

Forest Governance Learning Group

Mozambique



Gleanings on governance

Learning from a two year process of forest policy support to
ProAgri

2004

Duncan Macqueen

(International Institute for Environment
and Development - IIED)

and

Adolfo Bila

(Universidade Eduardo Mondlane - UEM)

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Executive summary

A number of partner organisations recently undertook a two year process of forest policy support to Proagri in Mozambique (including Universidade Eduardo Mondlane, UICN-Mocambique, CTA, the International Institute for Environment and Development and Indufor Oy). The two year time frame was never going to allow for wholesale reform to the forest sector in Mozambique. What it did do, however, was to provide support for a number of promising policy processes – initiated primarily by DNFFB. From these processes, a great deal has been learned about how to improve forest governance and how to manage the balance of power between the various interest groups with a stake in forest governance. This report outlines a little of what was gleaned about good forest governance from the tactics which attempted to make forest policy work in Mozambique. We highlight some important issues that needed to be addressed, what worked in the tactics adopted by DNFFB together with the policy support team, what did not work and what could be done to improve the situation.

Good forest governance involves shaping what people and institutions do – above and beyond what they say they will do. It involves managing the complicated mass of every day decisions of those who affect what happens to the forest and those dependent on it. It involves influences far beyond the forest sector itself. Policy – both the content of statements and instruments, and the process of policy making, implementing and reviewing – is the bedrock of governance. In Mozambique the content of forest policy is new. Perhaps more importantly, the processes that make, implement and review policy are equally new. This report focuses on some of these policy processes which we have grouped into the headings of: making policy; implementing policy; reviewing policy. In the real world *it is not possible to divide the various elements of policy into such linear categories* – policy processes are all interlinked – but it a useful framework with which to develop this report.

Policy making is at its best when usually centralised decision makers are engaged with the field / provincial realities and the multiple perspectives of those affecting forest outcomes. We describe a number of the tactics adopted by DNFFB for ensuring adequate participation during policy making at national and provincial levels. The quality of debate and growing public awareness and ownership of their rights and responsibilities towards the forest and wildlife resources is a testimony to

the success of these tactics – but there continue to be question marks over the sustainability of some of the initiatives put in place.

Policy implementation is at its best when all stakeholder groups are informed about, own and abide by a negotiated (and hopefully equitable and sustainable) distribution and use of forest resources. Tactics to negotiate and agree what sustainability and equity resource allocation mean in Mozambique form the second major section in this report. The major challenge faced by these tactics was the imbalance of power between the industry (and their political supporters in the provinces) and the rural majority (backed by poorly organised NGOs). Actions to improve the policy coherence of those representing the rural poor are much needed if a helpful balance of pressure is to be brought to bear on forest governance.

Policy review is at its best when the real patterns of forest distribution (once enforcement measures are in place) are independently and transparently assessed with the explicit aim of adjusting policy-making and implementation processes. Despite the novelty of the Mozambique forest policies and processes we comment on some of the tactics used to assess and encourage compliance, detect non-compliance and develop the capacity to review what is happening in the field under pressure from lobby groups. Among the many lessons learned is the overarching point that progress in forest governance depends as much on the quality and ownership of policy making as on the capacity to police it.

In the final section of this report we comment briefly on the need to (i) engage a wide range of policy actors during policy improvement processes; (ii) stick at it over time and make good use of the momentum of any existing processes; and (iii) adopt a positive attitude to situations of conflict and crisis – these are often the catalytic events or flashpoints that allow long term change and improvement.

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The authors are grateful to all those who have attended the various forest FORUM meetings from other government authorities, the private sector and civil society representatives. While too many to list by name, it is their continued enthusiasm and participation that will shape the future of forestry in Mozambique.

Acronyms

CGC	Comitê de Gestão Comunitária
COGEP	Conselhos Locais de Gestão dos Recursos Naturais
DFID	Department for International Development, UK
DNFFB	Direcção Nacional de Florestas e Fauna Bravia, Mozambique
IIED	International Institute for Environment and Development
MADER	Ministério da Agricultura e Desenvolvimento Rural
NGO	Non-government organisation
PARPA	Plano de Acção para a Redução da Pobreza Absoluta, Mozambique
SPFFB	Serviços Provinciais de Florestas e Fauna Bravia, Mozambique

1. Introduction

1.1 The context for forest governance support in Mozambique

In Mozambique, 10,823,000 people out of a total of 15,278,000 live in rural areas mostly within 40km of the coast where subsistence agriculture, forest resources and artisanal fisheries constitute the main options for income generation (Johnstone et al. 2004). For land based natural resources the policy context is in its infancy. The main legal frameworks are as recent as 1997 for the Land Law and 1999 for the Forestry and Wildlife Law – with the forest regulations only being approved in 2002. The context for work on forest policy is therefore rather unique – on the one hand providing rich opportunities to the technical annexes which make the law and regulations operational, but on the other without the established institutional processes for translating legislation into field realities. As the opportunities for legislative change diminish it is hoped the opportunities to implement it will increase

In recognition of the policy challenge, a strategy paper was agreed between the Direcção Nacional de Florestas e Fauna Bravia (DNFFB, the government forest department within the Ministry of Agriculture) and the United Kingdom (UK) government Department for International Development (DFID). The strategy resulted in a new one year forest governance support process extended into a second year from 21 January 2002 to 31 December 2003. At the outset the process identified two major needs during the first of a series of Mozambican multi-stakeholder policy working group meetings:

- (i) To improve the capability and impact of adaptive, multi-stakeholder policy making and implementing processes in the forest sector
- (ii) To improve the instruments and practice of policy, in four key areas:
 - Systems for concession management and local resource management institutions
 - Practical approaches to increase efficiency in law enforcement – to combat malpractice through workable approaches involving local communities and reform of present enforcement systems
 - Strategies for developing investment in locally-beneficial forest industry and plantations
 - Tactics for managing institutional reform

It is not our intent in this report to cover the detailed recommendations – specific to the Mozambican context – for each of these four areas. For parties interested in such detailed prescriptions the support process provided ample published documentation (see Bila, 2003; Bila and Salmi, 2003; Chitara, 2002; Macome, 2002; Macome et al. 2003; Maculule and Cuco, 2002; Maculule, 2003; Mangué et al. 2002; Mayers, 2003; Nhantumbo and Macqueen, 2002; Rytönen, 2002; Salmi, 2002; Siteo and Bila, 2003; Siteo et al. 2003).

Our intention here is to document the main *tactics* that were used to support and shape good forest governance during the years 2002-2003. We aim to assess what worked, what failed and what would be needed to improve on the situation.

1.2 The theoretical framework for improving forest governance

Any attempt to improve forest governance must have a clear grasp of what forest governance is. Early in the support process a working definition of good forest governance was coined as:

“The informed and faithful representation by decision makers (both inside and outside government) of their constituency interests towards the efficient allocation and use of scarce national forest resources for both the international, national and local good”

This understanding of good forest governance requires attention to at least three related elements:

- (i) The processes through which central and local governments are *informed about and interpret* the priorities of their constituency (including conflicts of interest);
- (ii) The process by which natural resources are securely and transparently *distributed and used* in line with local, national and international priorities (including negotiated trade-offs).
- (iii) The process by which the agreed distribution of economic, social and environmental goods and services from natural resources are *monitored and reviewed* (including honest appraisal of what is and is not enforceable).

This threefold description of forest governance echoes the main elements of policy making, implementation and review. Of course there are many particular policy themes that require attention within this general governance framework (the focus of this support process was on the four areas listed in section 1.1). Similarly there are many challenges in realising these three elements, particularly to do with the division of power in appropriate ways between central and local government, public and private sectors, and domestic / international interests. At the outset it is worth noting that conflicts of interest are almost inevitable and that the equity of negotiated trade-offs is a measure of the quality of governance.

1.3 The institutional framework to bring about change

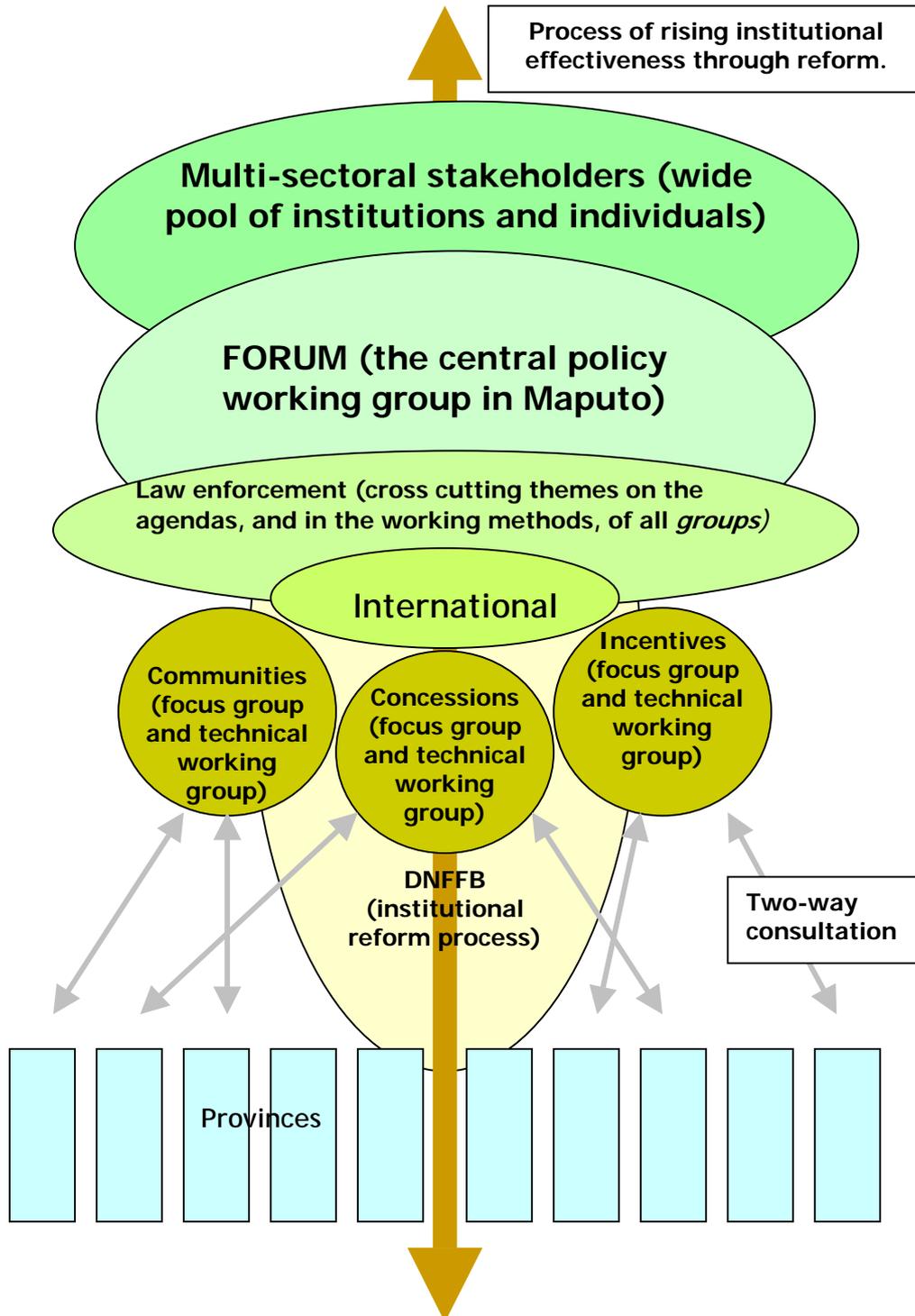
In order to foster policy change that was genuinely rooted in the field realities at provincial level it was felt necessary to build an alliance of people and institutions linked and informed by extensive provincial level consultations (see figure 1). Teams of consultants worked with provincial services (SPFFB) to consult both the private sector and community groups in forest areas about a series of issues (see Macome, 2002; Macome et al. 2003; Maculule and Cuco, 2002; Maculule, 2003). They published models of how to repeat such consultations in the future. They also analysed findings in order to underpin draft working papers for general discussion at a national forest FORUM.

The central national multi-stakeholder FORUM was officially constituted through DNFFB (and on a permanent basis) to prioritise, discuss and propose changes to policies relating to land use and forestry. The first meeting of the FORUM on 13 February 2002 was opened by the Minister of Agriculture and Rural Development (MADER) and developed official FORUM regulations and procedures. The second meeting of the FORUM on 29 April 2002 received front page national press coverage and defined the first set of priority issues to be discussed in subsequent FORUM meetings. The FORUM meets at an approximate frequency of once every quarter and always includes key members of the MADER and DNFFB, the private sector, civil society education and research institutions.

In order to maximise the opportunity for productive discussion within the FORUM, each session was preceded by the distribution to FORUM participants of a working document and recommendations pertaining to the particular policy theme in view. These working documents were prepared by *focus groups* comprising members of the DFID support team, a representative of DNFFB and a small number of other national experts (from various sectors) with experience on that theme. A key element of the work of these focus groups is

participative discussion with provincial and community actors throughout the country about the theme in question.

Figure 1. Main groups, themes and process of support for the development of national policies within PROAGRI, Mozambique



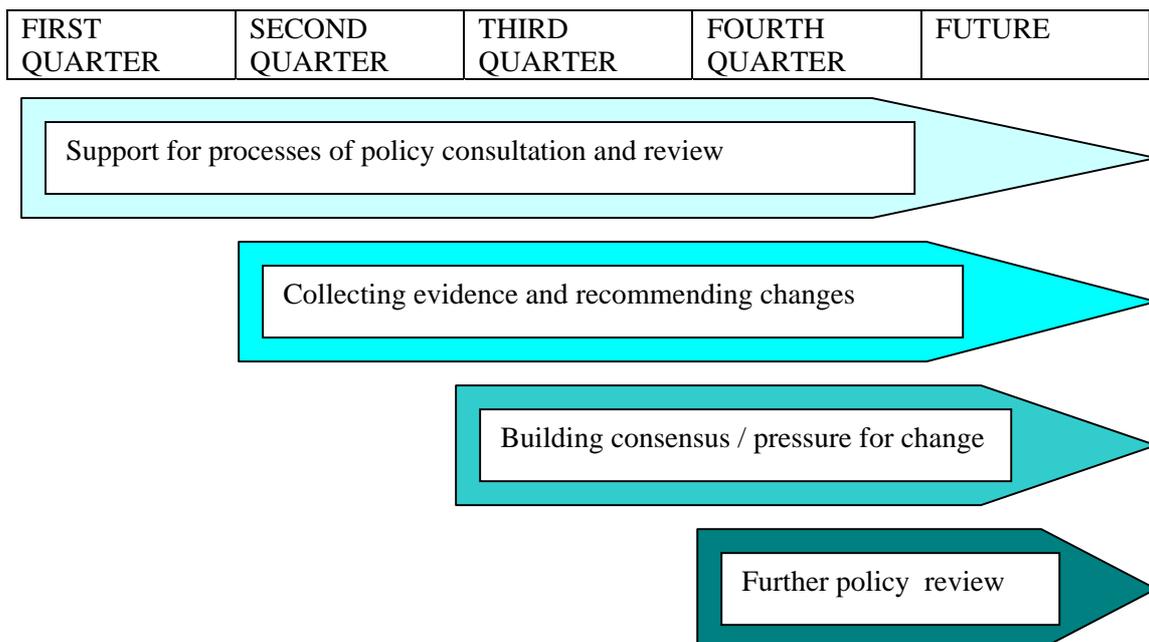
DNFFB ownership of these institutional arrangements was critical to ensure that relevant findings fed into modified policy implementation. The four focus groups interacted with technical working groups within the relevant sections of the DNFFB. Draft working papers were discussed by these more extensive groups and draft recommendations were revised and improved on before the working paper is subjected to wider consultation in the National FORUM.

Representation in the FORUM was initially on an individual basis but it soon became apparent that discussion would be improved by restricting membership to the leaders of associations of industries or representative civil society organisations. In late 2003 it was further decided that the level of discussion would be more profound if the FORUM could be decentralised to the provincial level. Each province would therefore have its own consultation process dealing with the peculiarities of that context – feeding information to the centre through selected convenors.

1.4 Catalytic action to start the process

The limited two year scope of the policy support process could only hope to invigorate and shape the cycle of policy making, implementation and review – acting in a catalytic capacity. The catalytic action was divided into four phases designed to engage all the relevant actors in a process of change.

Figure 2. Catalytic action to stimulate policy change



It is important to make the point here that effective policy work is often opportunistic. The content of policy can only be reviewed and changed within particular windows of opportunity. The most immediate effect can be had by concentrating catalytic activities on those elements of policy content currently being drafted or revised. A much longer term strategy is to build evidence and pressure for change concerning elements of policy that are not currently under review. In this instance, the new policy environment and the close links with forest decision makers allowed us to concentrate our interventions at least partly on the former category (immediate legislative change). Yet it may be that some of the recommended changes for which there is currently no appetite may only find their way into legislation after a long process of building consensus and pressure for change.

2. Setting up participatory structures to inform policy making

2.1 Tactic 1 - Consulting civil society and the private sector

Rationale? The DNFFB and policy support team agreed that any policy support process must be driven by an accurate understanding of realities in the field. The logistical difficulties of routine visits to the provinces required a specific approach to policy review based in the provinces and ultimately managed by the provincial services (SPFFB).

What worked? a methodology was developed by the policy support team to survey community and private sector perceptions of forest policy. The survey covered the following areas:

- Information about the forest and land laws
- Community organisation
- Interactions with other institutions
- Relevance of the law within the existing institutional capacity
- Nature of private sector interests
- Costs and benefits of private sector interventions to different actors
- Potential of communities to engage in private sector activities
- Principal constraints

The survey method was tailored towards four particular situations: Communities in concession areas; communities in concession with NGO or other projects; communities without concessions or projects; communities in protected areas. Survey teams completed surveys and trained local staff of the SPFFB in a total of 18 survey areas in all ten provinces. Findings were published as reports and fed into draft working papers on various policy themes (e.g. community rights and obligations; functioning of concessions and law enforcement). These were then discussed in the open FORUM. Provincial level FORUMs are planned to allow local community representatives to comment on the interpretation of findings and its implementation within new legislation.

What did not work? There is no evidence that the process has succeeded in instigating a regular process of consultation at the provincial level to inform the development of policy. The SPFFB staff do not have the resources or direction to continue such surveys and build up a regular dialogue with communities and private sector representatives. The discussions at the national FORUM were poorly attended by civil society representatives and hardly at all by communities – such that little follow-up and review of the summary findings could take place. This may improve with the establishment of provincial FORUMs but considerable work will need to be done to foster organised representation from community groups.

What could be done to improve civil society and private sector consultation?

- Institutionalisation of regular and mandatory SPFFB reporting on the social and environmental impacts of activities within different areas in the province on a cyclical basis – using a derivation of the survey template already produced.
- Decentralisation of the policy discussion FORUM to the provincial level with regular reporting to the central SNFFB technical working groups on a coordinated set of themes.
- Consolidation and strengthening of the provincial FORUMS as a platform for dialogue and consultation at the provincial level

2.2 Tactic 2 - Building policy capability in technical working groups

Rationale? Making forest policy work requires a detailed understanding of many different areas – each with multiple actors inside and outside the forest sector. Instituting technical working groups with an intimate knowledge of the legislation and its practical implementation in the field is an important foundation.

What worked? The leadership of DNFFB had established strong technical working groups on a number of themes that actively meet to discuss new legislation and how to improve implementation. There were opportunities for the focus groups linked to the civil society consultation to present findings to these groups. For example, the report on community rights (Nhantumbo and Macqueen, 2002) was presented to the technical working group on community forestry. Similarly the report on concessions was presented to the technical working group on forest management (Siteo et al. 2002). Part of the function of these technical working groups is to participate in the drafting of new legislation. For example, in addition during the development of legislation to channel 20% of the tax revenues from forestry operations to local communities and the legislation to define the basis for sharing law enforcement revenues with communities, the technical working group on community forestry met numerous times to debate general principles and detailed drafting of the legislation. The technical working group succeeded in producing proposals for the statutes of the law enforcement agents, the statutes for community law enforcement agents and the interaction between the two.

What did not work? The technical working groups were very much Maputo based without regular exposure to field realities. As a consequence of this the policy discussions tended to err on the side of intellectual theorising rather than the practical resolution of policy implementation problems. This was most clearly seen in the outlook towards rural communities where incapacity was assumed and dictation from central government seen as the only option for introducing order. In addition, there was little transparency about the legislation under development and very little opportunity for the provincial government services, rural NGOs and private sector to comment on the drafts prior to publication. The uproar upon publication of the forest regulations is one example of inadequate breadth of consultation during the development of legislation.

What could be done to improve the policy capability of technical working groups?

- Developing technical working groups in the provinces with a mandate to consult local groups before recommending policy change - reserving the Maputo working group functions to that of a peer review panel might improve the quality of resultant legislation.
- Greater transparency during the development of legislation – using open public meetings such as the provincial FORUMs to discuss possible policy options
- Create incentives for local NGOs to engage more strongly with the provincial forest services (SPFFB) and to participate in provincial FORUMs

2.3 Tactic 3 - Institutionalising a participatory discussion FORUM

Rationale? Fundamental to good policy making is the opportunity to hear the perspectives of different forest stakeholder groups, and to allow them to negotiate among themselves the priorities for the allocation and use of forest resources – yet until 2002 no mechanism existed for this to happen. Early in the policy support process it was agreed that open transparent discussion about the new forest and wildlife law, regulations and associated technical annexes

would improve the adoption and ownership of the legislation by civil society and the private sector.

What worked? The first meeting of the forestry FORUM was held in Maputo In February 2002 institutionalised by a formal decree. It proved useful to reserve the first two meeting to establish the procedures, elect the chairmanship, and prioritise the subsequent priorities for discussion. The process was greatly facilitated by its formal hosting by MADER and DNFFB (including formal invitations to participants). During the first two years the FORUM met to the following schedule:

- 13 February 2002 – Maputo: Formal opening by Minister. Discussion of regulations and procedures
- 29 April 2002 – Maputo: Discussion to define priorities for future FORUM discussions.
- 2 August 2002 – Maputo – Discussion on the functioning of concessions, content of the obligatory management plan and tax rates
- 15 August 2002 – Meeting in Beira concerning the creation of incentives for investment in the forest sector in Mozambique
- 4 December 2002 – Chimoio: Community rights and the new forest tax regime were discussed
- Break in regular meetings due to problems associated with the adoption of the new Forestry Regulations
- 7 August 2003 – Tete: Discussion on law enforcement and community participation
- Plan to move FORUM to provinces – the gap in support for the FORUM was occasioned by the end of the DFID process and the renegotiation of Proagri – but has subsequently been supported by FAO.

After almost two years it was decided that discussions on policy would be more productive if they were held at a provincial level so that the contextual detail required to make progress could be properly debated.

What did not work? At the outset there were two major concerns primarily from the government authorities – the first to do with the breadth of subjects and questions that might be discussed at the FORUM or that might arise from the civil society surveys and drafts of the working papers. The second major area of concern was to do with the integration and possible interference of decisions taken by the FORUM with the sovereignty of MADER and DNFFB in implementing government policy. A compromise was assumed in which in its early phases the FORUM was to be a mechanism by which MADER could consult and harmonise elements of the forest policy such that the FORUM had a mandate to comment on but no authority to define legislation – at a later phase it could evolve into a more independent grouping to press for change in the forest sector. These concerns did cause significant delays in the scheduling of FORUM meetings (as DNFFB were hosts) especially during a period of tense dialogue concerning the new tax regimes in early 2003.

An additional problem was that participation in the FORUM was initially weighted by individual industry representatives and under-represented by NGO and community groups, particularly from the provinces. Discussions often deteriorated into individual cases or personal complaints against government policy from Maputo based organisations. This was eventually resolved by the requirement that FORUM participation was open only to heads of associations (see below) and by moving the FORUM to different provinces for each meeting. More balanced participation will be further developed if the FORUM is established at a provincial level.

A third major problem was that FORUM meetings were often scheduled to debate a particular topic – but that this topic was overshadowed by the introduction of new legislation on a

different topic. The result was that several FORUM meetings were dominated by vigorous debate on already-published legislation, rather than discussing future policy change.

What could be done to improve the participatory discussions in the FORUM?

- There needs to be greater prior flows of information to the participants to allow time to prepare formal responses. There also needs to be a structure for making those formal responses (see below)
- The scheduling of meetings should be such that outcomes of discussion can genuinely inform policy development, rather than rubber-stamping final drafts of legislation
- Considerable effort needs to be put into organising the participation at meetings, particularly of the civil society sector, but also of the private sector (see below).

2.4 Tactic 4 - Fostering organized representation

Rationale? Open and public policy debates can quickly deteriorate into platforms to air personal grievances. During the practical organisation of the FORUM meetings it was soon realised that discussions would be more constructive if participants were presenting views several entities rather than championing their own agendas. Largely as a result of the uproar over taxes in the August 2002 meeting of the FORUM and subsequent lobbying by individual industries it was decided that private sector participation in the FORUM would have to be restricted to heads of associations whose role would be to compile a joint response to new legislation and proposal for that legislation circulated in advance. It was further suggested that the FORUM should engage the industry about specific issues rather than broad topics where the risk of circular debate was evident.

What worked? By the time the December meeting was organized the industry had organised itself into provincial level associations with signed joint responses to the topics to be discussed at the FORUM meetings. The quality of the submissions and the order in the public FORUM meetings greatly improved as a result.

What did not work? While the process of organising private sector representation into associations worked well and has improved the quality of debate at the FORUM meetings, the same could not be said of the representation by community groups. Indeed, at the December 2002 meeting to discuss community rights less than five NGOs and community groups were represented and none made substantial inputs to the meeting. In part, this lack of civil society organisation reflects the incipient nature of grass roots organisations following many years of conflict. Yet the lack of a concerted voice on community access to forest resources akin to the land campaign (led by ORAM) has left very little incentive for the government to improve the disappointing progress towards improving the conditions for Mozambique's rural poor.

What could be done to improve organized representation to input to policy processes?

- A concerted effort could be made to engage leading NGOs on the issues of community land rights and access to forest resources, including transparent disclosure of the draft legislation surrounding these issues. Adequate time will be needed to mobilise a joint civil society response to new proposed legislation.
- Civil society participation at the FORUM meetings, especially as they are devolved to provincial level should be the specific task of the convenor of the FORUM and the aim should be to ensure balanced representation from the private sector, government and civil society.

2.5 Tactic 5 - Decentralising the structure to the provinces

Rationale? Single day event discussion meetings rarely have the time to cover the minutiae of details required for policy making – and it proved difficult for the FORUM to gather meaningful comment without soliciting organised written responses to developing legislation. As such it was decided to move the FORUM to the provinces.

What worked? Having started with the national forest FORUM based in Maputo, it was felt that broader participation with greater rural experience could be occasioned by moving the FORUM on a rotational basis to the provinces. This worked well in Chimoio where efforts were made to bring NGOs and community groups and where the private sector was organised for the first time into associations. However the breadth of discussion was still considered to be too broad with multiple issues arising from various different provincial settings. As a result a decision was taken to devolve the FORUM to the provincial level and establish permanent consultative meetings coordinated by convenors at that level.

What did not work? The provincial level processes to discuss forest policy had not been inaugurated during the timeframe covered by this report and it is therefore too early to describe any areas where further improvements could be made. However, it is worth noting from recent experience of provincial level FORUM meetings that the focus of discussions continues to be directed towards and driven by the industry – very few discussions have been based around the needs of rural communities.

What could be done to ensure greater decentralisation of policy development?

- Building the capacity of the SPFFB to analyse and comment on the implementation of policy would greatly assist the DNFFB who do not have the luxury of regular contact with field-based implementation problems.
- A specific mandate for policy discussion needs to be introduced at the SPFFB to ensure the rigor of consultation prior to the publication of new legislation.
- More grass roots entities need to be involved in the discussions and the focus of discussion needs to be broadened to reflect more than just the interests of the forest industry.

3. Negotiating equitable and sustainable forest resource allocation and use

3.1 Tactic 6 - Pushing transparent and equitable forest allocation

Rationale? The state extends commercial use rights through simple licences and concessions which are restricted to private enterprise with processing capacity. The process has allocated large areas of land use rights, despite claims of lack of transparency and that the process is driven by industry with little benefit to communities. Communities can negotiate rights through mandatory “consultations” at the start of simple licence and concession allocation procedures, though in practice these often result in token benefits. Further negotiation is required in order to make the process acceptable to all parties.

What worked? DNFFB have sought to replace unsustainable simple licences with concessions – and have moved swiftly to allocate land for concession use. They have also made considerable efforts to prepare legislation defining the conditions under which control over forest resources can be delegated to communities. The policy support team reviewed current processes and made a number of recommendations to improve the transparency and equity of forest resource allocation particularly directed towards concession and simple licence

allocation as this is where the main transparency and equity problems lie (Sitoe et al. 2002). Relating to forest resource allocation the following was recommended:

- The law ought not to be ambiguous – productive areas should be exclusively for concessionaires (not simple licences) on account of the at least theoretical long term sustainability in the latter
- The management plan should be the management instrument for forest industries and a deadline for its submission should be enforced following concession allocation
- It should be the state not the industry that defines concession areas and limits the number offered to the private sector to raise the price of the extraction licence.
- An area based tax should be the instrument used to reduce excessive control of land areas by the private sector
- Taxes should allow the industry a reasonable but not excessive profit to encourage efficiency and should cover the costs of enforcement
- Law enforcement should be contracted out to an independent agency working in collaboration with state authorities and community enforcement agents
- The social impact should be positive through improved employment conditions and a manual to guide negotiations over benefits
- The process of granting concessions should be transparent with clear criteria for approval or denial

These recommendations were debated in technical working groups of DNFFB and discussed in the national FORUM.

What did not work? DNFFB have not managed to establish community forest resource rights to the same extent as commercial rights (e.g. concessions) in spite of the huge social and political benefits that such a strategy might entail. Communities have rights to subsistence use but the concept of subsistence use has various interpretations, in general limiting usage to personal usage alone, not to any form of commercial activity which might be necessary to offer communities a route out of abject poverty. In part this was due to the lack of participation of civil society groups in the forest FORUM.

In addition, the process of obtaining private sector simple licences and concessions is still opaque and complex, involving many stages and institutions, opening up the possibility of corruption. This is further compounded by the lack of clarity on allocation procedures yet to be defined by legislation. Following the August meeting a strong industry lobby led to the retraction of the new tax code, the continuation of simple licences, the continued export of unprocessed logs, the staggering of concession licence payments and the review of fines for illegal operation. Pressure from provincial industries through provincial governors to government ministers during elections proved difficult to resist. In effective issues of equity and long term sustainability have been sacrificed for short term financial and political gains.

What could be done to ensure more transparent and equitable forest resource allocation?

- Mounting pressure could be brought to bear from civil society groups drawing attention to the long term consequences of unsustainable resource use and the inequitable distribution of forest revenues to private industry rather than local communities and government – a forest campaign could follow the lead of the land campaign.
- A strong political champion for the poor and marginalized could overturn some of the political power wielded by the industry lobby
- It will be necessary to distinguish through zoning, areas of pure production forest – and multiple use areas for the local communities

3.2 Tactic 7 - Reviewing incentives to encourage sustainable practice

Rationale? The reintroduction of concession allocation in 2001 has seen 30 concession approved in that year and 23 more in each of 2002 and 2003 resulting in tax revenues in 2003 of 46 billion meticals or roughly US\$ 1.9 million, US\$ 380,000 of which should theoretically pass to communities (Johnstone et al. 2004). The economic incentives for both government and the private sector to improve the efficiency of resource use are certainly high. Structuring administrative and financial incentives towards this end is therefore seen as a priority within DNFFB. The majority of the forest industries are micro-enterprises, poorly organised and without a coherent entrepreneurial structure. Many of these enterprises have been unable to take advantage of the provisions of recent legislation because they do not have the necessary capacity / formality to qualify. They tend not to keep regular accounts nor comply with official registration requirements

What worked? The forest regulation were published in 2002 specifying the terms and conditions under which forest resource use could take place. The regulations link resource use to technical and management capacity. In addition, the policy support process surveyed the difficulties faced by the forest industries, organised a major meeting of the industries in Beira to discuss a draft report and published a set of recommendations:

- Since the majority of Mozambican forest enterprise were small and medium scale, isolated and without formal employment structure or capacity to manage the resource, attention should be given to simplifying business registration / transaction costs, training businesses in basic administration and shifting over a defined time period the system of annual simple licences towards long term concessions
- There is a need to secure areas of land mapped out by government to attract plantation industries into the country
- Specific extension activities directed towards the improvement in value added processing to go hand in hand with the temporarily suspended ban on log exports
- The creation of a forest investment fund is needed over the medium to long term to serve as an appropriate source of investment funds for the sector.

What did not work? Despite extensive forest inventory projects within the country, DNFFB have not been able to allocate sufficient resources to map out land use priorities (including concessions). As a result the process of land use is driven by the priorities of industry and the accessibility of the resource – with few guarantees of security of tenure. While there are financial resources available for the forest sector to secure capital loans, these often prove difficult to access (on account of the lack of formality and administration skills within the industry – or the loan terms and conditions are off-putting).

What could be done to increase the incentives for business to act sustainably?

- Specific business support packages need to be developed with DNFFB to train forest enterprise in how to improve business administration, comply with legislation and access finance
- A specific forest investment fund could be set up over the longer term to underwrite guarantees and offer lower rates of interest to industries undertaking legal and sustainable forest management.

3.2 Tactic 8 - Strengthening enforcement capacity and voluntary progress

Rationale? Following the break down of forest enforcement services during the war, it has taken time to reconstitute, train and equip provincial forest services (SPFFB). Maximising the effectiveness of limited resources is a keenly felt priority.

What worked? Several major steps have been taken by DNFFB to improve law enforcement – notably the publication of the guide to what must be contained within a forest management plan, and the publication of the legislation defining the career structure and responsibilities of law enforcement agents. In addition the DNFFB has been participating in a national process to develop criteria and indicators of sustainability (led by TCT) in order to pursue independent third party certification. The policy support process investigated and published a review of past and present law enforcement activities and options for their improvement (Bila and Salmi, 2002). The study provided a model for participatory enforcement activities involving government agents, private sector incentives, NGO activities and the contribution of community law enforcement agents. A set of priority actions was highlighted including:

- The dissemination of the new forest and wildlife law and regulations
- The publication of outstanding legislation relating to community rights and responsibilities
- The establishment of the regime for, linkages between, and delegation of powers to the different law enforcement partners as set out in the new legislation, including to community agents
- The establishment of a database on forestry activities in the country
- Training and equipping of the law enforcement agents
- Survey the principal areas of non-compliance in order to improve the targeting of law enforcement

What did not work? The establishment of a profession core of law enforcement agents does not happen overnight, and there is still a long road to travel before training centres, databases of forest activities and practical schedules of field activities can be established and coordinated between the many interested parties. In addition, the team encountered little knowledge of the forest legislation among other government agencies involved in forest law enforcement such as the police and judicial services. The involvement of the communities in law enforcement is still very weak because of the lack of practical incentives and coordination mechanisms of all those involved in these activities.

What could be done to improve law enforcement capacity and support voluntary progress?

- The criteria and indicators for certified sustainability could be harmonised with national standards in order to set a common benchmark for sustainable forest practice involving economic, environmental and social standards.
- An accurate and accessible database on forest land use, production, processing and transport could be linked to tax information to improve the quality of field monitoring and prosecution of cases.
- Capacity building among the various agents responsible for law enforcement and the development of coordination mechanisms between them
- The creation of effective incentives to encourage community participation in law enforcement

3.4 Tactic 9 - Encouraging partnership arrangements

Rationale? Lack of public sector capacity to assist communities to benefit from their natural resources has led to increasing calls for private sector involvement. There is a logic to this approach since it is primarily the private sector simple licence and concession holders that have the infrastructure to operate in remote rural areas.

What worked? The new legal requirements for negotiations between private sector industries and communities were designed to encourage greater private sector involvement in reducing poverty and promoting sustainability. In the best case scenarios these have included improved community monitoring of timber stocks, waged salaries at least compliant with the minimum

legal wage, joint community enterprises, the construction of health posts and schools and some investments in road infrastructure. The policy support process investigated actual examples of private sector- community negotiation and following widespread tokenism, drafted a manual to explain how communities might gain more from the process. In addition, the guide to the industry management plan included specific sections on social obligations and company community negotiations. In a reports published by the policy support process some recommendations included:

- Negotiations should be an annual event not a once-only discussion at the beginning of a 50 year concession licence
- Communities should have access to industrial management plans and have a means of holding them to account for failures to comply with them
- There should be an arbitration procedure for cases in which industry promises to communities were not met
- That SPFFB staff should be given a mandate to investigate social conditions in concessions (not just ecological conditions) including the minimum salary.

What did not work? The manual to guide company community negotiations was never published following a failure to finalise a draft acceptable to all parties. No guidelines on social reporting and monitoring were ever given to SPFFB or the industries to monitor the compliance of the industry with statement made in the management plan. No routine independent monitoring of company community interactions has been instigated by the DNFFB.

What could be done to improve the outcomes from public-private partnership arrangements?

- A manual on the process for company community negotiations is urgently needed
- Regular monitoring of the social impacts of simple licences and concessionaires is needed either by the SPFFB or by an independent body.

3.5 Tactic 10 - Providing practical guidance on sustainable management

Rationale? Any attempt to improve the sustainability of forest resource use must first define what sustainability is and how it is to be achieved under normal operating procedures. Providing these operational definitions and norms was therefore a high priority.

What worked? Following DNFFB legislation making the management plan the basis for ensuring sustainable management in Mozambique, the policy support process put a considerable amount of time into developing detailed guidelines for the production of forest management plans so that forest enterprise could have a clear understanding of the elements of sustainable management and how to plan for that. In addition the policy support process prepared a draft on community organisation – how to take advantage of the rights and obligations laid out in the forest and wildlife law and regulations.

What did not work? It proved difficult to insist on the completion of management plans by the industry without allowing some time for adjustment and there was lack of political will to revoke forest use rights from concessionaires who failed to comply with the law in this regard (especially in an election year). Equally serious was the fact that existing management plans were tending to be written by contracted experts who did not belong to the forest industry in question – in at least one case the operational manager of a major company had no understanding of what was in the management plan, and its use was restricted to display in the company headquarters rather than guiding operational practice in the field. The delay in publishing the legislation on canalisation of 20% of the taxes to communities, and the

legislation on delegation of powers also delayed the publication of the manual on community organisation.

What could be done to improve practical operational guidance?

- Simplified requirements for management planning linked with rigorous inspections of the field use and implementation of the management plan should gradually increase the industry capacity to undertake real forest management
- The gradual elimination of simple licenses with their token planning requirements would do much to reduce unsustainable resource use.

3.6 Tactic 11 - Standing firm under pressure

Rationale? Tightening up the laws and policies governing sustainable and equitable forest allocation and use inevitably creates winners and losers – including many powerful and established firms who have benefited from any prior leniencies in the legislation and its enforcement. Improving policy making and implementation therefore requires a strong nerve and powerful allies.

What worked? DNFFB has continued to advance its thinking and operational along four main thematic lines:

- effective and efficient normative and institutional framework established for the forest and wildlife sector
- improved access of communities to forest and wildlife resources and sustainable forest and wildlife management
- a competitive and diversified commercial sector established based on the sustainable management of forest and wildlife resources
- forest and wildlife resources effectively protected and conserved for the production of environmental and other public services

Despite occasional set backs due to the multiple areas of policy and practice that need to be put in place, DNFFB have put in place numerous new policy provisions in line with the overall aim of sustainable management of natural resources for economic, social and environmental benefits, based on management plans balancing community, public sector and private sector interests.

What did not work? It has not been possible to resist the concerted lobbying of industries in all elements of policy. Some retractions and further reviews, particularly of the new tax rates were brought about by the pressure brought to bear in the provinces on the office of several governors – the forest industries having an important role to play in provincial and national employment and revenue generation.

What could be done to increase the political power of those advocating sustainable management?

- Greater phasing in of policy changes over time to allow more gradual adjustment to new policy directions
- Consolidation of the national forest programme with documents such as the PARPA and ProAgri II
- The production of clear policy briefs on contentious issues to improve the understanding of DNFFB policy decisions among high-level decision makers
- Greater transparency in forest land allocations, production, processing and trade stored in a publicly accessible database.

4. Monitoring and review of policy content and process

4.1 Tactic 12 - Assessing cross-sectoral policy coherence

Rationale? As the review of the implementation of the forest and wildlife law progressed it became apparent that there was some confusion between this and other laws in the interpretation of rights and responsibilities, particularly with regard to the land law. The land law provides legal recognition and protection for traditional rights to habitation and subsistence and creates a mechanisms for them to use these rights through a DUAT – giving them private ownership rights despite the fact that the root title remains in the hands of the state (Johnstone et al 2004). The forest and wildlife law maintains stronger use rights with the state, to date granting only subsistence level rights to the community

What worked? A process was put in place to review the formulation and intent of the different legal frameworks (land and forestry), assess through a case study the potential areas where greater coordination would be effective, and identify areas for greater future collaboration between the different government authorities involved. The process culminated in a joint meeting on 1 December 2003 at which the following suggestions were made:

- There was a need to assess the information needs on the two bodies of law and harmonise the objectives and process of dissemination through a joint arbitrator / central body – with a monitoring mechanism to ensure adequate understanding of the legislation among extension agents.
- There was a particular need to allow communities greater rights over forest use by forest legislation in line with the intention of both land and forest laws, perhaps through new legislation on “Delegation of powers”. Greater authority at the district level was needed to authorise communities commercial use of the forest.
- There needs to be greater clarity regarding the roles of community institutions – e.g. the envisaged participation of the state in community associations was incompatible with their role in regulating such associations.

What did not work? There was no agreement on the mechanism by which the two laws could systematically be harmonised, despite suggestions that the working group on National Land Strategy, or the Centre for Judicial Training might do so at national level or the national directors of DNFFB and DINAGECA could designate people to promote synergy at the provincial level.

What could be done to improve cross sectoral policy coherence?

- A high level authority needs to be apportioned the task of harmonising legislation particularly that relating to rural communities (where the majority of Mozambicans live)
- The co-management structures for natural resources at community level need to be formulated in accordance with the principles and practice of the broader decentralisation process.

4.2 Tactic 13 - Getting the facts and figures straight

Rationale? Data from the forest sector has been compiled in a number of different consultancy reports – but it has become clear that one single accessible source of data on land ownership and allocation, the allowable annual cut, revenues and taxes and actual timber trade would greatly facilitate the review of forest policies and their effects.

What worked? A brave attempt was made to introduce higher taxes in the Mozambique forest sector in order to curb spiralling profits among the forest industries and redress the low government revenues from the sector. The policy support process published a report which calculated tax rates to allow reasonable but not excessive profits for the industry – while simultaneously increasing government revenues (Rytkonen, 2002). This report demonstrated how even the new tax codes collected only marginal amounts compared with comparable tax rates in other countries – and that the result was probable continuing inefficiency on the part of the industry. Some important conclusions were that:

- The timber economy was fluctuating dramatically rather than growing steadily and attempts to improve value added processing had largely failed with almost 90% of operators failing to use even a basic management plan.
- The non-timber forest product economy was more important to the rural poor (and perhaps even in aggregate terms) than the timber, but timber activities were having a negative impact on this trade while offering few benefits to communities
- Only a fraction of 1% of the revenue generated by the forest sector was reaching DNFFB.
- Enforcement of management plan was perhaps the most important requirement – and a “performance” tax rebate could be used to encourage compliance
- Forest taxation should be anchored in international timber prices
- Taxation should be based on a mixture of area based and volume based calculations with concessions for industries with independent certification
- Taxes should be channelled into a forest fund for reinvestment in the sector (in training, market development etc.) building the justification for and credibility of taxation in the first place

What did not work? There is no unified source of information that maps concession and simple licence areas – nor the trade in wood from those areas – nor the taxes paid on that trade. Despite the long interval since the tax rates had been updated in line with inflation, the introduction of even modest tax increases with the publication of the forest regulation in 2002 caused a furor among the industry. A wave of lobbying via provincial governors to Ministers followed with the retraction or revision of almost all of the tax related legislation introduced. The independent report on taxation was never published despite the fact that it strengthened the DNFFB case. The taxes collected by the forest services are not maintained separately for reinvestment in the sector – so do not provide an incentive for government services to improve the efficiency of collection.

What could be done to improve the degree to which tax rates provide an incentive for sustainable management and efficient timber use?

- An accurate electronic database is needed as a basic governance tool containing digital maps of concession holdings linked to data on ownership and the allowable annual cut from management plans. It is vital that a coherent and transparent basis is established for taxation linked to the real price of timber on the world market
- A phased set of tax increases is needed to take the situation from the current unsatisfactory levels to those calculated by independent sources – and then annual changes need to be made in line with inflation and international market prices.

4.3 Tactic 14 - Spreading the word on rights and responsibilities

Rationale? The geographical extent of Mozambique provides an enormous challenge to the dissemination of information on new legislation. Without adequate understanding of what legislation exists there is little purpose in reviewing the impact of those policies.

What worked? DNFFB has made considerable efforts to print and distribute the new Forestry and Wildlife Law and Regulations. The policy support process assessed the extent to which the legislation was reaching and being understood by various stakeholders in all ten provinces. A community manual was drafted which helped to outline the rights and responsibilities of rural communities in the use of forest resources (although its publication has been delayed to date). One of the main conclusions of a report by the policy support process was that government law enforcement activities should go hand in hand with forestry extension activities to ensure the dissemination of the law. Designing a programme of forest extension was not possible in the time frame.

What did not work? An important conclusion from the civil society consultations was that dissemination of the law had to date been patchy, limited to the government services and some NGOs and private sector enterprises, but quite often not to the communities themselves. The plan to produce a simple community manual dealing with rights and obligations, community organisation and company community negotiations was not produced in part because the approval of legislation governing many aspects of those rights and obligations had not been published.

What could be done to improve the spread of information on rights and responsibilities?

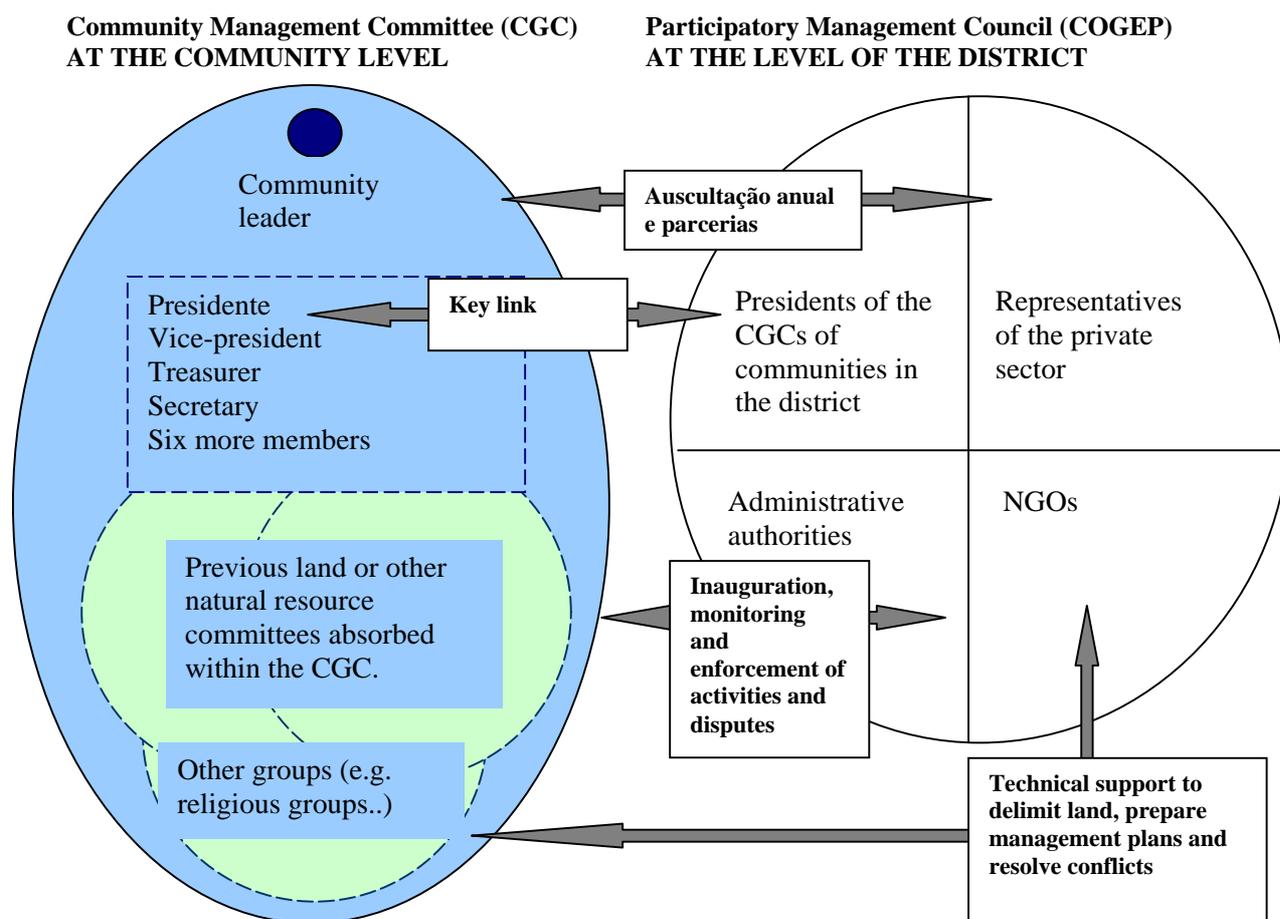
- Matching the enforcement approach of provincial SPFFB staff, it would be useful also to develop extension capability to do with the rights and obligations associated with forest management
- Completing the development of simple manuals for communities on their rights and obligations would also be a major step forward.
- Translating the main elements of the legislation into local languages and dissemination of the same

4.4 Tactic 15 - Building on existing institutional structures

Rationale? Because the main institutional weakness lies not in Maputo but in the rural provincial areas it was decided to focus attention on assessing and strengthening provincial level and community level institutions.

What worked? DNFFB have been investing considerable time and energy in a process of institutional review in preparation for the ongoing decentralisation process. Within the mandate of the reform of MADER, a new institutional structure for DNFFB was elaborated, including the terms of reference for each new unit. The policy support process trained a number of staff of the provincial services in policy surveys, and also recommended a possible structure for the interaction between communities, the private sector and government authorities (accommodating existing committees and traditional leadership, district level councils and central government services – Figure 3).

Figure 3. Local institutions and their linkages.



Functions of the CGC	Functions of the COGEP			
	Presidents of the CGCs	Administrative authorities	Private sector	NGOs
1. CENTRAL FUNCTION. Delimit land, prepare management plans for natural resources.	Strategic planning at district level, advice and capacity building for the communities to help them delimit land and prepare management plans linked to strategic plans at district level.			
2. CONSULTATIONS. Prioritize and negotiate partnerships with the private sector each year	Ensure that all members of the CGC are present in negotiations	Disseminate the law, monitor commitments between parties and resolve conflicts	Consult with the CGC of each community annually	Promote the law and train the CGC members in negotiating with private sector
3. MANAGEMENT Identify priorities and manage the 20% of taxes destined for the community.	Consult the COGEP about management problems	Support the CGC in monitoring and law enforcement and the use of taxes	Explore partnerships and mechanisms to promote commercial activity	Build capacity for community management
4. MONITORING Monitor natural resource use through community law enforcement agents and ensure they get share of revenues under law.	Check the activities of the community law enforcement agents and any revenue collection	Train community law enforcement agents and distribute any share of fines	Pay fines in the time schedule	Help to train community law enforcement agents
5. INFORMATION. Record meeting notes and prepare an annual report on the above	Present the annual report to the COGEPe	Read and react to the annual reports of the CGCs and help to enforce any commitments lid out by company-community negotiations		

Source: Nhantumbo and Macqueen, 2002.

What did not work? The timeframe of the policy support process did not allow adequate provincial level capacity building to strengthen SPFFB members and test the model described above. Ongoing decentralisation processes will undoubtedly need to be taken into account in strengthening appropriate institutional structures. In the time available it was noted that as yet sustainable management at the community level was compromised by a number of key points:

- The lack of clear mandates at SPFFB level on the dissemination of the law and consequent lack of understanding of community rights and obligations by all parties
- The lack of publication of key technical annexes such as that on delegation of powers and the channelling of 20% of taxes to the communities
- The lack of clarity over community organisation and their responsibilities especially in line with the ongoing decentralisation process
- Inadequate support for communities to develop the required institutional capacities.
- Lack of technical guidance on the procedures for management planning and negotiation with the industries

What could be done to improve institutional structures to sustainably manage the forest?

- The SPFFB need further training in the legislation and their obligations to communicate it to the district and community levels
- An agreed approach to community representation is needed with a process for building the capacity either through government agencies or outsourced to NGOs as in the land campaign.
- The outstanding legislation needs to be tested in the field, harmonised with other processes such as that on decentralisation and then published.

5 Important foundations and pre-requisites

No process of policy improvement can proceed without a number of key ingredients: (i) the participation of relevant parties; (ii) timeframe and resources, and (iii) catalytic events. Some of the principle ingredients during the two year policy support process are listed below.

5.1 Participation of relevant parties

There are often major gaps between what is written on paper – policy pronouncements – and what occurs in the field – policy reality. Mozambique is no exception. Many of these gaps are associated with the failure to ensure the participation in and ownership of policies by key individuals. We highlight below some of the key roles that are required to make policy change work in practice, and we give both positive and negative examples of where such roles achieved or failed to achieve progress during the two year support process in Mozambique. It should be noted that many of the categories overlap with those developed by Mayers et al. (2001).

- a) *Powerful and willing champions* – there is an enormous inertia associated with the status quo in policy implementation and enforcement and it takes somebody with enough clout to drive a process of change forward. Where such champions are willing to enlist talented individuals to review and change forest policy, the process gains life of its own. Working with or recruiting them early in the process is important.
 - i. Positive - the leadership in DNFFB which put time and resources behind the technical working groups evaluating four policy areas

- and which convened and administered consecutive consultation meetings to discuss those policy areas.
 - ii. Negative - the absence of a champion to implement a more transparent concession allocation process or the lack of a sufficiently powerful champion high in government to withstand the lobbying of industry to reduce the tax rates following the publication of the revised tax code.
- b) *Respected convenors* – Discussion over natural resource access and use rights inevitably attracts differences of opinion and it is necessary to have a convenor who is able to restore order and reconcile differences, as much by the force of their personality as by the weight of argument. Recruiting them to lead any multi-disciplinary process is one way of minimising conflict.
- i. Positive - the excellent chairing of technical working groups during heated discussions – e.g. over the distribution of the fines collected by law enforcement agents to communities.
 - ii. Negative – the unwanted domination of a FORUM meeting to discuss community rights by the forest industries complaining about elements of the new forest regulations
- c) *Impartial consultants* – Improving forest policy requires a clear grasp of the facts regarding winners and losers from various policy alternatives. Research and consultation to provide these facts is most helpful when it is impartial. Identifying people who have no vested interests in the outcome, nor fear or favour of those involved is important for the credibility of the process.
- i. Positive – the very frank consultancy reports on operationalising concessions, improving law enforcement and delivering community rights which form a reference point for future policy deliberation.
 - ii. Negative – the various lobbying documents from the timber industries relating to ostensible lack of profitability of the industry following published tax increases
- d) *Willing and patient donors* – Where central government revenues are limited, policy review processes can become an onerous commitment. External support for such processes can provide important space to review and improve forest governance – provided the fit within the timeframe of possible policy reform. Since support has ever longer lead times – it is best to start discussions well in advance of any process.
- i. Positive – DFID was particularly responsive to a request to expand the resources available for civil society consultations, as this element had been under-budgeted in the initial work plan.
 - ii. Negative – Unclear commitment to the process through sporadic donor attendance at FORUM meetings did little to bolster support for the acting Director of DNFFB when under pressure from industries to repeal new tax regulations. Lack of clarity over follow on cause momentum to fade – but another donor stepped in to offer some continuity of support to the FORUM.
- e) *Constructive critics* – Part of the key to changing policy is for sufficient articulate and well-grounded criticism to shake up the status quo and make change increasingly desirable. While public campaigns rarely recognise progress that is being made – they do serve a useful function in maintaining momentum in the policy process. Encouraging open expressions of opinion is in the long term interests of progress.

- i. Positive – The public outcry over the apparently non-transparent nature of the concession allocation procedure generated sufficient concern to generate a review of concession regulations.
 - ii. Concerted lobbying by the forest industries for a softening of the new regulations was aimed purely at short term profits rather than the long term interests of the forest sector and investment in it.

- f) *Credible enthusiasts* – It is often the case that policy problems seem intractable simply because there is no-one with the innovation to try a new approach. Where enthusiasts either from the public or private sectors pioneer new models of institutional structure, production standards, partnership arrangements etc new solutions often present themselves and can be scaled up.
 - i. Positive – The positive role which TCT played in their own implementation of profitable sustainable forest management – and subsequent development of nation standards for certification is a shining example of a useful and credible enthusiast.
 - ii. Negative – The failure of the broader industrial associations to recognise the importance and moral imperative of improving social benefits and environmental impact of their operations in community areas.

- g) *Vested interests* – Where policy reform is critical to the social or financial aspirations of a particular individual, they can become powerful allies or extreme obstacles in the path of progress. Policy processes are most difficult to run during election years for this very reason.
 - i. Positive – The re-introduction of concessions in Mozambique was occasioned in part by proliferation of simple licences and the lack of control in logging through inefficient law enforcement.
 - ii. Negative – The lobbying by forest industries about new forest regulations brought unhelpful policy retractions setting back months of careful work.

- h) *International experts* – These can be a significant handicap if their unfamiliarity with the forest context requires exhaustive introduction to the national scene. An ideal use of such experts is to use them to bring options and best practices from elsewhere – so as to avoid repeating mistakes in policy solutions
 - i. Positive – The careful triangulation of appropriate tax figures for concessionaires using well established international techniques, comparable figures from other countries, and multiple sources of information internally armed the DNFFB with evidence that current revenue collection was much below the optimal level.
 - ii. Negative – the failure to bring in concession expertise – and subsequent failure to install a transparent concession auctioning and area based taxation system is to the detriment of sustainable management.

5.2 Timeframe and resources

The hardest part in any process of policy support is to get it going – establishing momentum usually takes a coincidence of local leadership, external support and public pressure for change linked to a particular issue. Keeping a process of continual review and improvement going is much simpler once the institutional framework and roles of key actors have been established. In the case of Mozambique, this particular policy support process was brought about by the coincidence of strong interest from DNFFB, a catalytic visit by a particularly

willing donor representative, and public interest in the installation of an equitable and sustainable set of forest regulations.

Because momentum for policy change is so hard to get going it is important not to squander it. Early momentum can be squandered simply by the perception of lack of commitment by any of the main parties. In the case of Mozambique considerable early progress was squandered due to (i) lack of high level political commitment to sustainable management versus short term forest exploitation as elections came close and (ii) seeming indifference on the part of donors to the process and accountability of the main actors in it. Put bluntly, failing to publicly participate in and confirm support for an ambitious process of policy reform conceived only one year previous did little to reinforce commitment to that process.

The most important resource in any process of policy improvement are the human resources, the institutional memory of what worked, what did not work, and what could be done to improve the situation. Providing the space for key individuals to consult widely on important areas of policy, make impartial recommendations, test new approaches and revisit the legislation is a central element of ongoing policy improvement. While it may be possible to find this time within the existing institutional commitments of key individuals, experience suggests that talented individuals rarely have the luxury of policy space. For this reason, investments to create policy space for teams of key individuals in-country is a worthwhile endeavour.

5.3 Catalytic events

In countries where political stability has been present for many years, policy improvements tend to proceed through gradual incremental changes. In countries with a recent history of political and social upheaval such as Mozambique, much greater changes in policy are required to establish an architecture for lasting stability. Within such a context, it is often situations of conflict or chaos (flashpoints) that provide the impetus for policy improvement – driven by the need to restore order or address pressing needs. At first glance it may seem that these flash points are a threat to political power. But we advance here a different view, that these flashpoints or “catalytic events” are exactly what is needed to fire policy change. Three examples are described below to demonstrate how apparently threatening situations greatly enhanced the policy process in the long run.

- a) Withdrawal of major plantation investors such as SAPPI - the intention to use plantations as the engine of the forest sector development received a major set back with the withdrawal of potential South African investors. Yet this set back has also led to increasing scrutiny of the extent to which land tenure security can be guaranteed in Mozambique – focussing attention on how to resolve conflicting interests between local communities and large industries. It is this focus which has led to new analysis and legislation geared at clarifying exactly who has rights over the forest resource under what circumstances.
- b) Public outcry over concession allocations - With over 900,000 hectares of concessions allocated in 2001 in 30 separate concessions primarily in Cabo Delgado and Sofala public concerns were raised over the transfer of such considerable rights prior to the publication of the 2002 Forest Regulations which governed those rights. The political pressure to improve the perception of concession management led to the foundation of the policy support process which eventually resulted in the publication of guidelines on management plans and the series of recommendations and practical action on forest rights and obligations described above.
- c) Industry backlash over new tax codes (e.g. TCT, 2003)– Following the publication of new tax codes in the 2002 Forest Regulations the forest industries mounted a

considerable lobbying campaign at the recently establish forest FORUM. The resultant disruption of the FORUM led to new requirements that the industry organise itself into associations. The greater political coherence afforded by these associations has greatly improved the process of political dialogue with the forest sector. It has also strengthen the flow of information on such as issues as the criteria and indicators for sustainable management.

6. Some conclusions and ways forward

6.1 Conclusions

It can be seen that the two year period of forest policy support to ProAgri has witnessed considerable challenges to forest governance in Mozambique. The introduction of huge new bodies of legislation in the 1999 Forest and Wildlife Law and the 2002 Forest and Wildlife Regulations have been accompanied by concerted attempts to install legislative norms and values into operational practice. Inevitably over the short time frame there has been mixed success. We conclude with three broad points and a number of more specific ways forward drawn from the analysis above:

- The broader the participation in policy discussions the greater the momentum for change stimulated by them
- The greater the momentum for change that is created, the easier it is to overturn imbalances of power governing forest use
- The more equitable the balances of power governing forest use, the more likely it is that forest use will serve the poor.

6.2 Ways forward

Based on the analysis of the various tactics used by DNFFB to improve policy making, implementation and review over the two year period in question we recommend the following ways forward:

Policy making

- Institutionalisation of regular and mandatory SPFFB reporting on the social and environmental impacts of activities within different areas in the province on a cyclical basis – using a derivation of the survey template already produced by the policy support team.
- Decentralisation of the policy discussion FORUM to the provincial level with regular reporting to the central SNFFB technical working groups on a coordinated set of themes.
- Developing technical working groups in the provinces with a mandate to consult local groups before recommending policy change - reserving the Maputo working group functions to that of a peer review panel might improve the quality of resultant legislation.
- Greater transparency during the development of legislation – using open public meetings such as the provincial FORUMs to discuss possible policy options

- Greater prior flows of information to the participants of FORUMs to allow time to prepare formal responses. There also needs to be a structure for making those formal responses
- The scheduling of meetings should be such that outcomes of discussion can genuinely inform policy development, rather than rubber-stamping final drafts of legislation
- Considerable effort needs to be put into organising the participation at meetings, particularly of the civil society sector, but also of the private sector
- A concerted effort could be made to engage leading NGOs on the issues of community land rights and access to forest resources, including transparent disclosure of the draft legislation surrounding these issues. Adequate time will be needed to mobilise a joint civil society response to new proposed legislation.
- Civil society participation at the FORUM meetings, especially as they are devolved to provincial level should be the specific task of the convenor of the FORUM and the aim should be to ensure balanced representation from the private sector, government and civil society.
- Mounting pressure could be brought to bear from civil society groups drawing attention to the long term consequences of unsustainable resource use and the inequitable distribution of forest revenues to private industry rather than local communities and government – a forest campaign could follow the lead of the land campaign.

Policy implementation

- Specific business support packages need to be developed with DNFFB to train forest enterprise in how to improve business administration, comply with legislation and access finance
- A specific forest investment fund could be set up over the longer term to underwrite guarantees and offer lower rates of interest to industries undertaking legal and sustainable forest management.
- The criteria and indicators for certified sustainability could be harmonised with national standards in order to set a common benchmark for sustainable forest practice involving economic, environmental and social standards.
- An accurate and accessible database on forest land use, production, processing and transport could be linked to tax information to improve the quality of field monitoring and prosecution of cases.
- A manual on the process for company community negotiations is urgently needed
- Regular monitoring of the social impacts of simple licences and concessionaires is needed either by the SPFFB or by an independent body.

- Simplified requirements for management planning linked with rigorous inspections of the field use and implementation of the management plan should gradually increase the industry capacity to undertake real forest management
- The gradual elimination of simple licenses with their token planning requirements would do much to reduce unsustainable resource use.
- Greater phasing in of policy changes over time to allow more gradual adjustment to new policy directions
- Consolidation of the national forest programme with documents such as the PARPA and ProAgri II
- The production of clear policy briefs on contentious issues to improve the understanding of DNFFB policy decisions among high-level decision makers

Policy review

- A high level authority needs to be apportioned the task of harmonising legislation particularly that relating to rural communities (where the majority of Mozambicans live). The rights of communities within land and forest laws need to be harmonised.
- The co-management structures for natural resources at community level need to be formulated in accordance with the principles and practice of the broader decentralisation process.
- A phased set of tax increases is needed to take the situation from the current unsatisfactory levels to those calculated by independent sources – and then annual changes need to be made in line with inflation and international market prices.
- Matching the enforcement approach of provincial SPFFB staff, it would be useful also to develop extension capability to do with the rights and obligations associated with forest management
- Completing the development of simple manuals for communities on their rights and obligations would also be a major step forward.
- An agreed approach to community representation is needed with a process for building the capacity either through government agencies or outsourced to NGOs as in the land campaign.
- The outstanding legislation needs to be tested in the field, harmonised with other processes such as that on decentralisation and then published.

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