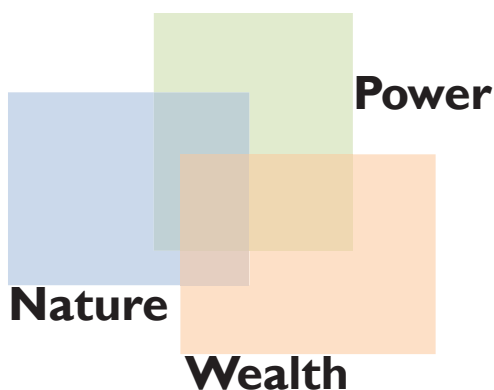




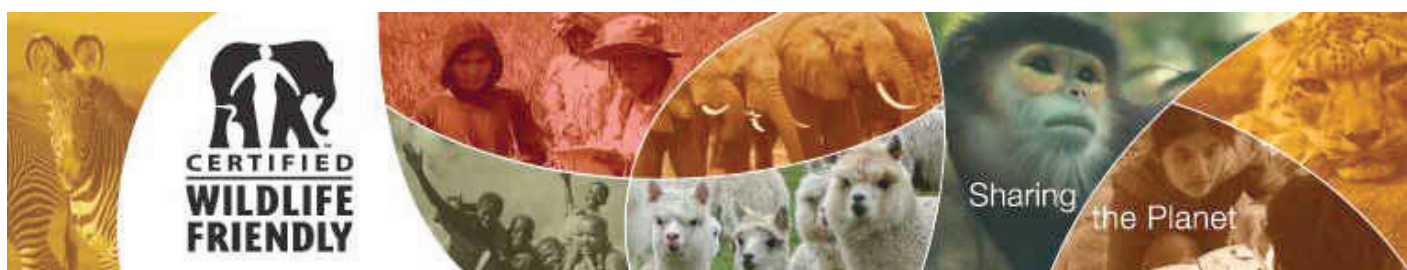
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Aroma Forest Essential Oils

www.huiles-essentielles-madagascar.com

Supporting the sustainable management of forests and conservation of biodiversity by the local communities in Madagascar.

Certified Wildlife Friendly™ Products

Aroma Forest produces a range of essential oils; Niaouli, Saro, Maniguette, Butterfly Ginger, Iary, Blue ginger, Turmeric, Rosemary, Ylang-Ylang, Ravensara, Ravintsara, Issa, Cinnamon bark, Lantana, Calophyllum oil. International cosmetic and aromatherapy companies such as Chanel and Yves Rocher purchase these products from the company. Aroma Forest products are not only Certified Wildlife Friendly™ but are also certified organic and satisfy international fair trade requirements. Aroma Forest markets through the Internet as well as through national and international retail and wholesale sales.

Conservation Challenge

Madagascar is one of the poorest countries in the world with an average annual per capita income of \$300-\$500. Poverty and unsustainable land use practices have led to

Madagascar losing 85% of its native forest cover. It is in the forests that most of the biodiversity is found. Slash and burn agriculture and burning for grazing land are the main drivers of forest loss. At the same time, Madagascar is a priority for conservation with over 90% of all species being endemic. Aroma Forest sources products from three areas in Madagascar. These areas are not protected and each has a suite of endemic endangered species that are threatened by illegal hunting and rapid habitat loss through slash and burn agriculture.

Context and Business Model

Aroma Forest is a for-profit trading company founded in Madagascar to produce and market essential oils. Aroma Forest was created by the NGO, Man And The Environment (MATE) (www.madagascar-environnement.com). MATE's



**Wildlife Friendly Enterprise Network:
Aroma Forest Essential Oils**

goal is to support the sustainable management of forest and conservation of biodiversity by the local communities in Madagascar. MATE and Aroma Forest work with communities in high poverty areas in the eastern and northwestern rainforest regions of Madagascar. The goal of the business is to create jobs and increase revenues for poor rural communities while conserving biodiversity. In each of the sites where essential oils are sourced, MATE has entered into contracts with the Government of Madagascar and local communities to ensure sustainable management.

MATE helps the local producer groups develop contracts for the production and sale of essential oils to the private sector. The for-profit, Aroma Forest, organizes the production of essential oils and extracts with the local producer groups and then sells the products onto a range of buyers.

These contracts link Aroma Forest's conservation, development and economic activities. Two contract types exist: one between MATE, the local communities and the government to give communities the right to manage the lands, with clear environmental management stipulations such as no burning, nor hunting; the second between Aroma Forest and the communities outlining agreements on essential oil production and sustainable practices and wildlife protection.

Impact and Monitoring

The NGO, MATE works with the local producer groups and promotes conservation and rural development activities such as improved health facilities, education, and the strengthening of capacity of the local authorities, reforestation, development of economic activities, and land management. MATE has 4 years experience in the region with development of essential oil production and creating economic incentives for conservation. MATE has received a European Commission grant to develop a multi year sustainable development program, while the business side, Aroma Forest, supports threat abatement to key wildlife by providing an alternative, and stable source of income linked to conservation. Payments and economic benefits



are directly tied to conservation compliance contracts. Previously, with unclear land tenure and the need to expand agriculture there was no motivation from the local communities to manage their land. The framework created by the Aroma Forest business creates a direct link between these incomes and habitat protection.

For example, in Vohimana forest, lemur populations were on the edge of extinction but the management plan, designed with the local communities and the regional and local authorities, coupled with the economic incentives, has ensured protection of the animals. In Vohibola, illegal loggers have agreed to stop logging in return for involvement in the essential oil production. In Tsianinkira, the communities have agreed to prevent bush fires, which are one of the major threats to the forest.

The communities are very much engaged in the conservation effort and benefit from improved incomes and employment, larger profit margins (up to 25%), provision of training and capacity building on sustainable enterprise, and increased access to social benefits, e.g. health and education. Currently, three community enterprises produce 2,000 kg of essential oils per year. Around 300 families benefit and around \$35,000 is generated which stays in the local communities.

A socio-economic analysis was conducted for the Vohimana zone looking at the potential of the different income generating activities that could be developed. This analysis showed that the essential oil production is the only option with a major potential for scaling up sustainably and offering a significant benefit to communities.



There is a detailed system of monitoring the natural resources in the various production sites, followed up by Biotrade certification. In addition, there is a wildlife monitoring system in place at the Vohimana site, with the tracking of key biodiversity indicator species including lemurs and frogs as key indicators of forest health. At the Vohibola and Tsiankira production sites, forest parcels have been selected for permanent monitoring.

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