

This is reflected in the acknowledgement of the potential role women can play in contributing to economic growth and job creation in the tourism sector, if they have access to the business services and to finance. The Action has introduced specific capacity building by specialised service providers oriented to women owned firms and female entrepreneurs, including empowerment, and development of financial products specifically addressing the characteristics of women entrepreneurs. The focus on SMEs, particularly those led by youth and women, will promote inclusion, gender equality and women empowerment.

Human Rights

The programme focuses on promoting the creation of decent jobs and sustainable development through the transition to a more sustainable nature-based tourism sector. Furthermore, the Action will apply a human rights-

based approach by respecting the five working principles: respect to all human rights, participation, non-discrimination, transparency and accountability in every step of the Action. In addition, the Action addresses the human right for a clean environment and aims to do no harm.

Analyses and assessments will be conducted to incorporate specific work on Business and Human Rights and mainstream the human rights-based approach and responsible business conduct.

This action will therefore apply the working principles of the human rights-based approach by ensuring respect and protection of the human rights at stake, no discrimination, full participation as well as access to information and transparency during the design and implementation of all activities, A leave-no-one-behind approach will be also incorporated throughout the design and implementation of the intervention.

Disability

As per OECD Disability DAC codes identified in section 1.1, the Action is labelled as not targeted within the action. The Action will build on good practices demonstrated by disability-inclusive training and employment projects. The project sees committed partners involved in the development of training for the staff of structures employing people with disabilities in the development of sustainable economic activities based on tourism.

The action will also strengthen participatory and inclusive practices and governance, ensuring that the most vulnerable, including persons with disabilities, are involved in planning, implementation and monitoring processes.

Reduction of inequalities

The Action is labelled as G1 as significant objective within the action. The Action has the potential to make contribution to reducing inequality in Uganda by providing training opportunities to the informal sector, women and youth and assisting the MSMEs and communities to access finance scale up and by creating inclusive decent jobs.

Democracy

The Action promotes institutional coordination, cooperation and consultation with all relevant stakeholders.

Conflict sensitivity, peace and resilience

The programme will carefully analyse and mitigate conflict risks and promote conflict sensitive approaches in community managed interventions around the National parks. Through promoting decent jobs and greater community involvement in local development, the Action will positively contribute to the resilience of the people and of enterprises to climate shocks and a more sustainable use of natural resources.

Disaster Risk Reduction

Promoting greener business models has positive impact on mitigating environmental disaster risks. The targeted tourism value chains may contribute to reducing the risk of health diseases linked to air or water pollution and create greater resilience to external shocks

Other considerations if relevant

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/Med/Low)	Impact (High/Med/Low)	Mitigating measures
Structural	Risk 1 Macroeconomic situation does not improve, and Uganda remains high risk for	Medium	High	The EU is a key development partner in PFM (Public Finance Management)/Accountability and engages, as PFM in dialogues with the Ministries of Finance, relevant Development Partners and the IMF.

	financing and investment			
Political	Risk 2 During the implementation period Elections will take place and campaigns as well as the results of the elections can lead to instability which could have a negative effect on the Tourism industry.	Medium	High	The Action supports the agenda of the Uganda Government which recognises the critical role that tourism can play in the transition to a higher value added and more productive economy, delivering more and better jobs, increased revenues and greater resilience. Through the Working Group on Tourism, the DPs will constantly engage Government on the right policies to be promoted in the Tourism sector.
Financial	Risk 3 Cost of transition reduces SMEs willingness to adopt sustainable practices	Medium	High	The Action promotes access to concessional finance, awareness raising around benefits of a sustainable tourism sector development, and access to Business Development Service Providers for SMEs on viable investments and business models.
Operational	Risk 4 Delays in development of policy frameworks e.g. certification process, and lack of technical and financial capacity for strategy development and implementation	Low - Medium	High	TA and grants are being provided to the relevant certification body to develop and enforce sustainable tourism certification programmes. Peer to peer and Uganda-EU learning and collaboration will be facilitated to identify best practices and support the learning process.
Gender Equality and Disability inclusion	Risk 5 Limited engagement in favor of gender equality and the empowerment of women and youth, a human rights-based approach, and person with disabilities by the targeted institutions and non-state actors	Medium	Medium	The project will provide adequate resources to work with institutions and non-state actors on the importance of integrating gender equality, a human rights-based approach, and the rights of persons with disabilities.
Operational	Risk 5 Commercial Banks' perceptions towards SME financing and risk do not change, thus excluding	High	High	The Action makes provision to develop strong links with commercial banks, asset financiers, impact investors, angel investors and to support the transition to commercial finance for grant beneficiaries. Awareness programmes will target commercial

	SMEs from accessing commercial finance as they move beyond grants			banks and other financiers related to opportunities and benefits of the transition to sustainable tourism
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Lessons Learnt:

Lessons learned in the Tourism sector is that there are many initiatives financed by different (EU) donors, but they are rather fragmented, sometimes competing and not providing sufficient scale to bring the tourism sector to a higher level. By focusing on the whole value chain, and by using the Team Europe approach this programme tries to bring together different partners and segments of the value chain. This should enable the sector to build on existing initiatives, ensure that private sector is in the lead and develop a focused and sustainable approach to tourism. Lessons learnt from other programmes also indicate the need to operate with an integrated and systemic approach, covering both the business enabling environment, and access to skills and finance. Work in a systemic way, e.g. combining access to finance with training, business advisory services, market linkages and supporting reforms in the enabling environment, is more effective in terms of SME development and private sector growth than addressing singular issues and creates higher impact. There are already several EU initiatives and those of other donors and international organisations, which could be taken up and further expanded/consolidated. Building on existing programme complementarities while focusing on systemic and behaviour change in the market systems, rather than only giving grants to SME, is more effective to achieve sustainable results, given the important market failures.

3.5 The Intervention Logic

The underlying intervention logic for this action is as follows:

Given Uganda's current fiscal constraints on broad tourism development, current strategy should prioritise the sustainable nature-based tourism sub-sector, where Uganda has a comparative advantage. The underlying intervention logic for this Action is that an environmentally sound, gender/youth/communities sensitive and economically viable transition to sustainable nature-based tourism is dependent on (i) improved visibility of Uganda as a sustainable tourism destination through an increased number of verifiable sustainable or fair-trade certified tourism value chain businesses in Uganda, connected in local and regional tourism circuits, (ii) strengthened capacity of local communities to derive greater benefits from nature-based tourism as well as the scaling and strengthening of conservancy models, (iii) the establishment of a supportive and inclusive enabling business environment and investment climate, that creates the right incentives for the transition to sustainability, and on (iv) improved access to finance for SMEs operating in the nature-based tourism space.

Improved visibility and attractiveness of Uganda as a sustainable tourism destination will require both demand and supply side actions. On the demand side, tourism market actors require strengthened access to marketing platforms, programs and tools that bundle and promote sustainable or fair-trade tourism products. On the supply side, sustainable tourism circuits need to be developed to provide a viable and competitive package responding to market demand. The development of competitive circuits will require an increased level of cooperation and coordination between firms in the nature-based tourism market system. Initially, the Action will therefore provide technical assistance to facilitate businesses to identify high potential sustainable tourism circuits and tourism hubs along these circuits. Further TA will then be provided to the selected tourism circuits to develop strategic plans for circuit development and management, to identify priority investment requirements for connectivity between hubs, support both product and management upgrading plans for key market actors in the circuit, and build financial readiness. Where possible, circuits will be industry-led, enabling firms to build on existing networks and relationships to form the circuits rather than managing the process in a top-down fashion. A facility will be established to support circuit governance, collaboration and cooperation between public institutions working on tourism and private operators, and in this way build the social capital within the circuit to enable long term development and adaptation to changing needs and opportunities. Tourism circuits will need to verify their sustainability credentials, and the Action will therefore support the strengthening and scaling-up of a sustainable tourism certification programme.

Implementation modalities for enabling environment reform will focus on (i) building on existing initiatives such as the work being done on a pilot basis by ENABEL and CBI (The Netherlands) in sustainability certification (ii) establishing long term sustainability of local institutions such as the certification implementation body and tourism circuit partnerships (iii) leveraging opportunities for peer learning drawn from both the regional and from the European Union in terms of best practice and operating models.

A key element of the intervention logic relates to measures to ensure that communities derive greater benefits from tourism in natural landscapes and specifically the supported sustainable nature circuits and hubs. The Action takes into account that local community involvement can contribute to increased inclusivity and higher productivity in local development, including for women and youth, but also that local communities play a significant role in sustaining the natural environment. Programme activities therefore focus on raising SME and community awareness of the economic opportunities from nature-based tourism and building the skills of local SMEs and community groups to supply goods and services into the tourism market.

Wildlife conservancies are a well-established and largely successful model for nature-based tourism development in Kenya, Tanzania and other countries, and this model is starting to emerge in Uganda. There is a need to support current activities focused on conservancies in the country. This includes work financed by the EU in its Nature Africa projects, USAID's B4R project and work WWF and Space for Giants are doing. The Action will provide access to technical and financial support to conservancies and protected landscapes to scale up their operations.

The intervention logic recognises that successful and viable growth of the nature-based tourism sector can only happen within a supportive market system. To this end, the Action will support improvements in the wider enabling environment focused on (i) streamlining Government policies and procedures related to Tourism Concessions, local Tourism levy sharing mechanism, start-up and licensing of Tourism activities along with tax burden and incentives (particularly those related to greening and sustainability); (ii) ensuring that borrowers and lenders active in the tourism value chain benefit from improved credit information regulatory environment supportive of the movable asset-based lending (MABL). The Action will also address current finance market system failures through strengthening access to modern technical and institutional tools to measure creditworthiness of borrowers in the tourism industry, amongst others, facilitating access to concessional finance to firms and communities within the tourism value chain to invest in innovative and pilot products and for the development of sustainable tourism products and technologies, especially those supportive of the Forest partnership agenda.

The main underlying assumptions are:

- Current market trends, which include travellers desire to make travel choices for the benefit of others, and the desire to travel more sustainably, are strengthened and continue into the medium to long term: These trends are identified as long term by key market surveys, but also reflect wider long term changes in consumer behaviour globally.
- Strong buy-in from Government and local private sector stakeholders: To ensure this, the Action is aligned with Current Government strategy, and it will increase the productivity and market access for tourism firms, enabling them to benefit from current market trends, and ensure that local communities benefit from increased supply of goods and services and asset ownership.
- Firms committing to a sustainable business model are able to differentiate their product: The Action is providing for the strengthening and scaling up of sustainability certification systems that will allow firms to demonstrate that the businesses are sustainable, thereby attracting increasing number of tourists at higher rates. Firms are willing and able to meet the costs of transition to more sustainable business models : The Action aims to create greater awareness of the benefits of sustainable tourism development among firms and communities, provides access to concessional funding to catalyse this transition and supporting the strengthening of financing mechanisms to increase access to finance for firms committed to implementing sustainable business models.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention. On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain	Indicators:	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	Contribute to the growth of nature-based tourism sector in Uganda in an inclusive and sustainable manner, in line with the Forest Partnership principles	1. Additional number of decent jobs in the nature-based tourism sector inclusive of jobs for women, youth, vulnerable population and forest-dependent communities (percentage) 2. Additional number of nature-based tourists visiting Uganda (percentage)	1. 0 2. 0	1. At least 5 per cent growth in employment in nature-based tourism by 2030 2. At least 5 per cent increase in number of nature-based tourists by 2030	1&2: Initial market assessment and National Statistics to determine the baseline; subsequent data from National Statistic office, UTB.	Investment in skills related and infrastructure related to and marketing of sustainable nature-based tourism leads to jobs creation in the sector.
Outcome 1	Uganda's visibility and attractiveness as a sustainable travel destination is increased	1.1 Additional operational sustainable tourism circuits supported by the Action (number) 1.2 Value of additional investment in sustainable tourism circuits supported by the Action (percentage)	1.1 0 1.2 0	1.1 At least 2 additional circuits by the end of the project 1.2 5% increase by the end of the project	1.1 Project reporting 1.2 Initial market assessment based on the National Investment Statistics and project assessment, Project reporting	Investment in skills related and infrastructure related in sustainable nature-based tourism. Recent demand trends continue into the medium term Tourism market actors understand the benefits of tourism circuits
Outcome 2	Local communities' participation and reaped benefits from tourism in natural landscapes and	2.1 Additional local communities with ownership stakes in tourism value chains	2.1.0	2.1 At least 5 additional communities by the end of the project	2.1 Project reporting 2.2 Baseline to be established at the beginning of the project	Major conservancy operators see the benefit of community ownership

Results	Results chain	Indicators:	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
	their conservation is increased	<p>2.2 Value of additional goods and services supplied by local communities and businesses to tourism circuits supported by the Action</p> <p>2.3 Number of additional sustainable tourism offerings/products developed with project support</p>	<p>2.2 0</p> <p>2.3 0</p>	<p>2.2 3% increase by the end of the project</p> <p>2.3 At least 5 new products developed by the end of the project</p>	(National statistics, UTB and survey), Project reporting and surveys	<p>Governance structures facilitate community participation</p> <p>Local SMEs and communities can develop products and services that meet the volumes and quality requirements of tourism circuit participants</p>
Outcome 3	Business environment is improved and companies and local communities active in the tourism value chain are supported	<p>3.1 Number of gender and youth sensitive/responsive, socially inclusive regulations, policies, strategies or action plans adopted by governments to support sustainable tourism firms and communities with project support.</p> <p>3.2 Number of communities and firms benefiting from policy instruments adopted / implemented and barriers removed with project support</p> <p>3.3 Percentage of investees, grantees and Technical Assistance recipients (firms and communities) beneficiaries achieving target milestones (% of women, % of youth)</p>	<p>3.1.0</p> <p>3.2.0</p> <p>3.3.0</p> <p>3.4 0</p> <p>3.5 0</p>	<p>3.1 At least 3 by the end of the project</p> <p>3.2 At least 5 by the end of the project</p> <p>3.3 At least 50% by the end of the project</p> <p>3.4 At least 20 MEUR</p> <p>3.5 At least 5 000</p>	<p>3.1 Baseline will be established at the beginning of the project, Project reporting and private sector survey</p> <p>3.2 Baseline will be established at the beginning of the project through banks survey Project reporting and private sector survey</p> <p>3.3 Project reporting and private sector survey</p> <p>3.4 Project reporting</p> <p>3.5 Project reporting</p>	<p>Institutional, legislative and regulatory reforms are effectively implemented and enforced and confirmed by the private sector</p>

Results	Results chain	Indicators:	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
		<p>3.4 Amount of investment mobilised for businesses benefitting from the Action</p> <p>3.5 Amount of additional direct and indirect jobs created by the beneficiary companies following that investment</p>				
Output 1 Related to Outcome 1	Tourism firms have access to and are utilizing sustainable tourism standards and fair-trade certification programs	<p>1.1.1 Number of additional certified tourism business (in tourism circuits supported by the project, and in other circuits, % women owned)</p> <p>1.1.2 Number of additional services providers offering sustainable tourism or fair-trade certification programs services with support of the project (% women owned/managed, % youth owned/managed)</p>	<p>1.1.1 0</p> <p>1.1.2 0</p>	<p>1.1.1 At least 40 additional certified businesses by the end of the project</p> <p>1.1.2 At least 1 additional provider by the end of the project</p>	<p>1.1.1 Project reporting</p> <p>1.1.2 Project reporting</p>	Increased demand from tourists for certified firms
Output 2 Related to Outcome 1	Sustainable local, regional, and sub-national tourism circuits and hubs are developed	<p>1.2.1 Number of beneficiaries - firms and communities - accessing the business accelerator</p> <p>1.2.2 Number of working groups, focus groups collaborating to develop sustainable tourism circuits</p> <p>1.2.3 Number of tourism circuits and hubs developed under the project</p>	<p>1.2.1 0</p> <p>1.2.2 0</p> <p>1.2.3 0</p>	<p>1.2.1 at least 5 firms or communities benefiting from the accelerator program</p> <p>1.2.2 At least 10 firms collaborating by the end of the project</p> <p>1.2.3 At least 3 tourism circuits and hubs developed</p>	<p>1.2.1 Project reporting</p> <p>1.2.2 Project reporting</p> <p>1.2.3. Project reporting</p>	Collaboration leads to agreements and action plans to implement tourism circuits

Results	Results chain	Indicators:	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Output 3 Related to Outcome 1	Tourism marketing platforms, programs and tools that bundle and promote sustainable or fair-trade tourism products are developed	1.3.1 Number of marketing platforms, programs and tools developed 1.3.2. Number of tourism organizations, accessing knowledge sharing and marketing platforms, programs and tools supported by the project (% women owned/managed, % youth owned/managed) 1.3.3. Satisfaction of tourism organizations, with knowledge sharing and marketing platforms developed by the project	1.3.1 0 1.3.2 0 1.3.3 0	1.3.1 10 1.3.2 At least 50 firms accessing and utilizing the platform (50% women led) 1.3.3 At least 75%	1.3.1 Project reporting 1.3.2 Project reporting 1.3.3 Survey of tourism organisations	
Output 1 Related to Outcome 2	SMEs and communities along sustainable tourism circuits supply quality goods, services and labour to the sector	2.1.1 Number of communities and SMEs receiving Technical Assistance and skills development training (number, % women and youth owned) 2.1.2 Satisfaction of MSMEs from communities with the Technical assistance and training provided 2.1.3 Number of SMEs supplying additional goods and services to the sector 2.1.4 Value of the additional goods and services supplied	2.1.1 0 2.1.2 0 2.1.3 0 2.1.4 0	2.1.1 at least 5 communities 2.1.2 75% satisfied 2.1.3 At least 50 2.1.4 At least 5 MEUR	2.1.1 Project reporting 2.1.2 Survey of MSMEs 2.1.3 Project reporting 2.1.4 Project reporting	SMEs and communities are aware of opportunities SMEs and communities are willing to participate in the programs

Results	Results chain	Indicators:	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Output 2 Related to Outcome 2	Conservancies and protected landscapes have access to the technical and financial support required to scale up their operations	2.2.1 Number of conservancies implementing business development plans supported by the Action 2.2.2 Number of forest-dependent communities receiving grants and Technical Assistance	2.2.1 0 2.2.2 0	2.2.1 At least 3 conservancies are supported by the Action by the end of the project 2.2.2 At least 2 forest-dependent communities receiving grants and TA by the end of the project	2.2.1 Project reporting 2.2.2 Project reporting	There is interest for conservancy services
Output 3 Related to Outcome 2	Local communities derive greater benefits from tourism businesses (new or existing)	2.3.1 Number of community-based facilities upgraded (number, value) 2.3.2 Number of community businesses supplying tourism businesses with additional goods and services (number, value, % owned by women/youth)	2.3.1 0 2.3.2 0	2.3.1 At least 20 by the end of the project 2.3.2 At least 5 by the end of the project	2.3.1 Project reporting, surveys 2.3.2 Project reporting, surveys	Communities aware of and act on the benefits of nature based tourism and actively promote value-added sustainable tourism
Output 1 Related to Outcome 3	Tourism-related businesses and local communities derive benefit from streamlined Government policies and procedures	3.1.1 Number of legislative, regulatory, administrative, and institutional reforms designed and implemented through the Action 3.1.2 Number of incentives packages introduced for greening and sustainability	3.1.1 0 3.1.2 0	3.1.1 At least 2 Regulatory and/or administrative measures are designed and implemented by the end of the project 3.1.2 At least 2 Incentives packages are designed and implemented by the Government by the end of the project	3.1.1 Government gazette, private sector, and project reporting 3.1.2 Government gazette, private sector, and project reporting	Reforms are effectively enforced

Results	Results chain	Indicators:	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Output 2 Related to outcome 3	Borrowers and lenders active in the tourism value chain benefit from improved Business Enabling Environment	3.2.1 Number of developed and adopted regulations, institutional and administrative reforms	3.2.1 0	3.2.1 At least 3 regulations/reforms by the end of the project	3.2.1 surveys and project reporting	Government and private sector are collaborating to create a positive environment to facilitate access to finance
Output 3 Related to outcome 3	Tourism firms and communities have greater access to capital to invest in sustainable tourism product development and technologies, especially those supportive of the Forest partnership agenda	3.3.1 Number of Firms and communities receiving additional grants, loans and related technical assistance through the Action (% of owned and managed by women, youth and forest-dependent communities)	3.3.1 0	3.3.1 At least 50 firms and communities by the end of the project	3.3.1 Project reporting	Firms and communities have access to own funds to match grant awards

4. IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a Financing Agreement with the Government of Uganda.

4.2 Indicative Implementation Period

The indicative operational implementation period of this Action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation of the Budget Support Component [N/A]

4.4 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁸.

4.4.1 Indirect Management with an entrusted entity

This Action will be implemented in indirect management with entrusted entities.

Specific Objectives 1 and 2 will be implemented with an entrusted entity to be selected using the following criteria:

- proven track-record of successful implementation of technical assistance projects within the tourism value chain
- ability to manage grants disbursements and reach out to prospective grantees/investees,
- ability to provide capacity building and after-care
- strong physical and ICT presence in Uganda and ability to mobilise international resources and expertise as needed
- extensive experience in establishing knowledge sharing and learning platforms
- strong convening and advocacy power at national, regional and local governments level and the private sector.

Specific Objective 3 will be implemented with an entrusted entity to be selected using the following criteria:

- proven track-record of successful implementation of Business Enabling Environment reforms
- proven track-record of successful implementation and management of Challenge/Matching Grant Funds
- ability to reach out to prospective grantees/investees, provide capacity building and after-care

⁸ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

- strong physical and ICT presence in Uganda and ability to mobilise international resources and expertise as needed
- strong contacts with financial intermediaries which will could be leveraged to provide further support to beneficiary firms.

4.4.2 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

If the implementation modality in indirect management cannot be implemented due to circumstances outside of the Commission's control the option of direct management of Objective 1, 2, and 3 through procurement can be applied.

4.4.3 Other actions or expenditure

N/A

4.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions:

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.4	
Objective 1 and 2 composed of Indirect management with an entrusted entity	7 700 000
Objective 3 composed of Indirect management with an entrusted entity	7 800 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	May be covered by another Decision
Totals	15 500 000

4.7 Organisational Set-up and Responsibilities

A Programme Steering Committee (PSC), comprising key stakeholders, shall be established to oversee the implementation of the Action, which shall indicatively meet at least once a year. Members of the PSC will be (indicative list): Representatives of the Ministry of Finance, Planning and Economic Development (MoFPED), the Ministry of Tourism, Wildlife and Antiquities, Uganda Tourism Board, Bank of Uganda, the Delegation of the European Union and the implementors. Annual performance reports will be submitted with a clear focus on achievement of the results.

In addition to the PSC, two Technical Committees (TC), one for component 1 and 2 and one for component 3, shall be established to provide technical guidance, monitoring the implementation and ensure that timely and appropriate decisions are made relating to challenges or issues emerging during programme

implementation. The TCs shall meet bi-annually at component level and annually together, as to ensure technical and operational coordination between the three components. The TC will make recommendations to the annual PSC. The TCs participants shall be defined during implementation.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

5. PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

During the first six months of implementation of each component, the implementing partners will verify if any relevant research institution has carried out any data collection and mapping relevant to define the baselines. Otherwise, the implementing partner will identify the needed baseline studies, the costing and possible financing sources, including the Action budget and the fund for Supporting Measures. This may include a gender mainstreaming analysis and a strategic risk assessment. As much as possible the baseline studies should also serve the data needs of the relevant ministries.

As much as possible, the monitoring system of each component will reflect the action plans developed by participating stakeholders and revise indicators and targets accordingly. This is to ensure that the monitoring systems set up by stakeholders and those set up under the Action will mutually benefit and complement each other.

Responsibilities for data collection, analysis and monitoring will be defined at the beginning of the contract implementation by the three main implementing partners taking into account data collected by regional national entities, such as the RECs, NSOs, Chambers of Commerce, knowledge sharing platforms as well as data collected to the grants beneficiaries.

5.2 Evaluation

Having regard to the importance of the action, a mid-term evaluation for this Action and a final evaluation for the entire Action, will be carried out via independent consultants contracted by the Commission. Evaluation services may be contracted under a framework contract.

A mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to appropriateness of the intervention logic and the potential need to adapt activities.

A final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision). The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination⁹. The implementing partner and the Commission shall analyse

the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluations shall assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment and disability inclusion. Expertise on human rights, disability and gender equality will be ensured in the evaluation teams.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

The statistical and monitoring systems as well as the quality of official data in the policy field covered have been assessed. This assessment has fed into the design of the action as follows: North South and South South learning and knowledge sharing on best practice approaches for developing CE related statistical and monitoring systems has been included as part of Output 1.1 under Specific Objective and will support the production of high quality official data and data coverage.

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

A Primary Intervention¹⁰ (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as (tick one of the 4 following options);

Action level (i.e. Budget Support, blending)		
<input type="checkbox"/>	Single action	Present action: all contracts in the present action
Group of actions level (i.e. top-up cases, different phases of a single programme)		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#):
Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	Contribution Agreement with entrusted entity
<input checked="" type="checkbox"/>	Single Contract 2	Contribution Agreement with entrusted entity
Group of contracts level (i.e. series of programme estimates, cases in which an Action includes for example four contracts and two of them, a technical assistance contract and a contribution agreement, aim at the same objectives and complement each other)		
<input type="checkbox"/>	Group of contracts 1	

¹⁰ For the purpose of consistency between terms in OPSYS, DG INTPA, DG NEAR and FPI have harmonised 5 key terms, including 'Action' and 'Intervention' where an 'Action' is the content (or part of the content) of a Commission financing Decision and 'Intervention' is a coherent set of activities and results which constitutes an effective level for the operational follow-up by the EC of its operations on the ground. See more on the concept of intervention