

Conservation Forestry

Our partnership with Futuro Forestal to develop sustainable local economic development

We pioneer forestry models that protect the park and benefit neighbouring communities.

Idea

Building on our access-to-energy pilot project which seeks to improve the livelihoods of rural villagers in Madagascar, while rehabilitating degraded lands by planting a robust and drought-resistant energy crop (*jatropha curcas*), we look into opportunities to replicate, refine and scale this business model; our key guiding principle is to establish a professionally operated tree plantation that has the capacity to assist smallholder farmers in the project region in improving their own subsistence farming and in setting-up community aforestation projects.

GEXSI Lab

We started to experiment with such mission-driven business models back in 2008, when we registered our first company in Madagascar, with the aim to valorize the potential of *Jatropha curcas*, a small oil-crop yielding tree which is classified as an under-utilized species. Currently we operate a 250 ha plantation as part of an access-to-energy initiative which is supported by the Dutch NL Agency's Daey Ouwens Fund for Small-Scale Renewable Energy Projects.

Key lessons learnt so far are that

- the 250 ha plantation is too small to finance a corporate entity based on its limited oil yields; while,
- various stakeholders (the local communities we work with, the Forestry Ministry, international timber experts) signalize that the deforested savannah lands outside the park are ideally suited for larger-scale reforestation projects, in particular for teak and various native species.

We therefore designed a business model centered around a professionally managed plantation, which – for both business reasons and as part of its CSR profile – provides technical support to smallholder farmers for themselves to engage in agri-forestry production to improve their livelihoods and possibly move beyond subsistence farming.

We engaged in partnerships with the respective communities on piloting a land use partnerships for this reforestation purpose, established several trial plots for teak and other species, and completed a environmental impact study in collaboration with the Madagascar Forestry Ministry.

In late 2012, we finalised a partnership agreement with Latin America-based Futuro Forestal to develop joint projects that benefit from each organisation's realms of experience.

We aim to finalize our negotiations with strategic and investment partners by the end of this year, latest March 30th, 2013.

Impact

The project area consists of degraded savannah type lands and is located in between the primary forests of National Park Ankarafantsika on the South-Eastern boundary, and the rice production area of Marovoay, which together with the neighbouring Ambato Boeny region is Madagascar's second largest rice growing area (> 130,000 tons p.a.). The reforestation both on the plantation as well as by the individual smallholder farmers will drastically reduce the soil erosion that currently drags fertile soil into the Mozambican Channel, with the more heavy sandy particles getting stuck in the rice paddies.

In addition, the project will:

- Create carbon sinks through the sequestration of CO₂;
- Contribute to protect the biodiversity and the integrity of National Park Ankarafantsika;
- Increase rural income from employment generation and improved smallholder agri-business production; and,
- Create value by producing energy, timber and food products for local and international sales.

The project will be complemented by activities that increase the social cohesion in the respective villages (participatory land use planning process), and improve the community infrastructure (e.g. by redirecting revenues from community agri-forestry initiative to fund health or education related programmes).

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This project will deliver a host of benefits to the region.

- [Home](#)

- [Contact](#)
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- [GEXSI Lab](#)[Find out more about how we test innovative business models](#)
- [GEXSI BoP Fund](#)[Find out more about how we raise social purpose venture capital](#)
- [« Home](#)
- [Our Mission](#)
- [Organisation](#)
- [GEXSI Lab](#)
 - [Nature Tourism](#)
 - [Conservation Forestry](#)
 - [Nutrition](#)
- [GEXSI BoP Fund](#)
- [GEXSI Capital Partners](#)
- [Building the sector](#)
- [Glossary](#)
- [News](#)
- [Legal Disclaimer](#)