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02 May 2018

Dear Ms. Dinu,

Subject: Submission of request for one year no-cost extension for the UNDP-GEF funded Addressing Barriers to Adoption of Improved Charcoal Production Technologies and Sustainable Land Management Practices Through an Integrated Approach (Green Charcoal) Project

We have received a request for a one year no-cost extension from the Ministry of Energy and Mineral Development (MEMD), which is implementing the UNDP-GEF funded *Addressing Barriers to Adoption of Improved Charcoal Production Technologies and Sustainable Land Management Practices Through an Integrated Approach* (Green Charcoal) Project – PIMS 4493, number 00086931.

The key objective of the project is to secure multiple environmental benefits by addressing the twin and linked challenges of unsustainable utilization of fuel wood (including charcoal) and poor land management practices common in Uganda's woodlands through technology transfer, enhancement of the national policy framework and the promotion of Sustainable Land Management (SLM) and Sustainable Forest Management (SFM) practices.

The project has achieved a number of key results including establishment of an updatable national charcoal database that provides a standardized baseline for the charcoal industry; development of a national biomass energy strategy which resulted in the creation of a fully-fledged biomass department in MEMD; enhanced capacity of staff at both the national and sub-national levels in the four pilot districts to establish biomass monitoring plots; strengthening of entrepreneurial skills and greening practices of charcoal producer associations and establishment of close to 3,500 ha of woodlots for sustainable charcoal production which translates into about 100,000 Metric Tons of renewable biomass and carbon sinks.

However, some outputs remain partially achieved and will if not completed adversely affect progress toward achieving the project's objective outcomes. The partially achieved outputs include:

- a) Strengthening of the business and private sector components of the whole value chain of charcoal within the project outputs and processes.

Ms. Adriana Dinu
UNDP GEF Executive Coordinator
United Nations Development Programme
304 East 45th Street
New York, NY 10017
United States of America

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- b) Dissemination of improved charcoal production technologies including 100 retort kilns and 200 casamance kilns (of the targeted 200 and 400 kilns respectively).
- c) Establishment of 2,400 hectares of sustainable charcoal woodlots to achieve the project target of 5,900 hectares.
- d) Establishment of an MRV, tracking and licensing system for the improved kilns
- e) Development of a framework for institutional coordination between MEMD, local government authorities and the National Forest Authority to manage the charcoal trade.
- f) Establishment of a delivery model to support consumer financing schemes for charcoal producing groups with local financial institutions.

The partial attainment of the above-mentioned outputs is attributed to significant delays and setbacks encountered at inception and implementation of the project, as articulated in the Mid Term Review report of the project. The MTR recommended a no-cost extension of the project, which was approved by the Project Board based on the programmatic needs and time required to deliver on the remaining outputs as determined by partners and Government.

The purpose of this letter is to forward to you the request for a no-cost extension for a period of 12 months as recommended by the MTR and approved by the Project Board. Please find attached:

- 1) A letter from MEMD requesting the no-cost extension
- 2) Minutes of the Project Board meeting that approved the no-cost extension
- 3) Twelve months work plan for the no-cost extension period
- 4) Mid Term Review of the Project.

Yours Sincerely,


Almaz Gebru
Country Director

Cc. Permanent Secretary,
Ministry of Energy and Mineral Development

National GEF Operational Focal Point
Ministry of Finance, Planning and Economic Development

UNDP – GEF Regional Team Leader and Technical Advisor, Biodiversity and Ecosystems,
Addis Ababa