

Report

**Reflections on
Improving the Management of
Forest Resources in Madagascar**

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Reflections on Improving the Management of Forest Resources in Madagascar

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Introduction

This report was prepared following an initial two-week visit in October 2000 and a follow-up in May 2001 to work with the team of the Environmental Management Support Project (PAGE), USAID/Madagascar staff, and their partners in the forestry sector. The initial exploratory mission was intended to help identify potential areas that PAGE might support the increasing the role of civil society in forest governance, the use and management of the National Forestry Fund, and improved integration of forestry into rural development and poverty reduction programs.

The timing of the October 2000 visit also permitted collaboration with a mission organized to evaluate the experience of pilot projects in natural forest management planning, and with ongoing meetings and discussions on conditions for debt relief and forestry sector funding. The follow-up visit in May 2001 was organized in conjunction with a stocktaking team fielded with the support of the USAID Africa Bureau, Office of Sustainable Development (AFR/SD).¹

This report includes a summary of the author's impressions of the major constraints and opportunities in the forestry sector, based on field visits in the region of Fianar and community forestry sites in Tolongoina, where the WWF CAF/APN activity has been supporting the preparation of management plans for community forests. The author also joined a short fieldtrip by USAID and PAGE to the Tamatave region to meet with the Forest Service regional director (DIREF) and three district chiefs (CIREFs) on the subject of the Regional Forest Observatory.

Particular attention is given to a discussion of the enabling conditions likely to be needed to achieve long-term success with community-based forest management activities in Madagascar, including institutional reforms in the Ministry of Water and Forests (MEF). Recommendations are made on the possible areas of PAGE assistance that were outlined and briefly discussed in October 2000 with a group of technical specialists working in the forestry sector. The last section includes an overview of the context for suggested forestry sector conditions and suggestions for PAGE assistance to the establishment of regional forest observatories as vehicles to promote greater transparency, accountability, and improved governance in the forestry sector.

Relationships between USAID Development Priorities, Biodiversity Conservation, and Forest Management

USAID assistance to Madagascar is designed to reduce poverty and launch sustainable development while preserving the country's globally significant biological diversity. Madagascar is Africa's most important biodiversity "hot spot" and a conservation priority, owing to its combination of high diversity, endemism, and degree of threat. Primary forest, an important reservoir of biodiversity, has declined from about 25% of total forest surface area in 1950 to less than 15% in 2000. Over the past decades, population growth, widespread failure to develop sustainable land-use systems (for agricultural production, extraction of forest products, and livestock production), and other pressures have resulted in the continued loss of forest cover and land degradation. In addition to the direct reduction of biodiversity, forest loss has contributed to

¹ See report prepared for AFR/SD/ENR in collaboration with Roy Hagen and Tony Pryor: "Organization and Launching of the Madagascar Stocktaking Exercise."

soil erosion, disruptions in water supplies and downstream agricultural production, damage to roads, railroads, and other infrastructure, declines in offshore fisheries, and rural poverty.

In the face of the ongoing destruction of Madagascar's remaining forests and other natural resources and the associated negative impacts on efforts to alleviate poverty and support economic development, USAID/Madagascar identified a "strategic objective" (SO3) in their program of development assistance with the long-term goal of "biologically diverse ecosystems conserved in priority conservation zones." USAID's support for SO3 programs aims to achieve results in two areas: (1) fostering biodiversity conservation and sustainable natural resource management in ecologically significant landscapes, and (2) establishing sustainable conditions for environmental organizations and policies necessary for biodiversity conservation efforts.

USAID and its partners have had considerable success in the development of a more effective and extensive protected areas network and national park agency (ANGAP), and in recent years much progress has been achieved in strengthening key environmental institutions (Ministry of Environment and ONE) and developing a regulatory framework and capacities for environmental assessment and protection of environmental quality.

However, there is also widespread recognition that most of the country's remaining forests lie outside the existing national parks and protected areas. The MEF is charged with managing more than 90% of Madagascar's forest resources, yet it has not been able to stem the tide of deforestation or promote the sustainable use of forests and development of the forestry sector. A host of initiatives have arisen in recent months in response to the poor performance of the forestry sector and persistent institutional weaknesses in MEF. In view of USAID's commitment to provide support for biodiversity conservation and poverty alleviation, and, given the inter-relationships between these objectives and improved forest management, the mission has been increasingly engaged in dialogue with MEF and other actors working in the forestry sector.²

PAGE and Forestry Sector Assistance

During the past 18 months, the PAGE team has forged collaborative relationships with the principal actors in forestry in Madagascar.³ As a result of numerous preliminary discussions, PAGE assistance has been solicited in at least four areas of forestry:

1. Improved management of the National Forestry Fund. A legal review is underway, assisted by MIRAY/CI, but further economic analysis and management assistance could be needed.

² Major donors and partners supporting the Environment Program and MEF include the World Bank, GTZ, French Cooperation, Swiss Cooperation, WWF, Conservation International, PACT, Chemonics International/LDI, and IRG/PAGE.

³ WWF, CI, and PACT work together under the terms of the MIRAY activity which is the principal mechanism for USAID assistance to MEF and the forestry sector. WWF also supports the CAF/APN activity. GTZ and the Swiss have collaborated together on the forest policy project (POLFOR), another major bilateral project providing assistance to MEF at the central and regional level. Over the past year, the Landscape Development Initiative (LDI) has broadened its focus beyond agriculture and related income generating activities to become more engaged in forestry issues, particularly in the region around Fianar.

2. Small grants and other support aimed at the increased participation of civil society in the establishment and functioning of proposed regional observatories designed to monitor forest permits, revenue collection, and changes in forest cover in a more transparent manner. The choice of pilot zones for the observatories is likely to be made in close consultation with WWF and CI to take advantage of their assistance to MEF and in community forestry.
3. Assistance with the mission organized to evaluate pilot forest management planning projects, with a view towards capitalizing on the lessons learned in the development of sector policies and program strategies.
4. Participation in discussions related to the identification of conditions related to HIPC debt relief, continued funding for MEF and PE2, as well as PE3.

Specific recommendations on follow-up activities in these areas are outlined in the concluding section of this report.

Challenges in the Forestry Sector

Considerable attention has been given to an analysis of a wide range of issues in the forestry sector of Madagascar. While the author has made an effort to review some of the recently prepared and particularly important reports addressing these issues, the main contribution of this brief analysis is to provide some perspective on the nature and extent of the challenges to be addressed in the forestry sector. The author's initial impressions and this discussion are largely inspired by a comparison of the situation in Madagascar to other regions and the accumulated experience with program assistance in forestry.

A January 2001 report by Roy Hagen and his team evaluated pilot forest management projects in Madagascar, recommending that more emphasis be placed on increasing the commercial returns of forest management.⁴ A similar recommendation was made by Manuel Soto Flandez in April 1996 when he proposed models for managing Madagascar's remaining natural production forests. Forest management would need to be economically more attractive than *defrichement* or local populations would continue to clear forest and pursue other means to gain their livelihood.⁵

In 1996, the greatest challenge appeared to be the need to organize a national forest management program, led and implemented in large part by the Forest Service, with the aim of controlling shifting cultivation, bush fires, and illegal or essentially unregulated, small-scale, artisanal forest exploitation. Forest exploitation practices were highly inefficient. Based on human transport over long distances and the use of axes and other locally produced hand tools, it was uneconomic to use and market anything other than higher value species and hand-hewn planks. Only the highest value and most commercially valuable trees were cut—and less than 15% of the harvested trees

⁴ The team recommended, "Plus grand accent sur la gestion a des fins commerciales." See *Évaluation des Projets Pilotes d'Aménagement des Forêts Naturelles a Madagascar*, January 15, 2001. Draft report by Roy Hagen et al., for USAID/Madagascar, p. 9.

⁵ He made this point on the need to invest in improved harvesting, utilization and access roads, to enable the more efficient, and therefore more profitable, mechanized transport of higher value and increased volumes of products out of the forest—to compete against alternative land uses such as "tavy." See *Des modèles d'aménagement pour les forêts naturelles*, April 1996, by Manuel Soto Flandez and Rasolomahanina Rabemanantsoa, Direction des Eaux et Forêts, Projet KEPÉM, p. 20-21.

were ultimately used. Secondary species were underused, and no efforts were made to ensure regeneration of a high-value second crop. With few controls or criteria for issuing permits in existence, many undercapitalized entrepreneurs were left to high-grade large expanses of forests. Economic returns were low, production was unsustainable, incentives for regeneration were absent, and forest land use was unable to compete with shifting cultivation or conversion to other uses.

In the face of accelerating forest loss and the associated socioeconomic and environmental costs, the international donor community mobilized to support the preparation of forest management plans in the hopes of ensuring the sustainable use of large areas of the remaining forests. At the same time, concerted efforts were made to support the development of more enlightened forest policy and legislative reforms, together with more participatory and decentralized approaches to forest management. But in retrospect the support for human resource development, institutional strengthening at all levels, and institutional reforms tied to shifts in policy and legislation was insufficient to bring about the required radical transformation in approach and operation, given the historical context of forest administration in Madagascar. Looking back on the forestry projects of the last decade, efforts aimed at policy and legal reforms, as well as targeted support to prepare management plans for scattered pilot projects, were necessary but not sufficient to meet the full scope of the challenges of instituting improved forest management in Madagascar.⁶

Collectively, Hagen, Soto Flandez, and authors of other recent evaluations, analyses, and studies have recommended a series of important measures to slow the rate of forest loss and promote the improved management and sustainable use of Madagascar's forest resources.⁷ It would be useful to examine the extent to which these measures and recommended program elements are currently supported by national policies and sector strategies, development assistance, and ongoing investments. The following are among the most important elements:

Policy and Legislative Reforms

- Confirm national political commitment to enlightened forestry sector policies, including broad support for sustained yield, multiple-use management of forests and empowerment of local communities in participatory approaches to improved forest management.
- Install appropriate legislative and institutional reforms to control encroachment on forest lands, discourage unsustainable exploitation, and ensure greater transparency, equitable distribution of benefits, optimal use of revenues, and improved governance in the forestry sector.

⁶ Soto Flandez points out, "Dans ce contexte, il est de possible de prévoir qu'en absence d'une volonté politique affirmée, exprimée a travers une législation appropriée, qui devraient être effectivement appliqués par un Service Forestier renforcé et doté des moyens d'intervention humains et matériels, surtout en matière d'aménagement des forêts naturelles, le processus de défrichement va se poursuivre a une vitesse accélérée avec la croissance démographique. Néanmoins, il est nécessaire de souligner que cette alternative risqué de déclencher, a moyen terme, des conséquences écologiques et socio-économiques incontrôlables a l'échelle nationale." Rapport du projet KEPPEM, p. 5.

⁷ See Soto Flandez, p. 6, and Hagen et al., pp. 9-10. This list has also been modified and expanded to reflect the conclusions of other forest reviews, case studies on community forest management, and the author's experience.

- Reform and enact new regulatory and fiscal policies to stimulate, promote, and reward performance in forest management and to encourage sustained yield management of forests. This would include:
 1. differential taxation of forest products and revenue redistribution from managed vs. unmanaged areas,⁸
 2. effective use of both centralized and decentralized forest management funds,
 3. sustainable financing of essential public sector support services such as base mapping and information dissemination,
 4. incentives for private sector investment in forest management planning, forest product use, and marketing,⁹
 5. provision of “primes” and other salary inducements to public sector employees in the forest sector.
- Provide for a progressive transfer of rights and benefits tied to critical steps or benchmarks in the forest management planning process and associated financial and economic incentives.
- Develop, adopt, and promote simplified means to recognize the legality and authority of:
 1. the rights and responsibilities of community-based organizations,
 2. decentralized controls over access to designated forest lands,
 3. technically sound management guidelines and plans prepared in a participatory manner,
 4. transparent and equitable procedures for benefit sharing and revenue distribution.

Institutional Reform and Governance

- Provide political and institutional support for the development of appropriate financial and professional incentives to encourage a change in the role of forest administration agents from policing and law enforcement aimed at protecting trees to partnership, facilitation, and technical support designed to contribute to sustainable economic development.
- Strengthen institutions at the central, regional, and local levels to stimulate partnerships between public and private sectors and provide effective field support to forest management.
- Simplify the planning process and procedures related to the transfer of management authority to local communities, the recognition of local rights, the empowerment of community-based organizations engaged in forest management, and the affirmation of roles and responsibilities of forest-based enterprises and the private sector.
- Create an accelerated process to eliminate the de facto open access to traditionally managed forest lands by empowering local communities to control access, monitor use, and oversee land use changes in their designated *terroirs*.
- Organize specially trained and organized teams at the central and regional levels to respond to inquiries and requests for field-level assistance in initiating and implementing forest

⁸ Provisions for differential taxation for wood marketed from open access areas, areas with controlled access (*marche oriente*), and areas with approved management plans (*marche controlle*) have played a critical role in the development of community-based forest management operations in Niger. Managed areas also benefit from higher retention and redistribution of taxes for a local forest management fund and for investments in community development. See Foley et al., World Bank technical paper.

⁹ For example, the application of an area-based tax to concession holders in Bolivia has stimulated private sector investments in forest management planning, inventories, and other measures needed to proceed with authorized harvesting, and simultaneously promoted more efficient use in the areas brought under management. See case study on “Bolivia—USAID’s investments in natural forest management.”

management agreements and operations; these teams could be created through the collaboration of public and private sector agencies.

- Increase the availability of national staff (both career civil servants and contract staff) for specialized training in forest management and commitment to assign trained staff to facilitate and support forest management operations (as opposed to supervision and administration).
- Make a concerted effort to mobilize intermediary service organizations (NGOs, private voluntary agencies, private providers) with a view toward building capacity among community-based organizations in all the areas needed to sustain community forest management activities: literacy training, community organization, access to technical information and training in forest management and related practices, democracy and governance, enterprise development and management, and access to credit, marketing, improved use, and the like.
- Organization of a campaign to broadly disseminate information about the potential benefits and opportunities of forest management, including expanded multimedia access to easily understandable summaries and source documents for forest policy, legislation, administrative procedures, resource inventories, technical guidelines, forest planning handbooks, partnerships, advocacy networks, business contacts, and so on.
- Establishment of forest *observatoires* to increase the oversight of forest land use and product exploitation, to raise awareness about the state of forest resources, and to promote information exchange, advocacy, transparency, and accountability for the improved performance of all actors engaged in the management of forests.

Biodiversity Conservation and Maintenance of Environmental Services

- Incorporate priorities and compatible approaches for biodiversity conservation into overall land use and economic development planning, the designation of forest management areas, and the preparation of forest management plans.
- Focus on forest management operations and economic incentives to ensure adequate natural regeneration and sustained production cycles and the preservation of forest capital as well as more efficient use (less waste and loss in harvesting, processing, transport); support with appropriate fiscal reforms, research, documentation, and outreach.
- Invest in pilot projects, silvicultural trials, and applied ecological and socioeconomic research to identify and refine forest management techniques that are adapted and appropriate to the specific conditions of Madagascar.

Linking Forestry, Rural Development, and Economic Growth

- Focus on objectives that emphasize social and economic benefits; encourage investment in forest management activities as the engine of socioeconomic development in target zones.
- Provide for the identification and reservation of significant areas of forest lands to capitalize on their potential for sustainable production of goods, maintenance of environmental services, livelihoods, generation of jobs, income, public sector revenues, contributions to exports, import substitution, and associated multiplier effects.
- Create conditions to encourage the active participation of rural populations and private operators in the sustainable management of forests, restoration of relationships between local communities and their surrounding forests, and reaffirmation of the rights and responsibilities of those engaged in managing forests.

- Make a concerted effort to improve methods of harvesting, extraction, use, waste recovery, and value-added processing of forest products, with a heavy accent on training specialized field-level forest workers in more efficient forest production and processing methods.
- Increase investment in infrastructure development, including access roads, forest product processors, and other socioeconomic facilities (schools, health centers, business support facilities including financial and marketing services, communications, transport, tourism) through more transparent and decentralized management of public revenues, increased mobilization of community and private funds and services, and business partnerships.

In the face of such a long, ambitious, and daunting list of program elements to be addressed, it is useful to recall what is at stake. An analysis by Soto Flandez provides some insight into the projected impact of a concerted effort to bring 500,000 hectares of natural forest (across three major ecoregions) under management. Such an operation could supply around 125,000 m³/year of timber, equivalent to roughly 11% of national consumption, and an additional 108,000 m³ of fuelwood. The economic value of the forest products would be on the order of 728 billion Fmg or about \$182 million, and could generate some 29 billion Fmg or \$7 million each year in revenues for the Forest Service. He estimated that this level of operation would generate 1,466,000 days of work, equivalent to 6,108 jobs.¹⁰

Capitalizing on the High Stakes in Forestry—The Case of Bolivia

Many of these recommendations and program elements have proved instrumental in turning the tide against deforestation and unsustainable exploitation of tropical forests in Bolivia. As a result, significant environmental and economic benefits have been realized. Since the adoption of a new forestry law in 1996, five million hectares of lowland tropical forests in Bolivia have been brought under improved concession management and nearly one million hectares have been certified in compliance with the principles and criteria for sound stewardship and best practices of sustained yield multiple use forestry.¹¹ The forest and wood industry sector now accounts for 3% of GNP, generating 90,000 jobs and accounting for 11 percent of exports valued at \$109 million. The sector also annually contributes \$7.2 million in government revenues from concession licenses and \$4.6 million in taxes.

Until the early 1990s, the forestry sector in Bolivia was characterized by widespread high-grading of precious hardwoods, extensive and unregulated collection of non-wood forest products, inequitable access to forest resources by those with political connections and without regard to indigenous claims or local community rights, and irrational and inefficient extraction methods. Bolivia's forestry administration lacked the political clout and budgetary resources needed to do its job effectively. Its capabilities were eroded further by its image as a dysfunctional and corrupt agency in league with private concessionaires. Conflicts were common between timber contractors and local populations that benefited little from the timber

¹⁰ See Soto Flandez, 1996, p. 23. Assumptions and basis for all calculations and projections are presented on pages 21-22. Exchange rate of \$1.00=4,000 Malagasy francs (Fmg). Average price of 400,000 Fmg/m³ of lumber.

¹¹ While most people refer to these areas as now being "sustainably managed," given the continuing controversy over the use of the term "sustainable" in tropical forest management, it is probably more accurate to refer to the terminology used by the Forest Stewardship Council in connection with their certification process.

extraction.¹² Clearly, there are many parallels between the situation that existed in Bolivia a decade ago and current conditions in Madagascar.

How did Bolivia become a leader in sustainable forest management in the developing world? The remarkably positive transformation of its forestry sector is due to a number of factors, including reforms in the national forestry administration, forest land use zoning, increased security of local rights, improved road access, and a series of measures that increased the returns on investments in natural forest management. While there was intense resistance to sector reforms and new laws at the outset—particularly by vested interests with a stake in the forestry industry—the relatively uniform and transparent application of these laws helped to bring about a change in attitude. Within several years, the industry responded to the higher costs imposed by the legally mandated requirements of sustainable forest management with appropriate investments and began to reap the benefits of more efficient operations.

In reviewing the lessons that were learned from this experience and the key events or program elements that contributed to the successful turnaround, several observers suggest that the following are particularly significant:

- Human resource development—Over many years, Bolivia benefited from a wide range of initiatives and programs that contributed to the development of well-educated and technically qualified personnel in the forestry sector and related environmental fields.
- National champion—Debate among stakeholders and impetus for reform were led by a Bolivian senator who was trained in natural resources (at Cornell) and was the president’s brother.
- Emergence of strong NGO networks—Which strengthened the voice of civil society in debates about natural resource management and environmental policy, enabling them to advocate reforms through coordinated action and play the role of watchdog in the sector.
- Donor commitment and technical leadership in the sector—USAID provided leadership in the sector and funding for a vertically integrated forest support program (BOLFOR) to assist with policy and legislative reforms, new regulatory frameworks, and mechanisms for sustainable financing, as well as training, applied research, and field demonstrations.¹³
- Long-term commitment to dialogue and consultation—Recognizing the need to inform and sustain a dialogue in support of policy reforms through applied research to substantiate reforms; debate and interchange were also institutionalized through the creation of a consultative advisory body charged with resolving conflicting sector issues.

¹² See case study on *Bolivia—USAID’s Investment in Natural Forest Management*, p. 2. See also T. M. Catterson, *Retrospective Study of USAID Support to the Development of the Environment Sector in Bolivia*, EPIQ Task order no. 813, report for USAID/Bolivia, December 2000.

¹³ By the early 1990s, USAID was the lead donor in the environment sector and in 1992 environmental efforts became the focus of a Strategic Objective and enabled the mission to launch the BOLFOR project in 1994. The Bolivia Sustainable Forestry Management Project was a flexible design and implement contract that included advisory support for national policy, legislative reforms, applied research to substantiate policy and regulatory recommendations, field demonstrations of improved forest harvesting and silvicultural practices, training of agency, industry and NGO personnel and market promotion of certified forest products. See I. Kraljevic, *BOLFOR’s Legacy: Institutional Sustainability*, Chemonics, 1997.

- Continued investment in pilot efforts and research—Including support for land capability analysis, land-use planning, environmental assessments of planned development activities, and efforts to test approaches, develop local capabilities, and raise awareness of issues.
- New legislation—Including provisions in the forestry law to accord rights to informal forest users and indigenous groups and capitalize on decentralization and popular participation.¹⁴
- Fiscal policy reforms—Including imposition of a timber land area fee (\$1 per hectare per year) to discourage extensive selective logging for high value species.
- Adoption of technical guidelines for forest management—And imposition of legal requirements for practicing sustainable forest management.¹⁵
- Zoning and reallocation of forest lands—Taking into account land capability, indigenous territorial claims, local rights, and identification of zones for forestry sector development.
- Recognition of the value of sustainable forest management as an option in support of biodiversity conservation—Areas under active and sustainable forest management may be easier to protect than many protected areas, and therefore can contribute to biodiversity conservation objectives to some degree without making additional demands on limited resources available for parks and protected area management.¹⁶
- Institutional development, including:
 1. Establishment of an independent forest superintendency to collect forest fees and revenues and distribute these resources for investment purposes
 2. Support for an autonomous National Fund for Forestry Development to administer national investment in forest management activities
 3. Creation of the Bolivian Council for Voluntary Forest Certification and assistance with developing a national capacity to certify sustainable forest management practices
 4. Collaboration with the private sector to establish the Amazonian Center for Forestry Development (CADEFOR) to provide business management support, technical assistance, and marketing communications to certified producers, including indigenous communities and municipal groups interested in enterprise development.
- Capitalizing on the opportunities presented by certification—Bolivia now enjoys something of a comparative edge in accessing the international marketplace for certified wood products (with exports valued at \$109 million in 2000).
- Promotion and facilitation of links between smaller firms and community-based projects with larger firms that have more sophisticated processing and marketing capabilities.
- Strategic networking of project efforts to build local training capacities at managerial, technical, and vocational levels.

In several important areas, continued assistance is underway, including legal provision for the security of title or control of forest land use to justify investments in silvicultural treatments and other measures aimed at increasing productivity and increased access to financing needed for forest management planning, particularly by smaller companies and local organizations.

¹⁴ Two new laws—the Popular Participation Law of 1994 and the Administrative Decentralization Law of 1995—led to major changes in the way land rights and tenure issues were viewed and affected the allocation of forest concessions.

¹⁵ Technical forest management guidance addresses issues of zoning, inventory, management plan requirements, length of rotations, and natural regeneration in lieu of reforestation.

¹⁶ Forest management cannot achieve all of the goals of biodiversity conservation, but it is much better for biodiversity than irrational land use, unsustainable use of the forest, deforestation, and conversion to agriculture.

Implications of the Bolivia Experience for Madagascar

It is easy to become discouraged with the situation prevailing in the forestry sector in Madagascar, especially in the missed opportunities seen in the vast areas of cut-over land that have contributed relatively little to alleviating poverty among the rural majority. Without a doubt, formidable challenges remain. It will not be easy to reduce shifting cultivation (“tavy”) and illicit exploitation and address the multiple factors and land-use pressures contributing to unsustainable use of forest resources and deforestation. However, considerable progress has been achieved in recent years.

USAID, with the World Bank, GTZ, and French and Swiss Cooperation, as well as international NGOs such as WWF, Conservation International, and PACT, have mobilized support through the framework of the National Environmental Program for activities designed to provide assistance in some of the same areas that have contributed to success in Bolivia and elsewhere. In a recent review of strategic issues, progress, and pending actions, USAID/Madagascar highlighted their concerns with environment-rural development links, illicit exploitation of natural resources including forests, and advancement of the regulatory framework for improved environmental and natural resource management.¹⁷ High-level support for increased attention to illegal use of forests is building, prompting actions designed to improve the efficiency and effectiveness of the Forest Service, in an environment of greater transparency and improved governance.¹⁸ Taken together with mounting concerns in the donor community about the poor performance of the forestry sector and associated agreements on conditions for continued program funding and assistance the MEF and the Environmental Program (EP2), these pressures for reform have generated several positive initiatives. If the agreed upon short-term actions are taken and supported with appropriate follow up actions, they should help to slow the illegal and unsustainable exploitation of forests to some degree, while more lasting and comprehensive measures are organized and implemented.

Recent Progress in Addressing Forestry Sector Issues in Madagascar

Over the past six months, agreements and action plans have been reached with respect to:

- Temporary moratorium on forest exploitation in and around protected areas
- Temporary suspension of the export of high-value logs
- Reform of the procedures and criteria for issuance of new cutting permits
- Development of new regulations related to the production of charcoal and fuelwood
- Temporary suspension of new cutting permits
- Continued efforts to reform and improve the management of the National Forestry Fund and regional funds
- Continued support for zoning of forest land

¹⁷ See “Significant issues raised during the reporting period, actions taken, and additional actions required,” from USAID 2000 Managing for Excellence Report, USAID/Madagascar, December 2000.

¹⁸ See the WWF report on the “Table Ronde sur l’exploitation illicite des ressources naturelles,” May 4, 2000, on behalf of the Primature. See also the correspondence from the Secretariat multi-bailleurs of November 20, 2000, transmitting several arêtes and the action plan prepared by the Ministère des Eaux et Forets.

- Renewed support for forestry research
- Establishment of a more transparent monitoring system for forest permits, revenues, and forest cover

In addition, a number of recommendations have been made for more effective approaches to transfer management rights and scale up community-based forest management operations. Modest efforts are underway to engage and support civil society in the areas of forest governance, forest management, and environmental protection (participation in environmental assessments and impact studies). Various activities are also in place to address other needs and opportunities, including:

- Promotion of synergies and links between debt reduction, poverty reduction, agricultural development, health care, environmental protection, and natural resource management
- Development of fiscal policies in support of forest product *filières*
- Support for field level interventions in targeted regions (pilot efforts to increase productivity and promote income in landscape development initiatives and ecoregional planning)
- Development of institutional capacities, improved methodologies, and public participation in environmental impact assessment
- Development of sustainable financing strategies for environmental programs
- Biodiversity conservation priority setting and environmental monitoring
- Applied research in environmental economics

Priorities To Be Addressed in Madagascar

While these are encouraging developments, applying the lessons learned in Bolivia and other regions and taking account of the successive reviews of the situation in Madagascar would lead one to act on several particularly critical issues.

1. *Recommitment to multiple use, sustained yield management.* Forests are clearly important to the sustainable development of Madagascar, as a means to conserve biodiversity and as a basis for expanded ecotourism, but also as a source of household energy, a means to protect and maintain water resources and environmental services, a supply source for lumber, poles, and non-timber products, and the basis for livelihoods, enterprises, and income-generating opportunities. Taken together, improved management of these forest resource uses can help address development objectives for poverty alleviation, rural development, and ecoregional planning. Forests are too important to allow the largest blocks of remaining natural forests to be locked up as biodiversity reserves, set aside as government managed preserves, or degraded and converted to other forms of land use. A renewed commitment to the integration of protection and production aims is needed to promote to the greatest extent possible environmental protection with consideration for production of local benefits and income for local communities and sustained yield production with due regard to resource protection.
2. *Changing the role of forestry agents.* Foresters working at the field level need to be systematically supported and encouraged in making the transition from the inherited role of “police agents” to a new role of “partners in local development” (see table 1). There are many signs that the political and institutional forces in Madagascar have not yet mobilized at all levels to the extent necessary to make this transition. The human resource development

and training needs of the Forest Service appear to be largely unmet. Institutional and fiscal incentives in favor of necessary behavior are not yet effectively established and operational. Without the forest agent working on the side of participatory, sustainable forest management, lasting progress cannot be achieved, regardless of the efforts devoted to the elaboration of new forest policies, legal texts, management plans, program conditions, and the like.

3. *Coordinating donors in to expand support to the forestry sector.* There is perhaps a need to reassess the nature of donor coordination in the forestry sector. While coordinating units exist, a principal concern is the overall funding of environmental programs in Madagascar. Collaboration emerges in formulating funding conditions and in mobilizing the financing needed to achieve biodiversity conservation objectives. Information sharing is devoted to addressing such targeted policy issues as the establishment of forest observatories, the progressive transfer of management rights to local communities, or the improved recovery of receipts for the National Forestry Fund. However, is this approach sufficiently focused on mobilizing and managing the broad range of partners and support needed to address fundamental constraints and capitalize on potential contributions of the forestry sector to economic development, integrated natural resource management, forest-based enterprise development, and other challenges?

Observations and Suggestions on Forest Observatories

The observatoires must do more than simply publish information (lists of permits, receipts) provided by MEF. There are currently no guarantees that MEF will provide all the information requested or proposed, in a complete, accurate, timely manner. It is also not clear to what extent the simple act of publishing information will slow deforestation or improve forest management. **The establishment and functioning of the observatoire should be seen in a larger context of actions aimed at conserving remaining forests and should reinforce or build on related actions to the maximum extent.**

Observatoires are a means to engage more stakeholders in monitoring and managing forests. Establishing them could stimulate the emergence of advocates for greater transparency and improved governance in the forestry sector by increasing access to information and providing a means to respond to issues.

Observatoires are potentially powerful mechanisms to promote partnerships between MEF and other actors. Such partnerships can help to increase the oversight of field operations. They could also stimulate institutional reforms in the MEF and mobilize and guide actions aimed at improved forest conservation, as outlined in the PTAs of MEF and other PE2 partners (stratégie de gestion de l'information, suivi du couvert forestier, promotion de GCF, amélioration de la gestion du FFN/FFR).

The arrete refers not only to monitoring and disseminating information on *permits* and *receipts*, but also information on the *transfer of management* (progress in GCF initiatives) and the *evolution of forest area* (such as changes in forest land use, extent of forest cover, results of more frequent environmental monitoring using remote sensing and satellite images). It will be advantageous and opportune to make use of current GIS and mapping capabilities to help track, convey, and disseminate this type of information. Maps and photos (particularly when presented for contrasting periods) are often much more compelling than simply publishing lists of figures or tables. **The observatoires should fully exploit opportunities to use maps and document field-level actions (clearing, as well as improved management) through maps and photos that are made widely available to the press, local authorities, and the like.**

It will be critically important to use the observatoire to **make the link between increased access to information about the status and use of forests and more effective enforcement of laws governing the exploitation of forests and opportunities for improved forest management.** This can be done by

promoting partnerships among key stakeholders, supporting dissemination of a broad range of related information, training and capacity building efforts, legal reforms, and simplified administrative procedures, and using the observatoires to promote the participation and empowerment of local communities and decentralized authorities.

For example, establishment of the observatoire opens the door to greater oversight of permit allocation and registration. Instead of simply leaving the status quo and waiting for MEF to provide information on permits to the observatoire, the observatoire could be associated with the issuance of permits by stipulating that they will check for conformity of the necessary approvals and signatures, to be noted by a visa (*vu*) on their part. **The observatoires should be actively involved in validating the permit process, and not just in publishing lists of permits granted.**

The observatoire can also play a useful role by increasing the attention given to the economics of forest management, and in particular to the economic incentives for improved forest management. They could provide a means to assess the plans and performance of forest management operations, and link this assessment to fiscal advantages designed to promote investments in management. GCF operations that develop a management plan according to agreed upon criteria, and that respect a cahier de charges for forest management operations would be entitled to preferential treatment in terms of tax rebates and the like. Similarly, forest service agents involved with such activities could be entitled to “primes” and performance incentives tied to improved management (and increased collection of receipts, enabling MEF to make such incentive payments).

The process of establishing observatoires should provide a significant impetus for actions that could benefit many more than just the members of the observatoire or other actors directly associated with their work—particularly in terms of information dissemination. For example, the increased attention to dissemination of information about the laws, regulations, correct procedures, and associated training can help to raise awareness about the legal framework for forest management among many stakeholders through information dissemination activities that can be supported at little additional cost. Similarly, the increased attention to good examples of forest management and their economic impacts and environmental benefits can be widely disseminated and promoted in association with the observatoires.

Through their role in tracking progress in the transfer of management rights to local communities and other groups, the observatoires could help orient efforts to support these initiatives with appropriate technical information and field level support. These localities, organizations (COBA), and other groups could be targeted for the distribution of the latest *fiches techniques* and information packages related to CBFM.

The observatoires can also be a means to increase attention to and make more use of analysis on setting priorities for biodiversity conservation, forest zoning (land capability mapping, optimizing land use, and regional land use planning), and environmental monitoring. The observatoire could generate increased demand for these analyses and products, and help to apply them in a given region. Working groups and interested partners could be organized in association with the observatoire to improve local monitoring, to apply zoning, to ensure respect of biodiversity priorities in connection with their oversight and reporting functions.

It will be important to avoid an encroachment on the appropriate and statutory functions of public agencies involved in law enforcement and technical supervision of forest management. While the observatoire would not have the same authorities, it can help to prompt action by the relevant, competent agencies by helping to publicize and generate pressures for interventions, and by compiling the information needed to pursue sanctions or other administrative actions. In this manner, the observatoires can help to make other agencies (such as MEF) more accountable, transparent, and effective.

It is critically important that the observatoires be independent and autonomous, accountable to a structure that is broadly representative and less susceptible to being influenced (as with multiple public and private agencies, authorities, NGOs, associations, and other civil representatives). They should serve as a sort of ombudsman—and become known as an easily accessible institution with the independence and means to investigate any case of illicit exploitation or illegality. Persons, organizations, or community leaders would be able to seek them out to check into cases of possible wrongdoing. They would be well positioned to facilitate arbitration and dispute resolution.

While the observatoires can potentially play a widely ranging and crucial role in improving the management of forests in Madagascar, **it is important to avoid setting them up for failure at the outset. Accordingly, they should be organized to take on relatively simple and manageable tasks at the outset, and only progressively move into more areas and functions, in keeping with local priorities, capacity, and planned assistance.**

Suggested activities for PAGE assistance to the establishment and operation of the observatoires in two pilot regions are presented in table 1.

Table 1 Propositions Relatives à la Mise en Place et au Fonctionnement des Observatoires Régionaux

Questions/ Problèmes	Principes d'orientation	Propositions d'action	Possibilités d'Appui PAGE	Délais/Calendrier Proposé
Insuffisance de Contrôle de l'exploitation forestière	Renforcement de surveillance et du contrôle sur le terrain	Mise en place de l'observatoire régional, et mobilisation du personnel compétent ayant les moyens et l'autorité nécessaires	Diffusion de l'information concernant le cadre, les motifs, et le mandat de l'observatoire, y compris les résultats des travaux de suivi environnemental dans la région	Diffusion de l'arrête du 16 nov. 2000 portant création d'un observatoire et d'autres documents pertinents à tous les partenaires et intéressés (mai-juin 2001)
		Responsabilisation d'une équipe de suivi de l'exploitation des ressources forestières, composée des représentants du MEF, des autorités locales, des privés, des ONGs et de la société civile	Aider à la mise en place de l'observatoire régional, à travers l'animation des réunions de concertation, de réflexion, et de prise de décision par rapport au statut, composition, organisation et fonctionnement de l'observatoire	Organisation des réunions de concertation (juin-juillet 2001)
		Plus grande implication des acteurs locaux dans le contrôle sur le terrain	Collaboration avec MIRAY et POLFOR/GTZ pour le renforcement des moyens du service forestier et la mobilisation des moyens d'une équipe de suivi	Appui à la constitution et à la formation / information du personnel de l'observatoire, y compris le noyau permanent, une équipe de suivi et des contacts sur le terrain (août – septembre 2001)
			Appui à la diffusion des informations concernant l'octroi des permis, les défrichements, les coupes, et l'exploitation des ressources forestières	Préparation et affichage des premiers rapports sur les permis, le défrichement et l'exploitation des forêts (septembre-dec 2001)
Manque du personnel nécessaire au niveau de l'administration forestière	Renforcement du partenariat entre les services techniques, les autorités du province et la société civile; responsabilisation de tous les acteurs en vue d'une meilleure gestion des ressources forestières	Accélération de la mise en place du comité consultatif régional (et par la suite de la commission forestière) en vue du contrôle et du pilotage de l'observatoire régional	Recrutement d'un point focal pour l'appui PAGE à l'observatoire	Identification du consultant PAGE (mai-juin 2001)
			Aider à mieux connaître les partenaires potentiels; recenser les ONGs, associations, opérateurs privés et membres de la société civile ayant un intérêt et un engagement en faveur de la réussite de l'observatoire	Réalisation des enquêtes et préparation d'une liste de contacts (juin-juillet 2001)
			Subvention aux ONGs et associations ayant un intérêt de contribuer aux activités du comité consultatif et de l'observatoire	Réception et examen des requêtes; octroi de petites subventions aux ONGs et associations compétents (juin-dec 2001)

Questions/ Problèmes	Principes d'orientation	Propositions d'action	Possibilités d'Appui PAGE	Délais/Calendrier Proposé
Non-respect de la loi; exploitation illicite des ressources forestières	Promotion de la transparence et de la bonne gouvernance; amélioration des connaissances des textes; application de la loi	Organisation des formations adéquates sur les textes réglementant les ressources forestières; reformes de procédures de gestion de redevances en vue d'une plus grande transparence; application des sanctions en cas des besoin	Appui à l'organisation des formations (en concertation avec MIRAY et d'autres partenaires PE2) notamment en faveur des autres services techniques, des autorités et des organisations locales (CLD, CRD) des structures professionnelles et des institutions de la société civile (associations, ONG, entreprises, églises, etc.) Collaboration dans les analyses et reformes de procédures; Appui à la diffusion d'information sur les règlements, les reformes de textes, et leur application (par tous les voies et moyens) Appui à la diffusion des informations concernant les redevances forestières	Organisation des formations (juin-dec 2001) Réalisation des études analytiques et élaboration des propositions de simplification des procédures (juin-octobre 2001) Publication et diffusion des informations concernant les règlements (juin-décembre 2001) Préparation et affichage des premiers rapports sur la collecte et l'utilisation des redevances forestières (septembre-déc 2001)
Faiblesse dans le niveau de gestion des ressources forestières	Accord de principe sur la politique et les stratégies de sécurisation des droits des acteurs et de promotion du transfert de gestion aux structures compétentes locales (GELOSE, GCF)	Simplification des procédures; promotion des actions légères de type GCF; l'intensification de la communication en vue d'une meilleure compréhension des enjeux économique et environnemental; promotion des alternatives aux défrichements et à l'exploitation non durable des forêts; motivation des acteurs par un système de primes	Disponibilisation des informations concernent les priorités de conservation de la biodiversité dans la région, les propositions de zonage et d'utilisation optimale des terres boisées, et les résultats des études d'économie environnementale ayant trait aux ressources forestières Appui (en cas de besoin) pour compléter le zonage sommaire des forêts dans la région Appui (en concertation avec MIRAY, POLFOR/GTZ) pour promouvoir l'adoption des approches légères de type GCF Promotion d'une programmation transparente d'une partie plus importante des redevances forestières en faveur de la gestion décentralisée des ressources forestières	Collecte de documentation et préparation d'un CDROM (juin-sept 2001) Organisation des appuis ponctuels en cas de besoin par le personnel PAGE (juin-déc 2001) Rapport sur l'avancée de GCF (nombre d'initiatives, superficies ciblées, degré d'avancement, capacités de COBA) et la mobilisation des ressources en appui a la GCF (programmation des redevances et d'autres recettes) publiée en décembre 2001

Questions/ Problèmes	Principes d'orientation	Propositions d'action	Possibilités d'Appui PAGE	Délais/Calendrier Proposé
Pauvreté persistante des populations rurales et dégradation continue des ressources naturelles	Intégration de la réduction de la pauvreté et des actions de développement rural dans la gestion des ressources naturelles	Privilégier les approches participatives, la gestion communautaire des ressources naturelles dans une optique de rejoindre les soucis de la production et la protection	Contribuer à la mise au point des nouvelles approches et diffusion des informations relatives au cas de réussite, des pratiques améliorées de gestion communautaire et participative des ressources forestières Contribuer à l'analyse des résultats et des impacts des initiatives visant une gestion améliorée des forêts	Collecte de documentation et préparation d'un CDROM (juin-sept 2001)
				Organisation des sessions de formation de formateurs (oct-dec 2001) Préparation et diffusion du rapport sur l'impact d'une gestion améliorée (dec 2001)
Mauvaise circulation d'information	Se servir de tous les voies et les moyens en vue d'améliorer l'accès à l'information en temps opportun, par les principaux acteurs	Utilisation systématique de la presse écrite, radio, télévision, Internet, bulletins, systèmes d'information, structures de formation et d'éducation et publications	Appui à l'identification des possibilités de diffusion d'information dans la région; Prise de contact et réunion d'information avec les journalistes, formateurs, associations professionnelles, et d'autres personnes ayant les possibilités de contribuer à la diffusion des informations provenant de l'observatoire régional et national Faciliter la disponibilisation des informations aux intéressés, en vue d'une plus grande diffusion (y compris les cartes, notices explicatives, tableaux d'information, compte rendu des réunions, rapports de visites, etc.) Appui à l'établissement d'un site web de l'observatoire régional	Relevé des intéressés, prise de contact et réunions de travail (juin-dec 2001) Envoi des "paquets d'information" régulièrement aux intéressés (juillet-dec 2001)
				Etablissement de site web (octobre 2001)
				Préparation d'un rapport faisant état de l'ampleur de diffusion des informations (dec 2001)
			Suivi de l'ampleur des efforts de diffusion d'information	

Forestry Sector Conditionalities

In October 2000, the donor community was preoccupied not only with the lagging performance of the MEF in achieving program targets in the areas of forest management planning and in controlling corruption and the unsustainable use and unregulated harvesting of forest products, but also with the opportunities presented by the negotiation of conditions for debt forgiveness. As a high incidence of poverty country (HIPC), Madagascar was anticipating up to \$500 million in revenues as a result of debt forgiveness, provided that all parties agreed on the terms and conditions. As part of the process of identifying a fairly limited and carefully target set of conditionalities, an overview of the context, objectives, and possibilities for proposed conditionalities was prepared and made available to USAID/Madagascar (see annex C). In the ensuing months, a number of proposed actions and issues were in fact addressed, either through the HIPC conditionalities, EP2 program funding conditionalities, or a specific plan of action adopted by MEF in consultation with interested donors.

Conclusions and Recommendations

With respect to the potential areas of PAGE assistance to the forestry sector, the forest governance pilot activity has been well received and corresponds to an increasing emphasis on forest governance, control of illicit forest exploitation, strengthened role of civil society, and support for the establishment and functioning of regional forest observatoires. It will be important to rapidly develop the communication component of this activity and maintain close working relationships with the partners involved in field-level support for the transfer of forest management rights to local communities as well as private interests with an interest in more responsible forest management. A follow up visit can serve to further develop the ideas related to the use of a “scorecard” for publicizing and promoting sound stewardship of forest resources.

Efforts devoted to the improved recovery of forest permit receipts and the transparent management of the National Forestry Fund have met with only limited success to date. Until there are clear political changes with respect to the government’s commitment to improved governance and the sustainable financing of the forestry sector, continued assistance in this area is likely to have little long term impact. There is a very real prospect that pressure to increase the collection of revenues will only result in a larger amount of funds being diverted to uses unrelated to the improved management of forests. Accordingly, assistance could be shifted from the FFN/FFR to the establishment and functioning of locally managed, decentralized sources of funding for the implementation of community-based forest management activities. For these activities to succeed, community-based organizations will need access to capital, particularly at the outset, to acquire forest management tools and equipment and make necessary investments in infrastructure. PAGE could provide assistance in exploring how these needs for local financing could be met and sustained over the long term.

To date, the MEF has not received the same level of support provided to ANGAP, ONE, and most of the implementing agencies of EP2. Within the framework of the NEAP, environmental program support has been perceived to have a focus on biodiversity conservation and environmental protection, primarily by strengthening public sector institutions. At the same time, there is a tremendous need and opportunity to mainstream environment and forestry issues and

challenges into the ongoing development of debt relief, poverty alleviation, and rural development programs. Given PAGE's work in environmental economics and the extent of its contacts with political leaders, institutions, and USAID partners in rural development and poverty alleviation, PAGE could contribute very effectively towards the further integration of environmental and forestry concerns into rural development and poverty reduction strategies and investments.

Over the past year, much information has been gained through the evaluation of the pilot projects in forest management in Madagascar, workshops on the experience acquired to date with community-based forest management and the GELOSE law, as well as with the new provisions for the transfer of management rights to local communities.¹⁹ In light of these assessments, evaluations, and workshops, it should be possible to reach a consensus on the degree to which the key enabling conditions for community-based, participatory approaches to forest management have been effectively established or remain to be addressed. A working group under the auspices of the MEF and the ministry charged with supporting rural development and private sector enterprises could be organized to elaborate a plan of action to address any outstanding issues to ensure that full incentives and supporting activities are in place or identified with a view toward favoring scaled-up and large-scale replication of community-based forest management.

To help draw attention to a broader scope of program activities and results, new and additional program indicators could be identified, to go well beyond the previous focus on numbers of management plans prepared and areas of forest covered by management plans. These indicators could be integrated into the *tableau de bord* monitored by the EP2 partners and serve to track progress in the following key areas, for example:

- Number of community based organizations (CBOs or COBA) or user groups committed to forest management
- Degree of legal recognition of CBOs
- Degree of capacity building and skills development among the members of the CBO
- Number of forest service agents retrained and reoriented as rural development partners
- Degree of progress in achieving more transparent and fully accountable reporting of the collection and use of forestry sector revenues
- Degree of progress in land use planning and adoption of land use controls and guidance with respect to the long-term provisions for a full range of forest management objectives
- Extent of transfer of decision-making and management authority to CBOs
- Area of forests brought under effective multiple use, sustained yield management regimes
- Value of funds mobilized and managed locally in connection with community based forest management activities
- Value of production and income generated by forest based enterprises

¹⁹ See report by Hagen et al. on the *Evaluation des projets pilotes d'Aménagement des Forêts Naturelles* (January 2001), the workshop report and background papers prepared for the *Atelier sur la Gestion Communautaire des Forêts* organized in Mantasoa (December 2000), the evaluation of the law on Gestion Locale Securisee (GELOSE) prepared by Christophe Maldidier of ONE (April 2001) and the APN/CAF project evaluation report by Fred Sowers et al. (May 2001).

- Volume of forest products from sustained yield forest management operations
- Value of investments committed by forest based enterprises
- Number of jobs generated in relation to forest based enterprises

Annex A
List of Persons Contacted

Josoa Razafindretsa, Lisa Gaylord, Oliver Pierson, David Soroko, Steve Haykin, Karen Poe—
USAID/Madagascar

Jean Chrysostome Rakotoary—ONE

Christophe Maldidier—ONE/GELOSE

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Mark Freudenberger—Chemonics/LDI, Fianarantsoa

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Tom Erdmann—WWF/CAF-APN

Benoît Delaite—Conservation International/MIRAY

Eleanor Bechaux, Pierre Montagne—CIRAD-Forets

Jean Marie Samyn—Conseiller Forestier, Coopération Suisse

Henri Finoana—GTZ/POLFOR

Matthew Hatchwell—Wildlife Conservation Society (WCS)

Jean Michel Dufils—PACT

Annex B
Evolution of the Role of Forestry Agents

<i>Héritage de l'Agent policier</i>	<i>Avenir de l'agent partenaire du développement local</i>
<ul style="list-style-type: none"> • Action en faveur de l'arbre • Accent sur la protection et le reboisement • Administration des taxes, collecte des amendes relatives à l'exploitation et à la consommation • L'état récupère les taxes sur la superficie exploitée pour le fonctionnement du service • Formation et engagement à l'application de la loi, contrôle, PV, sanctions, accumulation des connaissances techniques au niveau des agents • Gestion des moyens d'exécution des projets en faveur des bénéficiaires • Méfiance vis à vis de l'homme : destructeur de la nature • Mission : assurer la protection de l'environnement et des ressources qui appartient à l'Etat, par l'Etat 	<ul style="list-style-type: none"> • Action en faveur de l'homme – directement • Accent sur la mise en valeur et la gestion • Responsabiliser la gestion locale, l'utilisation durable, les systèmes de production améliorés au niveau des populations • Une partie des revenus provenant de la production est redistribuée en faveur des investissements dans la GPF, DL • Formation et engagement pour le transfert d'information et le développement des capacités au niveau local et dans le secteur privé, parmi les institutions décentralisées de la gouvernance • Participation à la mise en œuvre des programmes de DL • Aide les populations et les entreprises privées à s'investir • Mission : responsabiliser les acteurs à la base en vue d'une mise en valeur des ressources forestières au service du développement, (y compris la conservation) en fonction des potentialités biophysiques, des besoins socio-économiques, des contraintes culturelles, des opportunités économiques

Annex C
Suggested Forestry Sector Conditionalities

Context / Problem	Objectives	Proposed Conditionality
<p>The State has claimed ownership of forest resources and established centralized, government institutions with a mandate to protect, conserve, manage and promote the wise utilization of these resources. For a variety of reasons, one of the key institutions responsible for implementing national forest policy, the Ministry of Eaux et Forets (MEF), is not efficiently and effectively contributing to the improved management of Madagascar's forests. Until necessary institutional reforms can be enacted and resources mobilized so as to provide for the effective implementation of sound forest policies and legislation, the permit authority of MEF must be suspended in order to protect remaining forests.</p>	<p>To stop illegal cutting of high value natural forest and slow degradation of Madagascar's forest resources</p> <p>To stop abuse of MEF authorities and control procedures which are intended to protect forests and contribute to their management, but which in fact undermine local land use controls, create opportunities for corrupt practices and did not contribute to the achievement of forest policy objectives</p>	<p>1. For a period of at least one year, the government will suspend the authority of MEF to issue wood harvesting or cutting permits and put a moratorium on all cutting, extraction and forest exploitation in the remaining areas of natural forest and in intact artificial forests which do not have approved management plans. This moratorium will specifically focus on all forested protected areas, national parks, reserves and adjacent areas, and all other environmentally sensitive and fragile forested sites, high priority biodiversity conservation areas and remaining areas of well stocked, intact plantations without management plans. The moratorium will result in a cessation of the authorization of all new forestry and forest product related permits and will cause existing or previously issued permits to be null and void. Harvesting, cutting and exploitation of trees and forest products will therefore only be able to continue in managed or cut-over artificial forests (notably Eucalyptus plantations around urban centers). After one year, the terms of the moratorium will be reviewed and adjusted in consideration of the degree to which illegal cutting and forest degradation is being controlled.</p>
<p>In the face of centralized control of forest exploitation by the MEF and its agents, traditional authorities, civil society and local government have not been able to play an effective role in encouraging sound land use and wise utilization of forest resources. There is an opportunity to involve the broad range of stakeholders that need to be implicated in the sustainable use and management of forests in the oversight of control and permit procedures that have been the prerogative of MEF, and to develop more decentralized, accountable and transparent mechanisms to enforce forest conservation and to promote the legal and sustainable use of forest resources.</p>	<p>To mobilize a broad coalition of interest groups and society across the country to check the uncontrolled exploitation of forests</p> <p>To generate popular support for needed reforms in the Ministry of Eaux et Forets (MEF), especially regarding public participation and decentralization of the application of measures designed to contribute to the improved management of forests</p>	<p>2. The government will support the establishment and efficient functioning of “Brigades mixtes décentralisées du contrôle de l'exploitation forestière” throughout the country. Public notices will be broadly disseminated to inform the population about the suspension of the permit authorities of the MEF and the terms of the moratorium on forest exploitation. In order to compensate for the suspension of MEF's authority to control cutting (cf. <i>décret</i> no. 98-782 and supporting legislation), the population will be notified that decentralized brigades are being established to ensure that the moratorium on cutting and exploitation of natural forests is respected by local communities, the private sector, and all others. These brigades will be supervised and assisted by elected local authorities, and include representatives of civil society, including local communities, traditional authorities, the private sector, and projects, NGOs and associations involved in rural development and environmental activities. They will be charged with receiving, investigating and publicly reporting on all reports or signs of the non-respect of the moratorium.</p>

Context / Problem	Objectives	Proposed Conditionality
<p>In many instances, the MEF bureaucracy has not operated in a transparent manner, and the legality of procedures and practices related to the authorization of forest products exploitation cannot be easily scrutinized.</p> <p>As a result of many factors, many MEF agents are not actively engaged and equipped to assist in implementing the new forest policy. A disproportionate number of MEF personnel are assigned to the central ministry and not engaged at the field level in supporting the improved management of forest resources. There are substantial unmet needs for training and human resources development related to forestry at all levels. There is also a need for considerable improvements in the management of MEF personnel, particularly with regard to promotion criteria, assignment policies and performance incentives.</p>	<p>To identify and promote needed reforms in the Ministry of Eau et Forets (MEF), especially regarding the transparency and legality of control and financing procedures.</p> <p>To encourage the development of human resources in forestry, and together with the necessary training, increased motivation with regard to forest policy objectives, efficient utilization and improved performance of MEF personnel</p>	<p>3. Within three months, the government shall collect, review, publish and make widely available a listing of currently authorized <i>exploitants forestiers</i> and permit holders, including a description of the terms and conditions of authorizations, permits, concession agreements, and encourage public debates on possible improvements in the current practices and legal provisions for procedures designed to manage and control the use and exploitation of forest land and resources in Madagascar.</p> <p>4. Within one year, the government shall enact reforms designed to provide for transparent, efficient and decentralized procedures to ensure that forest products are exploited and utilized in a manner consistent with the basic orientations of the Forest Policy.</p> <p>5. Within one year, the responsible government institutions (MEF, Civil Service, etc.) will have initiated the human resource development actions and enacted the fundamental institutional and personnel management reforms needed to transform the MEF into a more efficient and effective service, in support of the new forest policy.</p>
<p>Despite the adoption of a new forest policy in support of participatory forest management, MEF continues to be involved in functions that could be more effectively and equitably carried out at a local level by traditional authorities, communities, producer associations and the private sector. To facilitate this all-important shift in the role and function of MEF and decentralized institutions, and to accelerate the transfer of management rights to the local level, basic principles and conditions for participatory forest management need to be made explicit and broadly publicized. In addition, the procedures required to satisfy these conditions need to be considerably simplified with a view to their large-scale adoption in the near term. Finally, considerable support for the organization of local communities and user groups and for the development of local capacities and enterprises needs to be mobilized in support of this transfer of management responsibilities.</p>	<p>To encourage a shift in the role and functions of MEF, from control / technical oversight and continued dependency by local communities on MEF interventions, to one of policy formulation, program support, and facilitation of extension and education / training.</p> <p>To mobilize support for the implementation of the Forest Policy and associated laws, regulations and procedures, with particular attention to the <i>responsabilisation des acteurs locaux et la promotion de la gestion decentralisee et participative des ressources forestieres</i></p>	<p>6. Within six months, MEF shall develop and widely publicize general principles and basic conditions to be met in support of participatory forest management, as well as streamlined procedures for the approval of forest management plans</p> <p>7. Within one year, MEF shall develop and widely publicize guidelines and supporting technical information adapted for the preparation of management plans of various types, as appropriate for village forests, protection forests, production forests for small scale forest based enterprises, plantations and multiple use forests.</p> <p>8. Within one year, the government will provide evidence of substantial progress in implementation of the new forest policy, and in the mobilization of the administration in support of local level capacity building and an accelerated transfer of management rights to local communities, associations and small scale forest based enterprises.</p>

Context / Problem	Objectives	Proposed Conditionality
<p>The new forest law provides for the creation of a National Forestry Fund in order to utilize tax receipts from the forestry sector to support the implementation of the forest policy. To date, the establishment and management of this Fund has not been consistent with the spirit of the law, nor has it served to achieve the aims of the new forest policy. The Fund needs to be managed by a coalition of interests and representative stakeholders, as provided for in the legislation, and made to operate more efficiently in support of programs carried out in each region. In addition, there is a need to support fiscal policy reforms in the forestry sector designed to complement other incentives for sustainable use and participatory forest management. Provisions need to be made for differential taxation of forest products based on their source and origin and on the application of forest management guidelines, as well as the redistribution of forest revenues in support of forest management and local development.</p>	<p>To mobilize support for the implementation of the Forest Policy and associated laws, regulations and procedures, with particular attention to mechanisms for the sustainable financing of needed investments and assistance for the sustained yield, multiple use management of forests</p> <p>To support the reform of fiscal policies in the forestry sector so as to provide incentives for decentralized, participatory management of forests</p>	<p>9. Within six months, the management of the National Forest Fund and associated Regional Forestry Funds will be transferred to the a representative and accountable group of stakeholders so as to provide for the transparent management and efficient use of these funds in support of the Forest Policy.</p> <p>10. Within one year, provisions will have been made for the funding to a significant degree of priority actions in at least three regional forestry master plans (Plan Directeur Forestier Regional) by making use of funds mobilized through the National and Regional Forestry Funds.</p> <p>11. Within one year, proposals will be developed for the efficient collection and effective redistribution of forestry related revenues in a manner which provides substantial incentives for participatory approaches to forest management and widespread adoption of forest management plans.</p>
<p>In order to take the pressure off the remaining natural forests and to facilitate the conservation of biodiversity and maintenance of environmental services and other benefits from forests, alternative sources of fuelwood, charcoal, poles, construction timber and other forest products need to be developed. With <i>de facto</i> open access to much of the remaining areas of natural forest and with irregularities in the sale of harvesting rights, there are few incentives to invest in the sustained yield management of natural forests or to develop alternative sources of supply. Once such incentives and other enabling conditions are in place, international assistance in the forestry sector can be more mobilized more effectively to assist rural producers, local communities and the private sector to invest in the development and improved management of forest resources.</p>	<p>To help establish the conditions which would favor investments in forest management planning, rehabilitation and regeneration of degraded forests and plantations, farm forestry, agroforestry, private sector forest based enterprises, and participatory forest management</p>	<p>12. Within six months, simplified procedures will be in place to provide for secure tree and land tenure rights for rural producers and others committed to invest in tree planting and in the regeneration and rehabilitation of forests.</p> <p>13. Within one year, there will be compelling evidence of progress in ensuring access to land, technical information, training, credit, markets, enterprise management skills, organizational development, legal recognition of user groups, associations and small businesses, secure tenure and legally recognized management (use/harvesting) rights, equitable and transparent taxation and revenue collection / distribution procedures and other assistance in support of local initiatives related to local development and improved management of forest resources.</p>

Context / Problem	Objectives	Proposed Conditionality
<p>The MEF is not currently fulfilling a constructive and effective role in the oversight of the management of forests. Information related to the use and exploitation of forests is not reliable, complete or widely available. The MEF and government institutions such as the FFN are not presently accountable to the public, donors or other interest groups.</p>	<p>To increase the level of attention and oversight given to forestry issues by the government of Madagascar, while providing for independent verification of compliance with the forestry sector conditionalities and related policies and law</p>	<p>14. Within one month, terms of reference will be prepared and funding and other operational modalities will be agreed upon by the donors and the government, to provide for an independently financed, autonomous, auditing unit. This unit will be capable of performing an external audit of the MEF and other forestry sector institutions and procedures, and capable of field level verification of compliance with the aforementioned conditionalities.</p> <p>15. Within three months, the external audit unit will be operational and functioning with respect to its terms of reference.</p>

Note: Several “conditionalities” could also be incorporated into benchmarks and targets (with some adjustment in the timing) for incremental funding of EP2 (for example, one or more of conditionalities 6–13). Alternatively, various additional quantitative “indicators” (such as increases in the number of approved forest management plans, in the area of managed forest land, in the number of legally recognized, community-based entities engaged in participatory forest management, in the volume of certified forest products from managed forests, in the level of funding mobilized through the FFN, etc.) could be tracked and used as benchmarks for incremental funding of EP2 and other development assistance programs supporting MEF reforms and improved forest management. Finally, as a complement to these conditionalities, the MEF and other institutions should be encouraged to identify and integrate into their annual work plans the series of specific and more detailed actions which need to be carried out in relation to the resolution of these issues targeted by the proposed forestry sector conditionalities.