



PROFOR

INNOVATION AND ACTION
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WORLD BANK GROUP

ASSESSING FOREST GOVERNANCE IN MOZAMBIQUE

IDENTIFYING KEY CHALLENGES AND INTERVENTIONS TO STRENGTHEN GOVERNANCE

A participatory forest governance assessment was conducted in Mozambique in 2016, revealing a consensus among stakeholders that governance is weak, particularly around the implementation of laws and regulations. Forest law enforcement is absent and forest crimes often go unpunished, permitting widespread illegality. Forest sector policies contradict those in other sectors, while measures to combat corruption do not exist. Stakeholder participation in planning and decision-making in the sector is low, particularly the inclusion of women. Participants identified priority interventions including policy reforms, institutional strengthening and incentives for stimulating sustainable forest management. The World Bank is committed to strengthening forest governance in Mozambique at all levels, and is actively engaged with the government in policy dialogue and financing opportunities through its Integrated Landscape and Forest Management portfolio.

Mozambique's Forest Sector

Mozambique is one of the few countries in Southern Africa that still has extensive forest areas, mostly miombo woodlands, which occupy half of the land area, about 32 million hectares (ha). Forests are critical to the social, economic and environmental health of the country, supplying valuable timber species for export, fuelwood, non-timber forest products and ecosystem services like climate regulation, biodiversity and habitat. Despite the benefits to be realized, deforestation is high, with over 295,000 ha converted to other land uses annually.

Governance of Mozambique's forests is complex. Forest governance can be defined in a myriad of ways, but there is consensus that the key attributes characterizing good governance include stakeholder participation, transparency in decision-making, accountability of actors, rule of law and predictability. Good governance is also associated with efficient and effective management of natural, human and financial resources, and fair and equitable allocation of benefits from the forest sector. This goes beyond the forest sector to include all that affect forests.

Weak governance in Mozambique has fueled deforestation and forest degradation. Forgone tax revenues from illegal timber exports were estimated at US\$540 million between 2003 and 2013 from unreported wood exports (predominantly logs), mainly to Asian markets¹. Likewise, a recent assessment of forest operators that the Ministry of Land, Environment and Rural Development (MITADER)² undertook revealed a low level of compliance with key forest management environmental and social standards—only 39% of forest concessionaires nationally demonstrated minimum compliance³, while this figure was 35% and 29% in the provinces of Zambézia and Cabo Delgado respectively. There is low institutional capacity and a lack of transparency, limited participation of stakeholders in decision-making leading to erosion of trust, and inadequate benefit sharing with local communities.

In response, MITADER has pursued measures to strengthen governance and reduce illegality in the sector. The package of measures includes policy, operational and investment interventions. The initiative *Floresta em Pé* was developed as part of the National Sustainable Development Program, and stresses the importance of forests as a means of rural development. A revision of the legal framework was initiated, including the Forest Policy, Strategy and Law (including regulations concerning forest concessions), and preparation of a National Forest Program. A new law enforcement agency, the National Agency for Environmental Quality Control (AQUA) was also created. MITADER mandated a moratorium on new forest concessions for two years (until early 2018) and a log export ban for all species. In 2015, the government led an evaluation of forest operations, with the aim to ultimately revoke licenses or concessions of operators who did not meet minimum legal standards.

In March 2017, the flagship *Operação Tronco*—a law enforcement and intelligence gathering operation—was launched in several provinces. A team of government officials visited ports, log yards and concessions to ascertain the

legality of the timber in stock. They identified infractions and issued fines accordingly, and seized more than 150,000m³ of illegal logs, sending a signal on the commitment of the government to address illegal logging.

MITADER is also active in the Reducing Emissions from Deforestation and Forest Degradation (REDD+) process, including REDD+ Readiness, and has a well-equipped Monitoring, Reporting and Verification (MRV) Unit to produce important forest data and to monitor forest cover change. MITADER is also promoting investments in the sector and designing positive incentives for forest stakeholders to engage in sustainable forest management. The World Bank is a major partner, supporting the government through several projects, in particular the Mozambique Forest Investment Project (MozFIP) and the Mozambique Dedicated Grant Mechanism for Local Communities (MozDGM), which finance interventions that address the drivers of deforestation while generating opportunities for forest stakeholders.

Assessing Forest Governance in Mozambique

This context presented an opportune moment to conduct a forest governance assessment in Mozambique and create a baseline as changes in policy and practices unfold. The *Framework for Assessing and Monitoring Forest Governance*, developed by the FAO and the Program on Forests (PROFOR) of the World Bank, was applied in Mozambique in 2016 to diagnose the state of forest governance. The *Framework* provided a tool for stakeholders to identify the strengths and weaknesses of the forest sector in a systematic way. Assessment results allowed participants to suggest strategic actions for the sector, thereby informing existing investments. This report summarizes the context, process and results from piloting the methodology outlined in the *Framework* in the Zambézia and Cabo Delgado provinces, two priority landscapes for the government. It also provides recommendations based on the results and conclusions of the assessment that can be incorporated into policy and investment decisions.⁴

The work was coordinated by MITADER, with active collaboration of the World Wildlife Fund Mozambique (WWF) and support of the World Bank and PROFOR.

Methodology—Adapting and Applying a Global Framework Locally

The *Framework* is built on the understanding that governance is both the context and product of the interactions among many actors with shared and divergent interests. The *Framework* consists of generally accepted pillars and principles of good forest governance, as shown in the Figure.

The three pillars of the *Framework* are: i) Policy, Legal and Institutional Framework; ii) Planning and Decision-Making; and iii) Implementation, Enforcement and Compliance.

This summary report was prepared by the World Bank's Environment and Natural Resources Management team in Mozambique. The core team was composed by Andre Aquino (Senior Natural Resources Management Specialist), Nalin Kishor (Senior Natural Resources Economist), Muino Taquidir (Senior Forestry Specialist) and Celine Lim (Natural Resources Management Specialist).




1 *Avaliação das perdas de receitas devido a exploração e comércio ilegal de madeira em Moçambique no período 2003 – 2013*, WWF (2015).

2 This evaluation was conducted in 2016 with strong involvement of the local university and civil society groups.

3 Minimum compliance is defined as at least 50% compliance with the standards.

4 The full report can be found at the Government of Mozambique's REDD+ website. Include the following hyperlink: http://www.redd.org.mz/uploads/SaibaMais/ConsultasPublicas/Avaliacao_Governacao_Florestal_Draft_0.pdf

FIGURE 1: PILLARS AND PRINCIPLES OF GOVERNANCE

 PILLAR 1 POLICY, LEGAL AND INSTITUTIONAL FRAMEWORK	 PILLAR 2 PLANNING & DECISION-MAKING PROCESSES	 PILLAR 3 IMPLEMENTATION, ENFORCEMENT & COMPLIANCE
	ACCOUNTABILITY	
	EFFECTIVENESS	
	EFFICIENCY	
	FAIRNESS/EQUITY	
	PARTICIPATION	
	TRANSPARENCY	
Considers policies, laws, regulations and standards of the sector and others that directly or indirectly affect forests.	Considers the degree of transparency, responsibilities and effectiveness of planning and decision-making of forest management institutions. This pillar explores the characteristics of processes, the functioning and accountability of key institutions, and their openness to participation and contribution of forest stakeholders.	Examines the degree of implementation and compliance with policies, laws, regulations and rules of the forest sector. It considers the efficiency, effectiveness and equitability of implementation.

Under each of these three pillars there are a series of components, subcomponents and indicators, which were adapted to the Mozambique country context and prioritized by a technical team of key forest stakeholders.⁵ This exercise resulted in a final set of sixty indicators that were applied in the assessment workshops. The *Framework's* indicators are qualitative, perception-based measures that were scored on a consensus basis. Key to the assessment was the involvement of multiple stakeholders to ensure that a representative range of opinions was considered. The consensus-based approach required participants to negotiate and agree on a final group score. This method served to generate dialogue, with discussions providing valuable insights on the issues. Relying on consensus will also boost credibility of the process, facilitating the uptake and support of results for follow-up.

Two provincial assessment workshops were then conducted in Zambézia and Cabo Delgado, which were followed by a final national seminar to validate the findings. Workshop participants included government officials, the private sector, community representatives, civil society organizations, the media, and academia. There were a total of 92 participants (56 and 36 in Zambézia and Cabo Delgado, respectively).

The assessments were conducted in break-out, multidisciplinary groups. Each group worked with fifteen indicators, in the form of a questionnaire, and arrived at a final score for each indicator. A qualitative scale of 1 to 5 was used, with a maximum possible score of 5. The workshops also included a prioritization exercise to identify the issues that stakeholders perceived as most critical for the country.

⁵ The technical team was led by Dr. Adolfo Dinis Bila, Associate Professor at the University of Eduardo Mondlane, and consisted of representatives from World Wildlife Fund Mozambique, the National Forest Directorate (DINAF), the National Agency for Environmental Quality Control (AQUA), local universities UniLurio and UniZambeze, and the World Bank.

Results

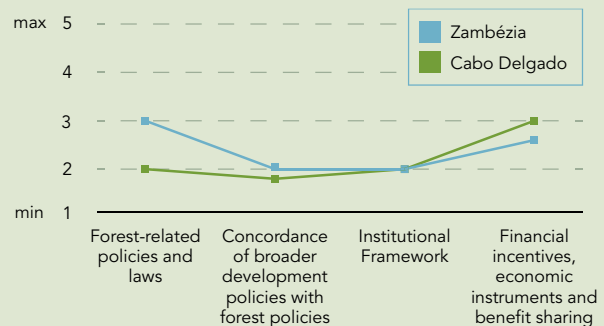
The assessment found that forest governance in Mozambique is perceived to be weak. There is evidence to suggest, however, that the government is making efforts to improve this situation. This section presents the results from each of the three *Framework* pillars.

Pillar 1. Policy, Legal and Institutional Framework

Thirteen indicators were assessed under Pillar 1, covering four components: (i) Forest-related policies and laws; (ii) Concordance of broader development policies with forest policies; (iii) Institutional Framework; and (iv) Financial incentives, economic instruments and benefit sharing.

The average scores for Pillar 1 were 2.4 and 2.2 in Zambézia and Cabo Delgado respectively. A majority of the indicators in both provinces scored 1 and 2 (78% in Zambézia and 53% in Cabo Delgado), indicating the need for improvements in practically all components of governance.

PILLAR 1: POLICY, LEGAL AND INSTITUTIONAL FRAMEWORK



The legal framework, especially the Forest Law and Regulation, was considered general knowledge at the level of the provincial capitals but less disseminated, known and implemented in the districts and localities. Application of the law has been hampered due to limited knowledge of legislation and procedures, a lack of resources necessary for good forest management, and the limited mobility of personnel with technical knowledge in the provinces and districts.

The development policies and plans of other sectors affecting forests (e.g. agriculture, energy) were considered to be inconsistent with conservation. Implementation of these instruments should be better aligned with sustainable forest development. Although they have a negative impact on forests, most of these sectors do not involve or require regeneration, management, and conservation of forests.

The mandates of institutions directly or indirectly affecting forests were considered to be unclear and are sometimes contradictory or in conflict with each other, mainly at the provincial and district levels. The most cited example was of the agencies involved in forest law enforcement, the Natural Resources Police, the Provincial Forest Service, Customs and the court, and the agencies involved in licensing, the Provincial Forest Service, District Administrations, District Service for Economic Activity (SDAE) and Administrative Posts.

Limited knowledge of the mandates and procedures under these institutions and the Forest Law as well as poor cooperation and coordination among agencies at the provincial and district levels exacerbate the situation.

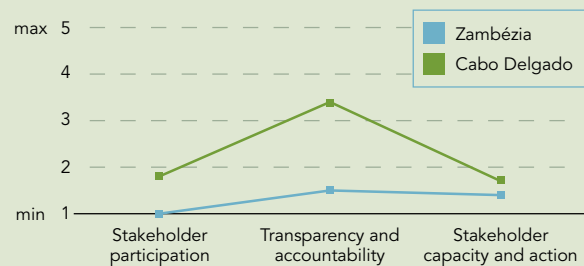


Pillar 2. Planning and Decision-Making Processes

Results from Pillar 2 revealed that decision-making processes in the forest sector need to be significantly improved. Seventeen indicators of three components of forest governance were considered: (i) Stakeholder participation; (ii) Transparency and accountability; and (iii) Stakeholder capacity and action.

The average scores of Pillar 2 indicators were 1.3 and 2.3 in Zambézia and Cabo Delgado respectively. Like Pillar 1, most indicators in both provinces scored 1 and 2 (100% in Zambézia and 70% in Cabo Delgado), indicating the need to address stakeholder participation in forest management in both provinces and in the country in general.

PILLAR 2: PLANNING AND DECISION-MAKING PROCESSES



On stakeholder participation, the prevailing opinion in both provinces was that the legal framework regarding stakeholder involvement in legislation is not clear. The forest legislation does not prohibit, but neither clarifies, the space and role of stakeholders in policy-making. The common practice is for proposals for legislation to be prepared and then circulated and consulted with partners. However, there are few mechanisms that serve to facilitate the participation of stakeholders, especially of civil society and local communities, and when they do, they are not effective or sensitive to the participation of vulnerable and disadvantaged groups. Participation of women yielded the lowest possible score of 1 in both provinces, pointing to the dire need for targeted inclusion of women in processes.



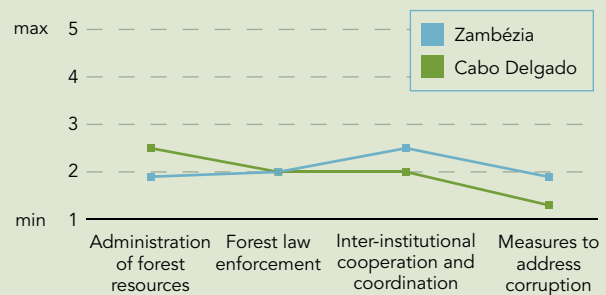
Pillar 3. Implementation, Enforcement and Compliance

Pillar 3 was considered the most problematic for forest governance in Mozambique. Although results showed a general consensus that the existing laws are adequate, the implementation of these laws was found to be a problem. Thirty indicators covering four components of forest governance were evaluated: (i) Administration of forest resources; (ii) Forest law enforcement; (iii) Inter-institutional cooperation and coordination; and (iv) Measures to address corruption.

The average scores of the indicators were 2.0 and 1.9 in Zambézia and Cabo Delgado respectively. In both provinces, most of the indicators also had scores of 1 and 2 (72% in Zambézia and 67% in Cabo Delgado).

In both provinces, there was consensus on the need to continue to disclose legal instruments and guidelines at all levels, including the law and regulation, strategies, standards, good practices and other relevant procedures. Knowledge on these matters is not widespread, especially

PILLAR 3: IMPLEMENTATION, ENFORCEMENT AND COMPLIANCE



in the districts and administrative posts. Frequent change in leadership (Administrators, Chiefs of Administrative Posts) was identified as a primary driver. Poor enforcement was also attributed to low human resource capacity, including a lack of knowledge and competency to conduct quality work in the field, and the use of information technology for forest management (Geographic Information Systems, tools such as GPSes, etc.), especially at the provincial and district levels.

Within the sector, important annual statistical data is not utilized for forest management. This includes data generated on forest licensing and inspection, production, transportation, processing, trade and export of forest products. Knowledge of adaptive forest management is limited, and participants highlighted the need for an update of the national forest inventory that currently dates back to 2007. An update of the national inventory is in progress, with Zambézia and Cabo Delgado as priority provinces, which also establishes permanent protected plots for regular monitoring and data collection.

One of the issues discussed in the workshops was the credibility and publication of reports. Although reports are prepared regularly, they are not widely published or accessible and they often fail to accurately report activities in the sector, especially at the provincial level.

The component on enforcement of laws and other relevant legislation in the sector had a score of 2, showing that much is desired regarding the application of these regulatory instruments. The lack of a participatory strategy for the implementation of regulations, integrating stakeholders in prevention and enforcement activities was highlighted. Participants asserted that there is overemphasis on repression, and an absence of prevention and detection of illegal activities at their base, at the districts and localities. Forest monitoring capacity is weak and limited to controlling the movement of wood and other forest products on public roads, shipyards and ports. Monitoring and tracking along the chain of production is absent.

The low scores for the component on combatting corruption (1.8 in Zambézia and 1.2 in Cabo Delgado) are consistent with the societal perception of the lack of credibility and honesty of actors in the sector. There have been efforts to combat corruption, but these have unfortunately not had the desired impact. The sector does not yet have specific standards of conduct, neither for state officials nor for forest operators and companies. Current mechanisms for reporting and investigating crimes are not functional. Forest crimes are treated lightly, and agencies responsible for investigating and punishing corruption and other forest crimes are ineffective.

Priority Issues and Suggested Interventions

An important outcome of this pilot exercise on the evaluation of forest governance was that it allowed stakeholders to propose interventions to the challenges they identified. Aside from scoring the indicators, participants identified ten priority areas for interventions, as summarized below:

1. Harmonization of development plans and policies with sustainable forest management

- Include in the revision of the new Forest Law prerogatives that: i) promote and encourage other sectors to participate actively in the management, conservation, and sustainable use of forest resources; and ii) provide orientation on climate change adaptation and mitigation
- Develop and facilitate the implementation of district land use plans

2. Mandates and cooperation between State institutions

- Review and clearly define the mandates, roles and responsibilities of state institutions operating in the forest sector (DINAF, AQUA, ANAC, Natural Resource Police, Courts, Provincial Governments, DPASA, DPTADER, SPF, District Governments, SDAES, State and traditional local authorities⁶)
- Facilitate and support the functioning (operating standards, duties, responsibilities etc.) of intra and inter-institutional coordination bodies at central, provincial and district levels

3. Stakeholder Participation

- Facilitate and support the creation of local platforms for forest actors

- Strengthen the capacity of communities and community-based organizations to participate and engage in dialogue and processes related to the sector

4. Audits and external evaluations

- Facilitate and support internal and external audits of the forest sector
- Train stakeholders on how to engage in internal and external audits
- Increase access to information and publication of relevant reports, legal documents, manuals, guidelines and standards relevant to the sector

5. Forest concessions and simple licenses

- Review the process of allocating licenses and concessions, with attention to the capacity to adequately implement management plans
- Favor local communities in the awarding of licenses; provide support to the operations and implementation of management plans, in accessing markets, enforcement
- Promote transparency of the sale of seized illegal wood

6. Forest law enforcement

- Enhance enforcement efforts with appropriate technology, including the use of ICT tools
- Facilitate and support the establishment and operations of an interagency coordination body, in particular at the provincial and district levels
- Train judiciary agents in the recognition, judgment and prosecution of forest crimes
- Include in the revision of the Forest Law specifics on the procedures, operations and incentives for the coordination and effective execution of enforcement activities
- Develop a system for complaints, investigation and punishment of forest crimes and corruption

⁶ The institutions are: National Forest Directorate (*DINAF*), Agency for Environmental Quality Control (*AQUA*), National Conservation Areas Agency (*ANAC*), Natural Resource Police, Courts, Provincial Governments, Provincial Directorate of Agriculture and Food Security (*DPASA*), Provincial Directorate of Land, Environment and Rural Development (*DPTADER*), Provincial Forest Service (*SPF*), District Governments, District Service for Economic Activity (*SDAE*), State and traditional local authorities.



Photo by Andrea Borgarello for the World Bank

7. Human resources, materials and technology

- Reform the system of hiring of personnel, especially for provinces and districts
- Train staff in the use of ICT and tools to modernize forest management, and on the legal framework, programs and procedures of the sector, particularly in the provinces and districts
- Improve the performance appraisal system, using the results to instill accountability and provide incentives for performance

8. Forest inventory and forest growth data

- Establish a national network of permanent parcels and conduct periodic monitoring
- Facilitate training for the provincial government, forest companies, NGOs and all actors interested in the operational forest inventory
- Equip the Provincial Forest Service with the information, programs, skills and equipment relevant for the forest inventory

9. Corruption

- Facilitate a national strategy for participatory forest monitoring and encourage the participation of communities in forest law enforcement
- Improve mechanisms for reporting and investigating forest crimes, including corruption
- Judge and prosecute acts of corruption and disseminate these cases in the media
- Train civil servants and the private sector in corruption issues, including on relevant laws

10. Sustainable forest management (SFM)

- Introduce relevant aspects of SFM into the Forest Law, which must be incorporated during the stages of logging, transportation, processing and trade of timber forest products
- Disseminate SFM practices at the province and district levels, and in local languages
- Facilitate and support capacity building of the private sector in the design, implementation and monitoring of forest management plans
- Promote and support sustainable forest enterprises with higher added value products
- Promote commercial forest plantations or woodlots with multiple-use, fast growing species
- Promote forest certification
- Improve the mechanism for the collection and sharing of benefits for local communities

Conclusion

The provincial assessments led to a series of conclusions on the state of Mozambique's forest governance and helped to draw attention to the major areas for improvement towards good governance. While many of the findings are not new, the assessments affirmed the sector's problem areas in a systematic way, and verified the perceptions of stakeholders and their priorities in these specific landscapes. Participants in the assessment found the exercise valuable, and the exchange of perspectives amongst multi-stakeholder groups sparked healthy debate.

These results were validated at the national level through a final seminar in Maputo, convening participants from the provincial workshops as well as other actors. Articles and reports on the assessment and its results were circulated through local channels. There was positive uptake of the methodology, with partners interested in expanding the assessment to other provinces.

The government has adopted this assessment and will be repeating it on a biennial basis in Zambézia and Cabo Delgado to monitor progress in forest governance. This progress is anticipated in light of the favorable conditions in Mozambique for addressing the challenges identified. MITADER will continue to pursue ongoing comprehensive reform actions and investments on the ground, with the goal to tighten law enforcement, increase transparency of the sector and encourage broader participation, while growing the forest industry — with far-reaching effects on all forest stakeholders.

The World Bank is actively supporting the government's efforts through engaging in policy dialogue with MITADER and financing reform and sustainability initiatives, including many of the recommendations put forth in this report. The World Bank's Integrated Landscape and Forest Management portfolio in Mozambique supports a holistic range of activities, combining investments, technical assistance, analytical work and results-based finance to respond to the needs of the sector.

Under MozFIP, MITADER has entered in a strategic partnership with FAO, who will establish a forest information system and work with the National Forest Directorate and its provincial offices to enhance their capacity. A national forest certification system is being developed, with support to the private sector to encourage improved management and partnerships with communities on sustainable enterprises. MozDGM will focus on strengthening the capacity of local communities to participate in decisions that affect the sector. With the enabling conditions in place, coupled with the strong commitment of the government, there is reason to believe that a shift towards good governance and a more sustainable forest economy is on the horizon for Mozambique.

The Program on Forests (PROFOR) multi-donor partnership generates innovative, cutting-edge knowledge and tools to advance sustainable management of forests for poverty reduction, economic growth, climate mitigation and adaptation, and conservation benefits. Through its programs, PROFOR is advancing forest-smart development, which recognizes forests' significance for sustaining growth across many sectors, including agriculture, energy, infrastructure, and water.

