



Organisation de Soutien pour le Développement Rural à Madagascar  
Un programme de la FONDATION AGA KHAN



**HELVETAS**  
MADAGASCAR

## CAPITALIZATION REPORT

REVENUS POUR LA  
NATURE

# REVENUS POUR LA NATURE

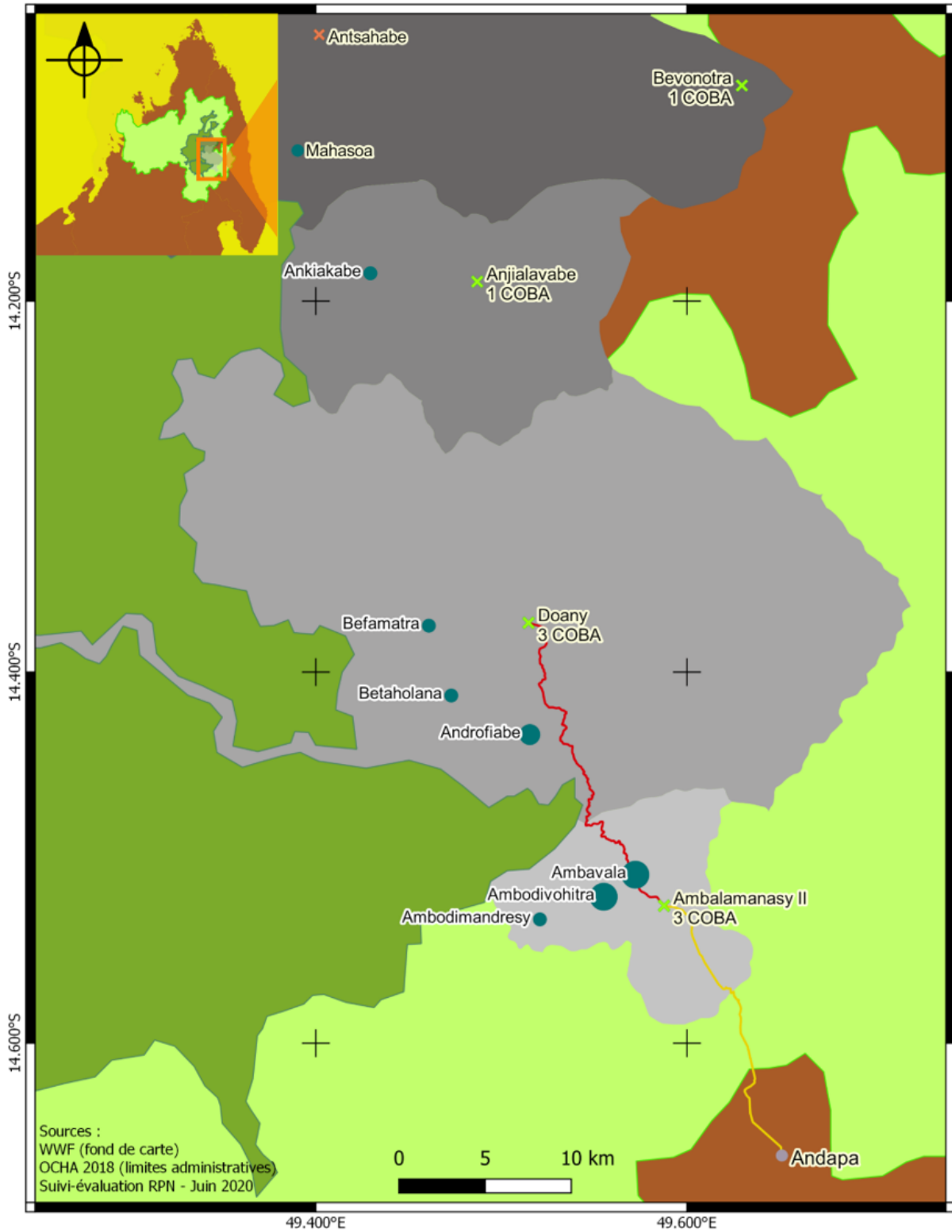
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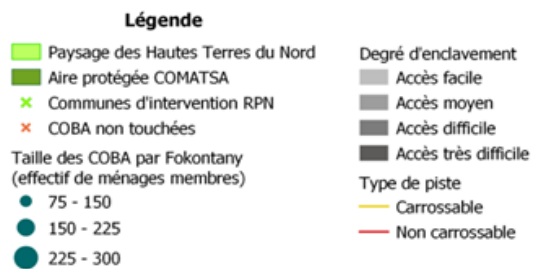
Ariel Elyah

Herimena Mahadimby Ratsimbarison





Map of the intervention zones



# EXECUTIVE SUMMARY

## A- About RPN

### **An experimental project to reconcile resilience and conservation in the COMATSA protected area**

1. As a follow-up to the *Northern Highlands Program* (HTN 2012-2016), the *Revenus pour la Nature Program* (RPN 2017-2020) or «Improved Natural Resource Management and Community Resilience in the Northern Highlands» was implemented in the eastern part of the New Protected Area - COMATSA, in the districts of Andapa and Sambava, by the consortium of WWF, HELVETAS and OSDRM. The goal is to keep the rainforests and Simpona (*Propithecus candidus*) sustainable in 9 TGRN sites while increasing the resilience of local communities to climate change. RPN is designed to be a local development model that reconciles protected area conservation and local community resilience.

2. The program was initially intended to cover 9 COBAs (grassroots communities), but it has gradually been refocused on 8 COBAs in order to test market access in three isolated areas: an accessible area in the commune of Ambalamanasy II (Ambodimandresy, Ambodivohitra, Ambavala COBAs), a relatively accessible area in Doany (Androfiabe, Befamatra, Betaholana COBAs), and a difficult-to-access area in the communes of Anjialavabe and Bevonotra (Ankiakabe, Mahasoa COBAs).

### **Three main lines of action**

3. In sustainable agriculture – adapted to climate change – the aim is to promote intensification and diversification of production on small family farms to reduce forest clearing, while encouraging the use of natural fertilizers.

4. In terms of income improvement and management, the goal is to teach farmers to better manage and channel the income generated by cash crops, particularly vanilla, to break the cycle of usury and debt, and to facilitate their access to markets. Farmers receive financial education from Community-Based Savings Groups (CBSG), and additional training in farm management. RPN also helps them develop their access to the market by putting them in contact with private sector partners. The income improvement comes with the involvement of

various stakeholders through funding schemes to support community-led conservation efforts, hence the name of the program, *Revenus Pour la Nature*.

5. As for conservation, the COBAs receive, in addition to the funds from the financing schemes, various capacity building programs and assistance in active and passive reforestation activities. Monitoring and evaluation also play an important role in tracking the effects and impacts of the program on conservation.

### **Operational structure**

6. RPN is being implemented by the Consortium of WWF, HELVETAS and OSDRM. The consortium is led by a steering committee involving senior managers from the three entities. The steering committee's role is to ensure that field activities are properly carried out as planned by providing decision-making, technical and strategic support to the Implementation Team. The committee must communicate with a unified voice that is representative of all three organizations. It is responsible for making and validating operational decisions, guiding and facilitating the program's implementation, and ensuring that its strategy is implemented in full and through specific lines of action.

## B- Goals and outcomes of the capitalization

7. The overall goal of the capitalization is to identify good practices and lessons learned on concepts tested during the RPN program: (1) *Upstream processes*: market access for cash crops in partnership with the private sector, leading to environmental premiums; sustainable agriculture and financial education with CBSG, leading to Tsinjolavitra account (environmental fund); (2) *Midstream processes*: implementation of sustainable financing mechanisms at the COBAs' level including environmental premiums, Tsinjolavitra account, contribution of communes and eventually contribution of farmers' cooperatives; (3) *Downstream processes*: conservation, including all support at the COBAs' level and support for good management and proper use of sustainable financing. All 16 capitalization themes thus identified are listed below as fact sheets.

**8. Fact sheet #1 – Common understanding of issues and goals during the program design phase.** From the outset, the RPN program was fully elaborated by a consortium of partners with specific and complementary expertise, who decided to pool their skills to meet the challenges of financing conservation in the intervention area. Their common sense of ownership and shared vision of the project played a key role in the process, unlike other projects that were developed unilaterally and with no true ownership by the other partners. From the beginning, the consortium members were able to clearly identify and agree on the issues at stake.

**9. Fact sheet #2 - Making Markets work For the Poor (M4P) approach.** The M4P approach, which is based on analysis and continuous learning, is a systemic approach to making markets work for the vulnerable. It is about designing relevant and appropriate strategies to address bottlenecks previously identified through community-based market system analyses. In the case of RPN, the focus is on facilitating market access. This approach has been particularly crucial for the development of high value-added cash crops typical of the intervention areas.

**10. Fact sheet #3 - The inception phase.** Depending on their location and degree of isolation, the COBAs have different potential and risks in terms of promoting sustainable agriculture and facilitating market access, but also in terms of local governance and taxation. A fixed model of financing mechanism would very quickly encounter limitations when faced with these differing contexts; in anticipation of any future replication, the inception phase is therefore to identify the steps to follow and the areas of concern for defining effective financing mechanisms in changing contexts.

**11. Fact sheet #4 - The Integrated CBSC Concept.** In addition to the financial services it provides, the integrated CBSC plays a key role in building members' capacity in environmental issues, learning good organizational practices, financial management and sustainable agriculture. The fact that the savings groups are multi-functional has greatly facilitated the implementation of the Tsinjolavitra environmental contribution and helped connect producers with private sector partners.

**12. Fact sheet #5 - Financial education.** The findings show that vulnerable households in the SAVA Region can hardly save any money, despite the profitability of vanilla. On the contrary, they get into debt. Financial education on savings and reasonable loans is therefore

very useful. While the CBSC-led approach promoted by the program already contributes to this financial education, specific modules adapted to the targets have been added to it. The goal is to help participants learn effective business management, acquire basic financial knowledge, and make informed choices among the many different financial institutions and products available.

**13. Fact sheet #6 - Advances on crops.** Due to lack of education and financial institutions in rural areas, farmers still often rely on loan sharks and mortgage their future green vanilla crops to overcome financial difficulties during the lean season. This practice persists and is detrimental to the farmers, the formal private sector that buys from them, and more generally the vanilla market. In addition to borrowing opportunities through the CBSC, advances on crops are one of the financial practices that benefit both the farmers and the private sector partner, provided that they are properly regulated.

**14. Fact sheet #7 - Demonstration sites and agroecological plots.** Due to fluctuations in revenues from vanilla, farmers need to know how to diversify their livelihoods. RPN particularly supported this diversification component by introducing agroecological techniques of economic or food interest on demonstration sites and plots. It was noted that the most easily adopted and motivating practices for producers, whether in agriculture (rice, ginger, other cash crops) or livestock farming (fish farming, local chicken farming), are those that contribute to food security and income diversification while requiring the least effort.

**15. Fact sheet #8 – Producing agricultural inputs locally.** The more remote the area, the more difficult it is to access quality inputs for agriculture and livestock farming. It may therefore be interesting to develop the market for local production of inputs, either for self-use or for local sale. In this respect, RPN facilitated the launch of input production activities within the local community. For seeds, only the initial supply was subsidized, after which interested producers, relay farmers and CBSC members were expected to multiply the seeds in their villages. The initiative had some, not always definitive, success.

**16. Fact sheet #9 - Relay Farmers.** In the context of change in scale of development projects and programs, it is impossible to infinitely maintain a high number of project-paid agents. Experience also shows that farmers naturally communicate with each other and have always shared

knowledge on how to improve their livelihoods. Relay farmers, paid in whole or in part by the communities, help to improve the value-cost ratio of the projects, while facilitating the beneficiaries' progressive self-reliance. 35 relay farmers, including 25% women, were trained and accompanied by RPN until June 2020.

**17. Fact sheet #10 - Tsinjolavitra environmental contribution.** In anticipation of the program's withdrawal and to ensure at least partial sustainability of grassroots communities' funding, RPN relied on the CBSG as a permanent, self-sustaining community structure to bring about strong and lasting behavior change toward environmental issues at the community level. Tsinjolavitra (meaning «look ahead») is based on a symbolic but regular payment of an environmental contribution by the CBSG members during their weekly meetings. All of the contributions are then transferred in a timely manner into the COBA's account under a collaboration agreement. With its easy implementation and replicability, the Tsinjolavitra approach is a cornerstone of financing schemes, provided that the procedures for transferring funds to COBAs are effectively implemented.

**18. Fact sheet #11 - Building partnerships with the private sector.** RPN has made continuous efforts to identify serious partners from the private sector who share its vision of helping farmers gain autonomy in a sustainable and eco-friendly way. It took almost two years of trial and error, door-to-door solicitations, and networking with various institutions before the first collaborative efforts with the private sector were effective. Despite the challenges, the results show the importance of staying the course, remaining flexible enough as to the choice of intervention zones for the partnership, and committing the necessary time and resources to building such collaborations based on mutual trust, complementarity and shared vision.

**19. Fact sheet #12 - Environmental premiums.** Environmental premiums are a form of funding provided by the private sector to COBAs. In RPN, they were made possible thanks to the certified vanilla market, mainly based on UEBT-UTZ and Rainforest Alliance certifications while supported by international trends sensitive to environmental issues. Launched in 2018, the premiums now benefit three COBAs in the accessible area, where their geographical setting depends on the supply zone of the partner companies. In 2020, despite the collapse in vanilla prices, the environmental premium was maintained for these three COBAs. An expansion to landlocked areas was also considered with the

support of another partner company, but could not yet be implemented in the time frame of the program.

**20. Fact sheet #13 – In search of commune involvement.** While promoting dialogue among local institutions, RPN initiated concrete steps to improve governance and increase communal revenues from cash crops in Ambalamanasy II, a pilot commune in the accessible area. In return, the commune began to show first signs of commitment in financing COBA activities. The program is pursuing its efforts to consolidate the involvement of local authorities in supporting natural resource management.

**21. Fact sheet #14 – How the funds received by the COBAs are used.** Of the eight COBAs benefiting from RPN's support, those in the Commune of Ambalamanasy II, located in the accessible area, are the first to fully mobilize existing funding sources. As a result, the frequency of patrols has increased and the community life has been revitalized, with COBA members now meeting more regularly to discuss issues related to forest resource management. Contributions from CBSG are mainly used for reforestation and restoration activities. Contributions from the Commune are used for the transportation of seedlings during reforestation. Environmental premiums from the private sector – which are in the majority – ensure the core operations of the beneficiary COBAs in addition to their own resources. All actions funded in this way contribute to the fight against deforestation.

**22. Fact sheet #15 - Procedure manual for managing COBA funds.** In order to facilitating capacity building in COBA management and improving trustfulness towards contributors, RPN elaborated a procedure manual for COBA funding management in its last year of operation. For each source of funding, the manual describes the procedures for paying, using, securing and disbursing funds. This manual also summarizes and reminds COBAs of the good practices for using the funds available to them to carry out the activities listed in their annual work programs related to natural resource management transfers.

**23. Fact Sheet #16 - Institutional guidance of the program's environmental purpose.** RPN welcomed a continuous series of actions, studies and various analyses aiming to identify conservation financing mechanisms that could be replicated in other intervention areas. To avoid creating any inconsistency with the primary purpose of the funding schemes, a regular

institutional guidance punctuated by follow-ups and field missions was provided by WWF Switzerland, the main financial partner of the program. Such reframing initiatives significantly influenced some key shifts in focus. Particularly, in the last two years of implementation, progress on the conservation component received more attention than in previous years, and geographic matching of the CBSG to the target COBAs was reinforced.

## C- Analyses and recommendations

### ***Achievements relatively dependent on the remoteness level of the areas***

24. «The more isolated the areas we go to, the less people know about RPN» – This comment, reported by the capitalization mission, summarizes the distribution of the RPN program's achievements. The three COBAs in Ambalamanasy II Commune clearly benefited from their accessibility: multiplication of CBSG through imitation and ripple effects, facilitated partnership with the private sector, financial contribution from the commune, and a large number of relay farmers. These successes can be attributed, among other things, to the more regular exchanges with local actors in the accessible area than in others.

### ***Strong but geographically focused improvement in household cash income***

25. The improvement in cash income was measured only among beneficiary households in Ambalamanasy II Commune, who were selling to the partner company. In remoter areas, isolation limited households' access to markets and commercial partnerships.

### ***Diversification as a source of resilience***

26. Agricultural diversification in general, whether it involves cash crops (ginger, patchouli), food crops or small-scale livestock farming, has been welcomed by most households in the various intervention areas. In particular, vegetable and food crops as well as short-cycle livestock products (fish and poultry) contribute to small farmers' income and food security while being less risky, as the farmers can use them both for their own consumption and for sales on the local market.

### ***Expenses better managed through savings and financial education***

27. Regular savings deposits within the CBSG have indeed contributed to strengthening community financial resilience, since not

only do member households, through the mobilization of the savings fund, no longer have to take out usurious loans, but they also benefit from the interest on the loans themselves. The way the loans are used shows that parents are very concerned about their children's education expenses. However, fewer parents took out loans to invest in income-generating activities, even though sensitization did focus on this.

### ***Encouraging outcomes for Simpona group preservation, but challenges remain for reforestation***

28. While positive changes in the number of Simpona groups in the Eastern zone of COMATSA were noted, reforestation goals were only partially met, with rather significant disparities between the intervention zones. The main reason often cited for this is difficulties in finding available land for massive reforestation with forest species, as community members are likely to prefer to use vacant land for growing food or cash crops.

### ***Divided interests within COBAs***

29. COBA is composed of heterogeneous social groups with sometimes opposing interests. As can be seen from the recurrent conflicts that may happen between COBA leaders and their members, their motivations differ; pursuit of personal interests can interfere with leadership and membership, generating crisis of confidence among members. Such crisis, in turn, create even more individualism at the expense of established community rules. Failure to achieve reforestation goals also reflects the divergence of interests within village communities.

### ***Integration efforts to be pursued with the forestry administration and other public services***

30. While the COBAs are the key actors in local conservation, it is important not to forget the decisive role of the forestry authorities and their subdivisions in providing support and capacity building, as well as the role of the courts in dealing with recorded offences. During the last two years of implementation, collaboration with public administrations in addressing forest crimes was strengthened. These initiatives should be systematically pursued.

### ***Timing in building partnerships***

31. Responsiveness is very important in building partnerships with the private sector, yet the complexity of the procedures has sometimes affected the timing of some collaborations. Likewise, if the goal is to get the commune representatives actively involved, then they

should be invited to participate from the beginning but not later nor at the end of the project. Conversely, it is not recommended to consider the CBSG approach as a starting point even though this is an essential part of the process. It is much more important to (1) begin with contextual analyses in order to identify existing local actors, their scope of action and methods of intervention, and then (2) establish a regular dialogue with key stakeholders around the vision and objectives. The quality of those exchanges and preliminary studies determines the overall coherence of the program's activities.

***Consolidate the communication management***

**32.** Both for internal and external relations, improved communication management helps to facilitate exchanges between program teams and with partners. Replication of the RPN approach in new zones also implies knowing how to communicate with a growing number of stakeholders and constantly seeking a strategy of harmonization and cooperation with them. Lack of communication with the local communities may generate confusion, which can be a source of demotivation towards the program, especially in landlocked areas. The information and communication system should therefore be strengthened in order to ensure greater overall efficiency of the program.

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