FOREST FINANCE

The forest revenue system and government expenditure on forestry in Niger

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THE FOREST REVENUE SYSTEM AND GOVERNMENT EXPENDITURE ON FORESTRY IN NIGER

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INFORMATION NOTE ON THE FAO PROGRAMME ON FOREST FINANCE

It is generally accepted that financial considerations represent one of the most important factors that can have an impact on the implementation of sustainable forest management. With this in mind, the FAO Forestry Department has implemented a programme of work on forest finance, to examine how government policies (in forestry and other sectors) affect financing in the forestry sector and the consequences of such policies for sustainable forest management.

One of the most important ways in which governments can have an impact on financing in the forestry sector is through the fiscal policies that they implement within the sector. Where forests are owned or managed by the state, the way in which charges for the use of forest resources are determined and implemented can have a major impact on the scale and types of investment in the sector. A vast literature has developed over the last 30 years examining this topic. Other fiscal policies, such as taxes and subsidies both within and outside the sector, can also have a significant impact on the forestry sector.

The purpose of this work will be to review the impact of current fiscal policies on sustainable forest management, along with other related policies, such as land tenure, which have an impact on forest financing. However, the work will attempt to go beyond simple financial analyses of current policies (which have largely been done before) to examine the broader social, institutional and political aspects of policy reform. It is hoped that this work will assist forestry administrations to identify practical ways in which they can revise their fiscal policies, so that they can more easily pursue the goal of sustainable forest management.

This work has been funded through the FAO Regular Programme and the EC Tropical Forestry Budget Line (FAO-EC Partnership Project on Sustainable Forest Management in African ACP Countries). A large part of the work has been produced by national consultants and institutions, with the supervision and assistance of FAO.

Working papers are being produced and issued as they arrive. Some effort at uniformity of presentation is being attempted, but the contents are only minimally edited for style or clarity. FAO welcomes from readers any information that they feel would be useful for this work. Such material can be mailed to the contacts given below, from whom further copies of these working papers, as well as more information about this programme of work, can be obtained:

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ABSTRACT

The forest revenue system in Niger has a number of interesting features, including: different levels of charges depending on whether a forest has a development plan or not; reductions in charge levels to encourage producers to harvest in certain areas; incentives for forestry staff to monitor forest operations; a number of forest funds at different levels of government; and complex arrangements for revenue sharing. This report describes in detail how these features work and presents information on total revenue collection and expenditure in the forestry sector. It also presents some suggestions for improvements to the system and an outlook for forest revenue collection in the country.

EXECUTIVE SUMMARY

Niger is one of the poorest countries in the World and is faced with many difficulties including desertification, poor infrastructure, low life expectancy and a high level of foreign debt. Politically, Niger has also suffered from many upheavals, although the situation is improving with decentralisation and a return to democracy. The forestry sector in Niger accounts for about 4% of Gross Domestic Product and has been identified as important because of the role of forests in energy supply and the control of desertification.

Niger collects revenue from roundwood production and conveyance/commercialisation, based on the size and species of trees. For the purpose of collecting charges, roundwood is divided into three types: *bois d'œuvre*; *bois de service*; and wood fuel. The charges collected also vary according to whether the roundwood is harvested in a controlled, uncontrolled or guided harvesting area (*exploitation contrôlée*, *incontrôlée* or *orientée*). Forests are placed into one of these three categories, based on whether they have a development plan or not. The charges collected from conveyance/commercialisation are also reduced in areas that are far from towns, in order to encourage roundwood producers to go into more remote areas where forest resources are more abundant.

The charges that are collected are distributed between the state treasury, local management structures (*structures locales de gestion*), communities and the Water and Forest Service, with the shares given to each depending on the type of harvesting. Some of the money retained by local management structures and communities must be used for forestry activities, but the rest can be used for general development purposes. Some of the money sent to the state treasury must also be put into a forest monitoring fund. Water and Forest Service personnel may also keep a share of the penalties collected from illegal activities as an incentive to encourage them to monitor forestry activities.

There are no charges on the production of non-wood forest products, but charges are collected for the issuing of hunting permits, guide's licences and for the capture or harvesting of animals. These charges vary by species and type of hunter. Again, the revenue collected from these charges is distributed amongst different stakeholders and some of it is put into a monitoring fund. Revenue is also collected from visitor permits for recreation and gîte permits. Import and export levies are collected from international trade in forest products, but these levies are not administered the forestry administration.

Both the Water and Forest Service and local management structures are involved in forest revenue collection, depending on the type of harvesting. Coloured coupons are issued to hauliers to indicate that charges have been paid. Many different levels of government (national, district, community) are involved in monitoring forest operations and revenue collection.

Total forest revenue collected by the state since 1992 has remained constant at about 163 million FCFA. In addition, about 16 million FCFA (on average) has been retained each year by local management structures and communities under the arrangements for revenue sharing in rural wood markets. The collection of revenue in rural wood markets has increased significantly since 1992 as more rural wood markets have been developed. It is expected that this upward trend will continue and that more revenue will be collected in total and more will be retained by local management structures and communities in the future.

The state budget for operating expenses in the water and environment sectors was about 1 billion FCFA in 2000. This expenditure accounts for just less than one percent of the total state budget for operating expenses. It should also be noted that the ministry includes other activities and that only a proportion of this money was spent on forestry and wildlife.

The average level of funds allocated to investment in the forestry and wildlife sectors since 1991 has been 3.6 billion FCFA, although only 64% of this (2.2 billion FCFA) has been spent on average. International assistance for investment in forestry during the period 1999 - 2004 should amount to about 6 billion FCFA per year.

On average, about 42 million FCFA has been spent each year from the two monitoring funds for forestry and wildlife. A considerable amount of revenue has been retained by local management structures and communities for forestry purposes. However, very little of this money has been spent, due to problems in obtaining the release of funds and other administrative and institutional problems.

The government has an ambitious plan to invest about 40 billion FCFA in the forestry sector each year over the period 2000 - 2004. There are also plans to increase the levels of charges and total forest revenue collection and to improve the efficiency of monitoring. A number of measures will be taken to improve the management of forest revenues, including improving the transfer of funds to and from the state, involving local communities more in forestry development and increasing consultation with stakeholders. The reform of forest finances will also contribute to the development of the National Fund for the Environment.

LIST OF ACRONYMS USED IN THE REPORT

AFAO = Administrative and Financial Affairs Office
ANEB = Nigerien Association of Wood Harvesters (*l'Association Niger des Exploitants de Bois*)

DE = Department for the Environment
DES = District Environmental Services
DF = Development Funds
DIA = Division of Inspections and Accounts
DWFA = Department for Wildlife, Fisheries and Aquaculture

ECOWAS = Economic Community of West African States

FCFA = Central African Franc

GDP = Gross Domestic Product
GNP = Gross National Product

ICP = Industrial and Commercial Profit tax
IMT = Inclusive Minimum Tax
ITP = Inclusive Tax on Profits

LMS = Local Management Structures

MF = Management Funds

NFE = National Fund for the Environment
NGO = Non-Governmental Organisations
NPCD = National Plan to Combat Desertification
NRA = non-reimbursable aid
NWFPs = non-wood forest products

RCT = Regional Co-operation Tax

SED = Domestic Energy Strategy (*Stratégie Energie Domestique*)
SIPE = System of Information and Permanent Evaluation

TBPN = Territorial Brigade for the Protection of Nature
TCGCC = Tax on Certain General Company Costs
TT = Training Tax

UNDP = United Nations Development Program
US$ = United States Dollar

VAT = Value Added Tax

1 INTRODUCTION

1.1 General statistical information about Niger

Niger is a Sahelian country, surrounded by Benin, Nigeria, Chad, Libya, Algeria, Mali and Burkina Faso, with a surface area of 1,267,000 km².

With an exceptionally high and constant growth rate of 3.3% per year for the 1984-2000 period, the population is currently estimated to be 10,700,000 inhabitants. Whilst the population increases at this rate, the growth of the real Gross Domestic Product (GDP) was 2.2% on average for the same period. However, the population is essentially a rural one with a rate of urbanisation estimated at 17%. People live in extreme poverty with at least 63% of inhabitants having less than US$ 1 (500 FCFA) per day to survive.

Consequently, all the social indicators are generally below the African average (the percentage of children in full-time education is 29%, one child in three dies before reaching the age of five, 53% of the population have access to drinking water, 30% of the population live within a 10km radius of a health centre, life expectancy is age 47). Thus, Niger figures amongst the very last in the ranking of countries in the annual UNDP human development reports.

During the period between 1984 to 1997, the GNP per inhabitant dropped by an average of 2.2%, dropping from US$ 240 in 1994 to US$ 200 in 1997.

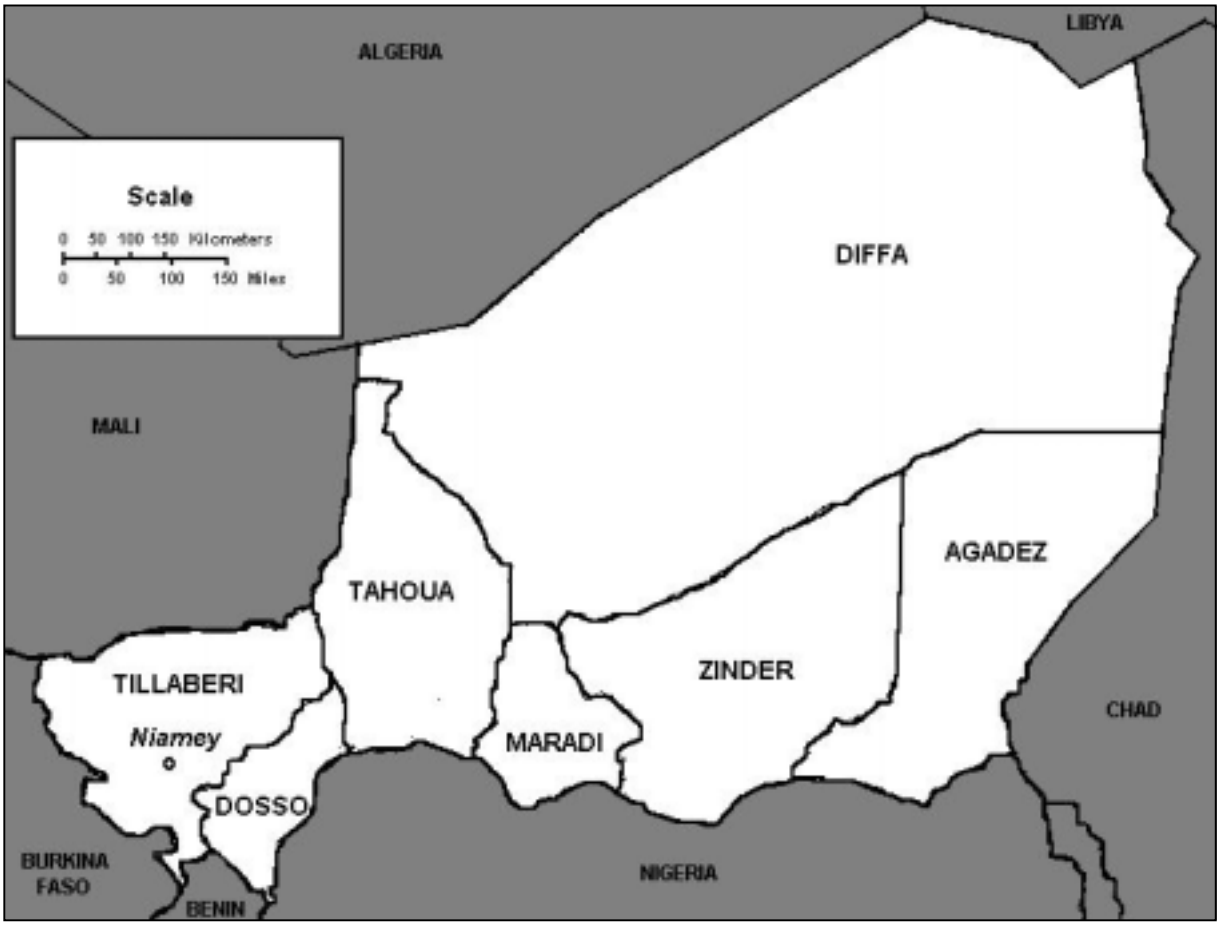
Niger also has a very significant amount of foreign debt compared to its GDP and exports. The latest figures available indicate that at the end of 1998, foreign debt incurred was in the region of 859.1 billion FCFA for a GDP of 992.5 billion FCFA (86.6%) and debt service was 50.3 billion FCFA from an export volume of goods and services of 121.6 billion FCFA (41.4%). It would seem that the latest measures taken by the *Paris Club* favours an easing of Niger's national debt by more than 60%.

According to recent documents on decentralisation, Niger is administratively divided into one hundred and seventeen (117) territorial communities, forty two (42) urban communes and thirty one (31) rural communes all of which are contained within eight (8) regions (including the Niamey urban community) and thirty six (36) departments (see Figure 1).

Politically, Niger has experienced several upheavals, which brought about the suspension of co-operation with certain bilateral and multilateral partners (notably the European Union). Since December 1999, a constitutional democratic system has been set up.

Today, the authorities in Niger are endeavouring to consolidate the democratic framework, notably by seeking social dialogue with all the stakeholders and civil society organisations. The drafting and implementation of a Guideline Programme for Economic and Social Policy from 2000 until 2004 will be a reference point for its economic and social action during this period. This programme establishes rural development as the driving force of growth and fixes guidelines, goals and financial and macro-economic strategies and for all economic and social sectors

Figure 1 Map showing the eight regions of Niger



Note: This map has been drawn by FAO to show the regions of Niger and is only an approximation.

1.2 Forestry policy in Niger

In the area of forestry, several different stages have been gone through. During the post-colonial period, the forest estate (reserved areas, protected areas and areas for restoration) was exclusively reserved for the State and placed either under state control or controlled by the sale of a felling licence. This practice did not spare forest areas from increasingly greater erosion. Forest revenues were paid into the public treasury and used for other purposes. During this period, the monitoring rate, which records the efficiency of the measures put in place to collect forest revenues, remained low (varying between 11% and 30% only from 1984 to 1990). The State was losing considerable necessary resources for the financing of the forestry sector and, in particular, for financing forest monitoring. This loss, due also to widespread fraud on the part of sellers, hauliers and with the complicity of personnel from the Water and Forestry Service, happened as forest cover continued to decline. Thus, in 1959, the nominal value of forestry taxes was 35 FCFA per stacked cubic metre and remained unchanged until 1987.

From the 1980s onwards, there was much discussion of a more global, integrated management of forest resources for all main beneficiaries. The Zinder Conference of 1982 examined intervention strategies for the rural environment and the Maradi Conference in 1984

underlined the commitment of everyone to combat desertification. In the course of these discussions and with the aid of development partners, appropriate policies and strategies were put in place in the form of plans and programmes destined to combat desertification (National Plan to Combat Desertification, NPCD 1985, revised in 1991) and the management of natural resources (National Programme for the Management of Natural Resources).

A milestone in Niger's forestry policy came about with the advent of the Domestic Energy Strategy (SED) in 1989. This policy recognised the true value of standing trees**,** making rural populations aware of their responsibility regarding the management of the forest estate and the normal collection (even optimal collection) of taxes on wood. Thus, between March 1987 and August 1992, the rate of tax went from 35 FCFA to 350 FCFA per stacked cubic metre before progressing to 975 FCFA per stacked cubic metre in accordance with this taxation policy. In 1995, the forestry sector contributed around 30 billion FCFA (UNDP, 2000) to the GDP (4%).

Another new element that concerns the forestry sector has been the creation of a Ministry for Environment and for Combating Desertification (Decree no. 2000-130/PRN/ME/LCD of 21 April 2000). This Ministry has been given the task, amongst other things, of implementing national policy for the environment and combating desertification in general, but particularly in the forestry domain. One of the pivotal roles of the intervention of the new national policy is the mobilisation of forestry revenue to finance the forestry sector and to improve the sector's contribution to GDP, which should increase from 4% to 8%.

2 DESCRIPTION OF THE FOREST REVENUE SYSTEM IN NIGER

2.1 The tax system for the local production of roundwood

Niger is not a major roundwood producing country. Other that the use of wood for woodfuel,[1] roundwood is used as *bois d'œuvre*[2] and *bois de service.*[3]

In Niger, only the *rônier* species is strictly considered as *bois de service* and a special taxation rate applies to this wood. The tax rate on *rônier* is fixed as follows:

- eighteen thousand (18,000) FCFA standing, equal to three thousand (3,000) FCFA per piece (*latte*) in uncontrolled harvesting areas[4]; and
- seven thousand eight hundred (7,800) FCFA standing, equal to one thousand three hundred (1,300) FCFA per piece in controlled[5] and guided[6] harvesting areas.

For transportation, *rônier* is treated the same as woodfuel and the regulations described in the following section (the tax system for the collection of woodfuel) are applicable to it.

With regard to *bois d'œuvre* and other industrial roundwood, the tax rate is set according to the butt diameter of the log, as follows:

- two hundred (200) FCFA per twenty pieces for wood with a diameter of less than or equal to 5cm;
- one hundred and fifty (150) FCFA per piece for wood with a diameter greater than 5cm and less than 10cm; and
- three hundred (300) FCFA per piece for wood with a diameter greater than 10cm and less than 20cm.

The tax rate on *bois d'œuvre* and other industrial roundwood with a butt diameter greater than 20cm depends on the species (see Table 1 below). These tax levels are based on the availability and quality of each species.

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1 **Woodfuel:** fuelwood and/or charcoal.

2 ***Bois d'œuvre*:** wood for use as material for craft manufacturing of furniture, utensils or tools.

3 ***Bois de service*:** all other wood apart from woodfuel and *bois d'œuvre*, for example for construction.

4 **Uncontrolled harvesting (*Exploitation incontrôlée*):** harvesting in zone not under development, also called a protected domain, where the State is the owner and authorises harvesting when resources are present.

5 **Controlled harvesting (*Exploitation contrôlée*):** harvesting in a zone developed for forest harvesting.

6 **Guided harvesting (*Exploitation orientée*):** harvesting in a zone where the development plan is not finalised but where dead wood can be harvested.

Table 1 The tax rate on bois d'œuvre and bois de service by species

Common name	Scientific name	Tax per piece (FCFA)
Gommier	*Acacia senegal*	10,000
Karité	*Butyrospermum parkii*	15,000
Cailcédrat	*Khaya senegalensis*	15,000
Kapokier	*Bombax buenoposens*	10,000
Vêne	*Pterocarpus erinaceus*	10,000
Gao	*Acacia albida*	20,000
Tamarinier	*Tamarindus indica*	15,000
Néré	*Parkia biglobosa*	15,000
Palmier doum	*Hyphaene thebaïca*	15,000
Gonakier	*Acacia scorpioïdes*	10,000
Baobab	*Adansonia digitata*	15,000
Pourpartia	*Pourpartia birrea*	15,000
Balanite	*Balanites aegyptiaca*	12,000
Prosopis africain	*Prosopis africana*	15,000

Source: Decree No 92-037.

2.2 The tax system for the collection of woodfuel

2.2.1 Context

The system of tax collection and inspection of locally produced fuelwood and charcoal in Niger is governed by decree 92-037 of 21 August 1992.[7] Its areas of application are in decree number 96-930 of 22 October 1996 and the order number is 39/MHE/DE of 15 July 1997 as well as in the new forestry law. This system is part of the political framework implemented by the State since 1992 called the "Domestic Energy Strategy" (SED).

The main goal of the SED with respect to forestry, is that of stabilising the consumption of woodfuel in the big urban centres in Niger by intervening according to the following criteria:

- establishing supply guidelines for wood energy in urban centres;
- giving the responsible forestry services a directive and advisory role in the protection of forestry resources, rather than a role of repression;
- putting into place an information system and follow-up actions developed on the basis of forestry training, forest monitoring and changes in woodfuel prices;
- transferring responsibilities, by using a legal framework, from the State to the people involved in the development of forest resources, including the commercialisation of woodfuel and tax collection on the transport and sale of wood; and

[7] **Taxes on collection of woodfuel**: These are taxes levied by the State on the sales of woodfuel and *bois d'œuvre* from uncontrolled, guided or controlled harvesting.

- guiding development to the most favourable areas where producers are organised into rural wood markets.[8]

The SED is outlined in the regulations that every wood haulier is subject to tax except when:

- the wood being transported is from harvesting in private registered forests and is recorded as such by some means of testing established by law;
- resident users of a forest are exercising their traditional right of use in accordance with the clauses of the forestry code; or
- public organisations without a working budget are provided with special authorisation from the minister responsible for forestry.

2.2.2 Tax system and applicable rate of tax

The rate of transport/commercialisation tax for woodfuel is fixed as following:

- nine hundred and seventy five (975) FCFA per stacked cubic metre for fuelwood from uncontrolled harvesting;
- three hundred and fifty (350) FCFA per stacked cubic metre for fuelwood from controlled harvesting; and
- three hundred and seventy five (375) FCFA per stacked cubic metre for fuelwood from guided harvesting.

The tax rate on the transport and commercialisation of charcoal is obtained by multiplying the rate of application per kilo of wood by five (5), which is:

- nineteen francs fifty (19.50 FCFA) per kilogram for charcoal from uncontrolled harvesting.
- seven francs (7 FCFA) per kilogram for charcoal from controlled harvesting; and
- seven francs fifty (7.50 FCFA) per kilogram for charcoal from guided harvesting.

2.2.3 Reductions applied to these taxes

In the cases of controlled and guided harvesting (also called rural wood markets), reductions or allowances are applied to these tax rates, based on the distances between production sites and centres of consumption. This is to encourage sellers/hauliers to go further into the

[8] **Rural wood markets**: zones where the development of harvesting and sale of woodfuel belonging to village communities is organised into Local Management Structures (LMS).

harvesting zones where resources are more abundant. The rate of allowances are fixed as follows:

- 0% reduction in the tax on the stacked cubic metre of fuelwood or charcoal bought at rural markets situated less than 40km from an urban centre;
- 10% reduction in the tax on the stacked cubic metre of fuelwood or charcoal bought at rural markets situated between 40 and 80km from an urban centre; and
- 20% reduction in the tax on the stacked cubic metre of fuelwood or charcoal bought from rural markets situated more than 80km from an urban centre.

2.2.4 Distribution of taxes

Tax revenues from Local Management Structures (LMS)[9] and the Forest Service are distributed according to a distribution scheme defined by Decree No 92-037 (see Table 2). They are shared between the public treasury, the LMS where tax is levied and the territorial community.

Table 2 Distribution of taxes on the transport and commercialisation of woodfuel

Beneficiary	Uncontrolled harvesting	Guided harvesting	Controlled harvesting
LMS	0 %	30 %	50 %
Communities budget	10 %	20 %	40 %
Public treasury	90 %	50 %	10 %

The revenue returned to the LMS (see Table 3) is itself distributed between a Management Fund (destined for the maintenance and management of local forests) and a Village Development Fund (for other allocations, such as education, health, small loans etc., which are left to the discretion of the inhabitants).

Table 3 Distribution of taxes returned to the LMS

Beneficiary	Guided harvesting	Controlled harvesting
Management Fund	60 %	40 %
Village Development Fund	40 %	60 %

The revenue returned to the territorial communities is also distributed in a similar way (see Table 4) between a Management Fund (allocated for the maintenance and management of forests in the district) and a Community Development Fund (for other uses left to the discretion of the community).

[9] **LMS**: Rural village structure in charge of management and harvesting of wood and rural markets.

Table 4 Distribution of taxes returned to communities' budgets

Beneficiary	Guided harvesting	Controlled harvesting
Management Fund	60 %	40 %
Community Development Fund	40 %	60 %

The public treasury's share of forest revenues from taxes on the collection of woodfuel (excluding tax revenues from imports or customs transactions on wood products) is also distributed into two funds (see Table 5). This is distributed between the Monitoring Fund (named Account 3001), which was set up to finance, on a nation-wide scale, monitoring operations and administrative follow-up in forests, and the State Budget (Treasury Development Fund).

Table 5 Distribution of taxes returned to the public treasury

Beneficiary	Taxes from all areas
State Budget (Treasury Development Fund)	60 %
Monitoring fund (Account 3001)	40 %

The percentages above were based on the distribution table laid out in Article 24 of Decree No 92-037, authorising the Ministry responsible for forestry to deduct tax directly for the Monitoring Fund as follows:

- 1 FCFA/kg of fuelwood or 5 FCFA/kg of charcoal from treasury revenue in uncontrolled harvesting;
- 100% of treasury revenue in controlled harvesting; and
- 0.4 FCFA/kg of firewood or 2 FCFA/kg of charcoal from treasury revenue in guided harvesting.

The Monitoring Fund is a deposit account in the public treasury created by Decree No 052/MF/C/TG and given the number 3001. This account is credited with 40% of all forest revenues paid to the public treasury by the Water and Forest Service. It finances the following expenditures:

- provision and operation of forest monitoring teams;
- provision and operation of protection and management units in natural forests undergoing erosion;
- military training and recycling initiatives involving participation from personnel who protect nature; and
- all expenditure involved in the protection of nature.

2.3 Tax system for transgressions and product sales

The tax system for transgressions and sales of confiscated wood is determined according to the clauses in the documents for the application of forestry law and Niger's fiscal system. The Ministry of Finance is responsible for issuing receipts and for monitoring the regularity of operations. This revenue is collected by the State Forestry Department in the place where the offence took place and is paid into the public treasury by the Water and Forest Service personnel.

Decree 88-385/BOM/MF of 15 September 1988 sets out the distribution of revenue obtained from fines, transactions, damages and sales of confiscated wood. This distribution is defined as follows:

Public treasury : 75%
Water and Forest Service personnel : 25%

The 25% of revenue allocated to Water and Forest Service personnel is intended to encourage them to watch over the ecosystem and to avoid any misappropriation of funds. This is divided between the different staff members as shown in Table 6 below.

Table 6 Distribution of revenue collected from fines, transactions, damages and sales of confiscated wood

Beneficiaries	**Percentage of revenue (%)**	**Distribution by group (%)**
Worker reporting an offence and possible informer	10	40
Local service forestry personnel	4	16
National directors	3	12
Central directors and assistants	2	8
Heads of central services and assistants	2	8
Other forestry workers from central administration	3	12
Forestry executives from the minister's office (councillors, general secretaries…) and in the Communities Department of the Ministry	1	4
TOTAL	25	100

2.4 Tax system for non-wood forest products (NWFPs) and forest services

The fiscal system is more or less defined according to the product type:

2.4.1 Tax system for NWFP (exudates, fruit, bark, leaves and roots)

Harvesting of NWFPs from trees (such as exudates, fruit, bark, roots and leaves) is currently carried out by the craft industry, either for people's own consumption or for sale in the local market. The commercialisation of NWFPs is not organised and is done according to the availability of the product (fruit yielding season). Currently, there is no tax on the harvesting and transport of these products. Given the importance of these products, fiscal reform

(comparable to that contained in decree 92-037 on the transport and commercialisation of woodfuel) is currently being examined.

However, the commercialisation of these products in local markets is subject to the payment of a market tax, collected by communities. This tax does not depend on the type of NWFP. It varies between 100 and 200 FCFA per stall per week (in rural areas) or per day (in urban areas).

Exceptionally, when product harvesting is done industrially (in the case of medicines) other duties are paid when removal or harvesting for commercial use is authorised. These taxes are collected at control posts situated at the entrance to built-up areas and the revenue is paid again to the public treasury through an official appointed for this purpose.

2.4.2 Tax system for forestry ecotourism

In Niger, an ecotourism tax is only collected at Park W. This tax, levied for a day visitors pass, cost 1,000 FCFA per head from 1978 until 1986. From 1987 onwards, it was increased to 3,500 FCFA per visitor. Tourist visits are also frequent in other forest domains such as the giraffe zone and the Air-Ténéré reserve. There is currently no data available about the estimated tourist revenue in these zones.

2.4.3 Tax system for wildlife and hunting

The tax system for hunting and wildlife products in Niger is governed by Law No 98-07 of 29 April 1998. In Article 13 this law sets out the tax to be paid with permits for hunting and capturing animals, tax on the slaughter of animals, licences for hunting guides and agents, licences to keep animals and hunting permits for scientific purposes (see the tables to follow).

Table 7 Taxes on yearly permits and yearly licences (in FCFA)

Type	Hunter category		
	Nationals	**Residents**	**Temp. residents**
Sporting permit for small scale hunting- Category A[10]	20,000	40,000	75,000
Sporting permit for average scale hunting - Category B[10]	35,000	60,000	100,000
Sporting permit for large scale hunting- Category C[10]	55,000	90,000	150,000
Permit to capture birds/animals for commercial purposes:			
Unprotected birds	50,000	90,000	120,000
Category A mammals	100,000	190,000	250,000
Category B mammals	150,000	240,000	300,000
Category C mammals	200,000	290,000	450,000
Permit to capture birds/animals for breeding :			
Unprotected birds	20,000	50,000	-
Category A mammals	50,000	100,000	-
Category B mammals	100,000	150,000	-
Category C mammals	150,000	200,000	-
Licences to keep birds/animals per unit of species			
Keeping of birds	500	750	-
Keeping of mammals	5,000	7,500	-
Keeping of reptiles	1,000	1,500	-
Hunting permit for scientific purposes			
For birds	25,000	25,000	25,000
For mammals	75,000	75,000	75,000
For reptiles	45,000	45,000	45,000
For batrachians	25,000	25,000	25,000

Table 8 Taxes on the slaughter of animals by species (in FCFA): mammals

Species	Hunter category					
	Nationals		**Residents**		**Temp. residents**	
	1st head	**2nd head +**	**1st head**	**2nd head +**	**1st head**	**2nd head +**
Lion	140,000	-	340,000	-	900,000	1,000,000
Buffalo	140,000	150,000	190,000	240,000	320,000	450,000
Hippopotamus	70,000	90,000	150,000	205,000	300,000	420,000
Bubal	60,000	80,000	130,000	180,000	250,000	350,000
Damalisque	60,000	80,000	130,000	180,000	250,000	350,000
Cob Defassa	50,000	70,000	100,000	150,000	200,000	300,000
Cob de buffon	30,000	40,000	60,000	90,000	150,000	220,000
Guid harnaché	30,000	40,000	60,000	90,000	150,000	220,000
Cephalophe à flancs roux	20,000	30,000	50,000	80,000	140,000	200,000
Red browed gazelle	20,000	30,000	50,000	80,000	150,000	220,000
Cynocéphale	5,000	10,000	20,000	30,000	40,000	75,000
Warthog	15,000	20,000	40,000	70,000	80,000	120,000
Dorcas Gazelle	20,000	30,000	50,000	80,000	150,000	220,000
Ourebi	15,000	25,000	45,000	75,000	140,000	200,000
Cephalophe de Grimm	15,000	25,000	45,000	75,000	140,000	200,000
Patas monkey	5,000	10,000	20,000	30,000	40,000	60,000
Green monkey	5,000	10,000	20,000	30,000	40,000	60,000
Jackal	10,000	15,000	30,000	50,000	50,000	100,000
Mongoose	5,000	10,000	20,000	30,000	40,000	60,000
Hare	1,500	2,000	2,500	3,000	3,500	5,000
Squirrel	500	700	1,000	1,500	2,000	3,000
Hedgehog	200	500	500	1,000	1,500	2,000

[10] **Category A** : Birds and small mammals ; **Category B** : medium sized mammals ; **Category C** : large mammals

Table 9 Taxes on the slaughter of animals by species (in FCFA): rare birds

Species	Hunter category					
	National		Resident		Temp. residents	
	1st head	2nd head +	1st head	2nd head +	1st head	2nd head +
Great Arab bustard	15,000	20,000	20,000	35,000	35,000	50,000
Little bustard	5,000	10,000	10,000	20,000	20,000	35,000
Pharaohs chicken	2,000	3,500	3,500	7,000	10,000	15,000
Francolin commun	500	600	700	900	900	1,200
Great egret	3,000	5,000	5,000	10,000	15,000	20,000
Aigrette garzette	2,000	3,500	3,500	7,000	10,000	15,000
Heron	3,000	5,000	5,000	10,000	15,000	20,000
Red beaked little Calao	1,000	1,500	3,500	7,000	10,000	15,000
Black beaked little Calao	1,000	1,500	3,500	7,000	10,000	10,000
Parrots	5,000	10,000	10,000	15,000	20,000	25,000
Touracos	5,000	10,000	10,000	15,000	20,000	25,000
Ibis	3,000	5,000	5,000	10,000	15,000	20,000
Ombrette	1,000	2,000	5,000	10,000	15,000	20,000
Birds of prey	5,000	10,000	10,000	15,000	20,000	25,000
Crow	1,000	2,000	3,000	7,000	15,000	20,000

Table 10 Taxes on the slaughter of animals by species (in FCFA): common birds

Species	Hunter category		
	National	Resident	Temp. residents
	10 heads/day	10 heads/day	10 heads/day
Canard casqué	15,000	20,000	30,000
Canard armé	20,000	25,000	40,000
Canard pilet	10,000	15,000	20,000
Canard souchet	10,000	15,000	20,000
Dendrocygne	7,000	12,000	20,000
Egyptian goose	12,000	17,000	22,000
Summer teal	5,000	10,000	20,000
Common guinea fowl	7,000	10,000	20,000
Ganga	5,000	7,000	12,000
Little sparrows (500 heads/day)	25,000	35,000	50,000
Limicoline birds	10,000	15,000	25,000

Table 11 Taxes on the slaughter of animals by species (in FCFA): reptiles

Species	Hunter category		
	National	Resident	Temporary
	10 heads/day	10 heads/day	10 heads/day
Varan du Nil	30,000	40,000	60,000
Vipers	15,000	20,000	30,000
Snakes	15,000	20,000	30,000
Naja	15,000	20,000	30,000

An inclusive price (100,000 FCFA) is applied to nationals who wish to hunt aquatic birds, which is 20,000 FCFA for the permit for small-scale hunting and 80,000 FCFA for the slaughter permit.

Tax rates for hunting guide and agents licences are fixed as follows:

- a hunting guide licence valid for a cynegetic zone during a hunting season costs 500,000 FCFA; and
- an agent's licence valid for a cynegetic zone during a hunting season costs 1,500,000 FCFA.

Revenue collected on issuing permits, licences and other services is divided as follows

Public treasury	: 30%
Wildlife Management Fund	: 30%
Water and Forest Service personnel	: 25%
Territorial communities	: 15%

Revenue from the sale of hunting permits, licences to keep animals, tax on the slaughter and capture of animals, licences for hunting guides and agents are distributed as follows:

Public treasury	: 20%
Wildlife Management Fund	: 30%
Territorial communities	: 50%

Revenue from wildlife and hunting produce (taxes on animal transfer,[11] transgressions and fines) paid to the public treasury are distributed between Account 3002 (used for the national financing of monitoring operations and for the administrative follow-up of hunting and wildlife activity) and the state budget (see Table 12).

Table 12 Distribution of revenue from hunting and wildlife to the public revenue department

Beneficiary	Taxes on animal transfer	Transactions and fines
State Budget	80 %	80 %
Monitoring fund (Account 3002)	20 %	20 %

Account 3002 was opened in March 1997 at the public treasury and was named the "Wildlife Management Fund or Monitoring Fund". It is used for financing the following operations:

- the provision and operation of hunting control teams;
- the provision and operation of wildlife protection and management services;
- the improved performance and recycling of personnel responsible for the protection and conservation of wildlife; and
- all duly justified expenses in wildlife protection and management.

[11] **Taxes on animal transfer**: these are taxes levied by the State on the sale of animals.

2.5 Taxation of forest product processing

Niger is not a major wood producing country. The country has never had an industry for transforming wood or by-products (sawnwood, paper, wood pulp and wood panels). There are however, some small sawmills with low production capacity, which were set up for the small-scale sawing of imported wood. All industrial roundwood is imported from either Nigeria or the Ivory Coast, or wood is imported from the European Community for secondary transformation. Wood represents a very negligible part of foreign trade. The proportion of wood in all imports (all products together) scarcely went beyond 0.5% from 1975 – 2000 in financial value and 1% in quantity (Kg) of products. Imported secondary processed products are either destined for national consumption (and, thus, are only subject to the payment of licences and local authority taxes), or they are just passing through the country. In any case, indirect taxes on the wood are levied. This taxation on the production and transformation of wood is determined by regulations set out in Niger's tax system, a document written by the public treasury. These taxes are:

- **Licence fees:** businesses are taxed according to their turnover;
- **Industrial and Commercial Profit (ICP):** tax calculated on results according to the company's statement of accounts. Those who do not oversee their accounts are subject to the Inclusive Tax on Profits (ITP);
- **Inclusive Minimum Tax (IMT):** this is calculated on annual turnover at the rate of 1% of turnover;
- **Training Tax (TT):** is calculated on the salaries of all company personnel, including all benefits, at the rate of 1.2%;
- **Tax on Certain General Company Costs (TCGCC):** this tax is calculated on gifts, donations, entertaining and congress expenses, travel costs, benefits in kind etc. at the rate of 30%; and
- **Value Added Tax (VAT):** this is calculated on turnover at the normal rate of 17%, a lower rate of 10% and a higher rate of 24%.

These taxes are applicable depending on the type of company:

- for wood companies: all taxes are applicable;
- for traders in forest products, only the licence fees and ITP are applicable; and
- for interior decorators, jobbers and carpenters: the licence fees, ITP and VAT are applicable.

2.6 Taxation on foreign trade in forest products

Wood and derived products are liable to duty and tax on entering and leaving the country. These taxes on wood products (roundwood, sawnwood, wood panels, NWFP, paper, wood pulp, etc.) are collected by the Customs Service. The Water and Forest Service provides a permit for free movement within the country. This permit for free movement is issued at the first port of entry of the product and is free of charge. The different taxes that are levied are outlined as follows:

- **Customs duty**: is applied at 10% of the value at point of entry, during normal times; produce from European Union countries are also subject to this duty;

- **Tax duty**: this is fixed at 7% of the value of all products under Chapter 44 (of the Harmonised System of customs codes) except 442890 where it is 10 to 0% for certain countries in ECOWAS;

- **Production tax**: this corresponds to 26% of the value of production from 1976 until 1984; it was replaced by Value Added Tax in 1985 which is 17% of the value-added;

- **Statistical tax**: is fixed at 5% on all products from everywhere; and

- **Regional Co-operation Tax (RCT)**: this is applied to certain products from ECOWAS and the rate varies from 0 to 6%; on wood imports, only products from the Ivory Coast have been subject to this tax. This tax is paid into the ECOWAS Community Development Fund.

3 ADMINISTRATION OF TAX SYSTEM FOR FORESTRY

3.1 The process of setting forestry taxes

From whatever angle this subject is approached (woodfuel or industrial roundwood), tax is determined by the State.

For woodfuel, the conditions for setting tax are defined in Decree No 92-037, the Forestry Code as well as the laws that implement this. The rate of tax on transport and commercialisation is calculated depending on the price of the stacked cubic metre of wood and differentiated according to the origin of the wood and how it has been harvested. The rates of tax and proportional rates of allowance are revised, if need be, in the same way as these taxes are determined. The revision takes into account general consumer price inflation within the country, the changes in price of other domestic fuels and other possible exceptional economic, social and environmental circumstances. This revision takes place with dialogue between the different partners involved in the woodfuel business, namely the Association of Wood Harvesters (*l'Association Niger des Exploitants de Bois* or ANEB), the rural wood markets and the Forest Service.

The setting and revision of taxes on woodfuel are done either by a decree passed by the government cabinet or by an order from the minister responsible for forests. This is the case of Decree No 96-390 of 22 October 1996 and of Order No 39/MHE/DE of 15 August 1997 determining the total tax on the transport and commercialisation of woodfuel applicable to different means of transport. According to the conditions just listed, it is planned to revise this tax annually in conformity with the implementation clauses of the Domestic Energy Strategy to make woodfuel more expensive compared with other substitute products. All tax revisions are published in the Republic's Official Journal and, when Energy Project II comes into operation, they will be published in the System of Information and Permanent Evaluation (SIPE) publication, called "Indicator" for widespread distribution.

Import and export duties on wood products are fixed as a percentage of product value according to agreements between member countries of ECOWAS and published in a document entitled "Customs Tariffs in Niger". The tax system on wood products is set out in chapters 44, 45, 46, 47, 48 and 49 of the document.

3.2 Tax collection and monitoring

The inspection, collection and follow-up of tax payment is done by Water and Forest Service personnel for taxes on wood production in rural wood markets and on the uncontrolled harvesting in State Protected Forests. The payment of tax on wood is carried out in the following way:

- In the case of uncontrolled harvesting, tax is paid before loading the wood at the forest post chosen by the haulier. This is calculated on the basis of the quantity of wood determined by the means of transport as stated by the law (Decree No 96-390 of 22 October 1996 and Order Number 39/MHE/DE of 15 August 1997). Forest Service personnel issue a red coupon on departure.

- In the case of controlled harvesting, tax is paid at the time of purchasing the wood, in one single operation, at the level of the Local Management Structure. A blue coupon is issued by the LMS when woodfuel is purchased.

- In the case of guided harvesting, tax is paid at the time of purchasing the wood, in one single operation, at the level of the Local Management Structure. A yellow coupon is issued by the LMS when woodfuel is purchased.

For controlled and guided harvesting, the Local Management Structures have therefore the responsibility of collection and payment to the administration responsible for forestry tax, with a receipt. A counterfoil receipt book is kept for this purpose and presented to the fiscal administration when the part of revenue due to the public revenue department and territorial communities is paid.

Private registered forests, which are not subject to tax payment, issue a green coupon when woodfuel is purchased.

The coupons are used as a transport permit for a duration of 24 hours for vans and 48 hours for lorries. They must be presented at all control posts and are valid for a single journey.

Customs services have the task of inspecting and collecting tax on the import and export of products derived from wood. Tax is always paid after the product is loaded up at the customs post closest to the port of entry or exit.

3.3 Intervention of the different levels of fiscal administration

The implementation of the forest tax system is carried out by decentralised staff of the Department of Water and Forests together with staff from the Customs Service. Monitoring of staff is carried out by the central administration. For both the Customs Service and the Water and Forest Service personnel, computers are available for the input and follow-up of statistics concerning forest revenue and commercialised wood revenue. It should be noted that the setting up of a good system of registering and monitoring of these statistics at the different points of entry and exit is a fundamental tool for increasing tax revenue.

3.3.1 Central administration

For the technical and financial follow-up of the tax system, the central administration is made up of the Department for the Environment (DE) and the Department for Wildlife, Fisheries and Aquaculture (DWFA), respectively holding authorisation for Accounts 3001 and 3002. Under these departments, there is the Territorial Brigade for the Protection of Nature (TBPN), a service spanning the two departments whose main tasks are the:

- comparison of information on coupons collected at the entrances to towns, in district authority areas and at the rural wood markets;

- impromptu inspection operations;

- issuing and distribution of coupon books and the payment sheets used by decentralised services between the different authorities and the rural wood markets;

- development and distribution of work tools for decentralised services;

- centralisation and statistical use of data registered by forest authorities (harvesting revenue, sales by mutual agreement, transactions etc.); and

- overseeing Account 3001.

For a better follow-up of fiscal policies and due to the fact that there is a taxation differential between the different types of harvesting, sellers/hauliers should be checked to ensure that they pay the correct taxes that correspond to the place where the wood was purchased. In addition, because there is the decentralisation of forestry harvesting, tax collection and the issuing of transport permits in the villages, villages should be checked to assure that they are collecting these taxes and paying the state correctly.

The Division of Inspections and Accounts (DIA) is under the authority of the TBPN and audits several key functions in the collection of forestry tax:

- the payment of 75% of revenue from transactions and sales by mutual agreement;

- the centralisation of all states of tax payments from departments and the drafting of the three-monthly statement of accounts for the Ministry for the Environment;

- the follow-up of tax revenue in general and expenditure on Accounts 3001 and 3002;

- the preparation of expenditure - for the TBPN it thus establishes orders for payment or transfer of accounts, has them signed by managers, brings them to the public revenue department and follows them up until the receipt of funds, these funds then being allocated to where they were requested; and

- finally, the monitoring and internal audit of the forwarding of taxes.

3.3.2 Department management offices

The Department management offices assure the co-ordination of all the activities of the District Environmental Services (DES) of the departmental area. It liases between the central level (TBPE/DE/FPPD) and the district services in the presenting of coupon books, the follow-up and payment sheets, the monitoring of wood experts to check transport coupons (duration of validity, volume of wood transported, origin of wood. etc.) and to remove them, and the checking of professional cards. It is also through their intermediary, notably the director of the department management offices, that payment sheets are centralised and passed on, completed by the DES and the TBPN. However forestry taxes do not pass through the department management offices and are paid to local authorities that then send them to the public revenue department.

3.3.3 District services, forest posts and control posts

These are decentralised services that have the same basic responsibilities as the department management offices. In the allocation of district services, there are the tasks of issuing of coupon tax books to the rural markets of the area, the receipt of tax collected by rural markets, the issuing of coupons for the harvesting of uncontrolled areas, the seizure of illegally transported wood and the payment of all tax collected to the community for the collector of the sub-prefecture. Before payment, the District Environmental Services centralise all payment sheets from forest posts, the statements of coupon issuing, and revenue of all kinds. After payment, they receive receipts from the sub-prefecture and a copy of signed statements of payment.

Forest posts have also the same responsibilities but for a part of the district and always under the authority of the District Environmental Services. Control posts are posts placed on important main roads for wood transport approaching big towns. They have the essential task of monitoring the operations of the forestry network.

Generally speaking, the decentralised services have the responsibility for:

In undeveloped areas:

- leading hauliers/harvesters towards zones for harvesting;
- the authorisation to harvest by issuing transport coupons;
- checking of conditions of transport (duration of validity and especially the conditions for loading up the particular means of transport); and
- the issuing of preliminary authorisation to private individuals.

In developed areas:

- the agreement of rural markets and the approval of quotas;
- checking of harvesting conditions set by villagers, notably to make sure that technical criteria are respected (development plans);
- checking the handling of accounts and fiscal documents by the rural markets; and
- checking the woodcutters' permits.

In all wood producing areas, there is a monthly dispatch of tax revenue collection sheets to the TBPN for data centralisation, the updating of different accounts (i.e. Account 3001) and comparison with data from the public revenue department.

3.3.4 Communities and Local Management Structures

Apart from the services provided by the state administration, rural structures and communities also take part, under the new policies, in the inspection and collection of forestry taxes.

Thus, local authorities are the driving force for revenue returning to the state's public revenue department following payment from the Local Management Structures. These structures, as outlined previously, collect tax when wood products are purchased. They make payments from the forestry worker at the closest post who passes these on, in turn, to the local authority manager. Locally, village structures assure the police in what concerns them for tax collection in their area. Their contribution to tax monitoring and inspection would seem thus to be significant.

4 TOTAL REVENUE COLLECTION AND DISTRIBUTION

4.1 Total state revenue from forestry production

Table 13 shows the changes in the different sources of national forestry revenue (as recorded by the public revenue department). It concerns the part of revenue from uncontrolled, guided and controlled harvesting and registered transgressions and market sales of confiscated products. For the past nine years, the total amount of revenue collected by the public revenue department reached 1,466,420,775 FCFA. This gives an annual average of 162,935,640 FCFA.

Table 13 Trends in forestry revenue collected by the state by source from 1992 – 2000 (in FCFA)

Year	Woodfuel, bois d'œuvre and bois de service[12]	Transgressions and sales of confiscated products	Hunting taxes	Total
1992	79,412,817	18,627,698	-	98,040,515
1993	131,539,997	25,055,238	-	156,595,235
1994	140,326,152	35,081,538	-	175,407,690
1995	168,094,069	25,871,591	-	193,965,660
1996	163,711,602	34,075,110	-	197,786,712
1997	123,618,697	30,108,635	3,326,000	157,053,332
1998	134,150,032	22,834,048	6,163,750	163,147,830
1999	126,318,892	28,271,940	11,852,400	166,443,232
2000	128,367,195	24,580,374	5,033,000[13]	157,980,569
TOTAL	**1,195,539,453**	**244,506,172**	**26,375,150**	**1,466,420,775**

Source: DE/TBPN report, January 2001. Note: this table only includes the part of forest and hunting revenue recorded by the national public revenue department.

It should be noted that the levying of hunting tax began with the opening of the hunting season in 1997. Revenue from hunting tax for the year 2000 covers the January – June period. Hunting has not been re-opened since its close in July 2000.

It is also important to observe that the greatest amount of tax collected by the public revenue department comes from wood production and particularly that of woodfuel from uncontrolled harvesting. This portion represents just over 80% of the total amount of tax collected by the public revenue department. Harvesting in zones under development, which currently represents 10% of total revenue, should increase in the years to come with the growth in the setting up of rural wood markets.

Total annual revenue increased significantly from 1992 – 1996. This is certainly due to the efficiency of forest monitoring, to the modernisation of the tax system on forest produce and to the increase in the tax rate in accordance with the SED, a policy adopted by Niger in 1992 thanks to Energy Project II.

[12] This column includes all revenue from the public revenue department for tax on uncontrolled, controlled and guided harvesting.

[13] Situation to date, June 2000.

A decline in revenue is also perceived from 1996 – 2000 in spite of the institution of hunting taxes. It should be remarked that during this period, several factors contributed to reverse the normal growth of this revenue. They include among other factors, the socio-economic climate of the country which did not encourage regular monitoring of tax payments, fraud, huge misappropriation of funds and the suspension of programme and project funds by sponsors who supported the introduction of the SED.

4.2 Revenue from taxes collected from rural wood markets

In the case of rural wood markets, a member of the Local Management Structure regularly completes an administration notebook. In this notebook, the number of stacked cubic metres of wood harvested is recorded, as well as the number of stacked cubic metres sold, turnover (and its distribution among woodcutters, the administrator and the village fund), the total amount of tax collected (and its distribution among the State, the community and the Local Management Structure where the tax is levied).

Rural markets were monitored from 1992 – 1997. This allowed for determining total revenue generated by the rural markets, the distribution of this revenue to different areas as well as the average price of the sale of wood before and after tax per region. Table 14 gives the amounts for the average price and the average tax (rate of allowance deducted) per stacked cubic metre levied in each region.

Table 14 Average price and average tax (net of reductions) by region 1992-97

Regions	Average price per stacked cubic metre (FCFA)	Average tax levied (FCFA)
Say	1,450	312
Axe Dosso	1,700	340
Boboye	1,100	340
Torodi	1,300	300
Maradi	900	300
Zinder	1,200	312

It should be mentioned in passing that all rural markets in Say and Maradi are of the controlled type. Say's rural markets are in the second category, whereby the applicable reduction in taxes is 10%. Maradi's markets are in the third category, whereby the applicable reduction is 20%. Torodi, Kollo and Zinder's markets are of the guided type and in the second and third categories.

It should also be pointed out that an annual harvesting quota is fixed for each rural market. This annual quota depends on the availability of wood resources, the area of land to be harvested and the facilities of the rural market to sell its produce.

From 1997 onwards, monitoring became less regular. A great deal of data was missing. Establishing a figure for revenue as well as for the distribution of taxes from 1998 – 2000 in Table 15 was done on the basis of averages obtained in Table 14 and annual harvesting quotas allocated to the different rural markets.

Table 15 Trends in revenue collected from wood sales in rural markets 1992 -2000

Year	Volume of wood sold (per stacked cubic metre)	Turnover before tax (FCFA)	Total tax collected (FCFA)
1992/1993	10,788	11,517,100	4,877,970
1994	47,893	57,495,000	15,235,193
1995	75,413	103,170,000	22,717,245
1996	102,456	142,058,900	31,424,180
1997	110,577	144,034,350	34,231,712
1998	125,338	136,382,200	38,641,000
1999	123,109	156,265,900	37,541,728
2000	185,501	251,759,200	58,554,428
TOTAL	**781,075**	**1,002,682,650**	**243,223,456**

Table 16 Trends in the distribution of forest revenue from taxes levied in rural markets 1992 - 2000 (in FCFA)

Year	Amount of tax collected	Distribution								
		Local Management Structure			Communities			Public revenue department		
		Total	MF	DF	Total	MF	DF	Total	MF	DF
1992/1993	4,877,970	1,680,020	1,008,013	672,007	1,192,224	715,334	476,890	2,005,726	802,290	1,203,436
1994	15,235,193	4,712,987	2,699,488	2,013,499	3,208,994	1,925,396	1,283,598	7,376,312	2,950,525	4,425,787
1995	22,717,245	7,207,223	4,128,309	3,078,914	4,935,498	2,804,479	2,131,019	10,574,525	4,229,810	6,344,715
1996	31,424,180	9,809,250	5,699,000	4,110,250	6,640,997	3,838,662	2,802,335	14,973,933	5,989,573	8,984,360
1997	34,231,712	11,272,615	6,262,019	5,010,596	7,848,862	4,308,426	3,540,436	15,109,652	6,043,279	9,065,791
1998	38,641,000	12,910,402	7,086,384	5,823,392	9,046,301	4,830,952	4,215,340	16,684,297	6,673,718	10,010,578
1999	37,541,728	12,628,061	6,894,065	3,030,378	8,869,888	3,547,955	5,321,933	15,193,791	6,415,911	9,924,563
2000	58,554,428	18,486,712	10,631,835	7,854,877	12,631,268	7,210,609	5,420,659	27,436,448	10,974,579	16,461,869
TOTAL	**243,223,456**	**78,707,270**	**44,409,113**	**31,593,913**	**54,374,032**	**29,181,813**	**25,192,210**	**110,500,784**	**44,079,685**	**66,421,099**

Note: MF = Management Funds; DF = Development Funds.

Table 15 thus shows the overall situation for revenue obtained from rural markets and also for the annual overall amount of tax collected by rural markets for sales of wood from 1992, the year of the first rural market, until 2000.

Table 16 gives the allocation of revenue from forestry taxes collected by rural wood markets at different levels. This table illustrates that investment in forestry can be made at all levels with the Management Fund (MF). This management fund exists at the levels of the LMS, the territorial communities and the public revenue department. The management fund is the fund that should be invested in forest management after harvesting in view of the need to restore vegetation, to follow up harvesting of resources and to make other forestry investments. The development fund is the fund that belongs to the LMS, communities or the State, which can be used for purposes other than investment in forestry. Generally speaking, populations use the fund to provide small loans or to build health and educational infrastructures. For communities and the public revenue department, it includes the single development fund for other purposes.

To this day, the application of the new policy has enabled the establishment of approximately 140 rural markets nation-wide. This represents only 10% of the potential at the national level. For these 140 markets, revenue from taxes collected by the LMS amounts to almost 60 million FCFA per year.

4.3 Revenue paid to the monitoring fund – Account 3001

As was outlined earlier, the monitoring fund is an account credited with 40% of all payments from production revenue paid to the public revenue department by the Water and Forestry Service (see Table 17).

Table 17 Changes in revenue paid into Account 3001 since its opening in 1993 until 2000 (in FCFA)

Year	Revenue recorded by DE/TBPN	Revenue recorded by the treasury	Difference
1993	38,501,429	20,044,128	- 18,457,300
1994	51,335,555	23,127,517	- 28,208,038
1995	54,903,417	76,607,769	+ 21,704,350
1996	49,421,968	83,375,939	+ 33,953,970
1997	42,625,272	50,838,244	+ 8,212,970
1998	34,387,675	40,422,614	- 6,034,939
1999	42,895,665	20,519,429	- 22,376,236
2000	46,925,724	39,308,104	- 7,617,620
TOTAL	**360,996,705**	**354,243,744**	**- 18,822,843**

Source: DE/TBPN report, January 2001.

This fund is directly paid out again to the regions for the needs of monitoring and administrative follow-up of forest harvesting.

As was mentioned earlier, in the context of the role of administration at different levels, the oversight of forestry revenue is centralised within the Territorial Brigade for the Protection of Nature (TBPN). In terms of the revenue from production taxes paid to the public revenue department, this procedure allows for monitoring of the pace and the way in which payments are made by the different decentralised services.

Revenue recorded by the public revenue department is real revenue, the total of which is obtained from transfer sheets sent (after deductions) by local authority managers having forest harvesting in their area. These are in fact the amounts that are credited directly to Account 3001 and which can be withdrawn by the administration responsible for forestry for monitoring requirements. Revenue registered by the TBPN is obtained from sheets sent by decentralised forestry services that have forests for harvesting in their area. Following payment, a Water and Forestry Staff member then forwards these sheets to the local authority manager.

It is important to note here that there is always a difference at the end of every year between revenue recorded by the TBPN and the revenue recorded in the public treasury department. These differences highlight the irregularity of payments made at different levels of the administration and can prompt a monitoring operation.

4.4 Revenue from tax collected on wood product imports and exports

The fact that Niger is not a producer of industrial roundwood means that all transformed products derived from wood are imported. Customs revenue (see Table 18) is extremely important.

Table 18 Trends in revenue collected from levies on imported wood products 1991 - 1999 (in FCFA)

Year	Wood fuel, wood in the rough	Panels, crates, frames, planks	Marquetry, statuettes	Paper and cardboard	Total
1991	99,640,252	113,471,771	18,629,630	334,318,930	566,060,583
1992	74,441,428	124,914,954	4,376,125	382,689,342	586,421,849
1993	60,306,126	93,960,960	26,283,432	421,328,397	601,878,915
1994	100,709,240	94,390,938	3,153,920	608,427,152	806,681,250
1995	203,439,628	44,130,514	3,415,635	362,724,484	613,710,261
1996	0	84,070,458	4,429,291	568,509,311	657,009,060
1997	204,906,452	229,745,344	3,658,578	641,848,689	1,080,159,063
1998	225,146,596	247,384,557	1,974,889	684,057,561	1,158,563,603
1999	340,345,919	302,683,577	2,057,394	609,888,915	1,254,975,805
TOTAL	**1,308,935,641**	**1,334,753,073**	**67,978,894**	**4,613,792,781**	**7,325,460,389**

Source: National Customs Office, January 2001.

Table 19 Trends in revenue collected from levies on exported forest products 1991 - 1999 (in FCFA)

Year	Basket weaving, mats etc.	Marquetry, statuettes	Paper and cardboard	Total
1991	286,300	0	0	286,300
1992	608,730	132,870	1,260	742,860
1993	188,350	98,700	0	287,050
1994	760,250	97,000	119,750	977,000
1995	926,860	3,509,030	0	4,435,890
1996	725,640	29,450	3,500	758,590
1997	955,337	311,097	4,670	1,271,104
1998	739,325	283,318	37,000	1,059,643
1999	733,112	510,582	112,754	1,356,448
2000	670,992	82,519	2,2750	776,261
TOTAL	**6,594,896**	**5,054,566**	**301,684**	**11,951,146**

Source: National Accounts and Statistics Office, January 2001

Table 19 illustrates that Niger is not a major exporter of forest products. These exported forest products are mainly wooden craft products (statuettes or wooden masks) and woven articles such as mats and baskets made from palm leaves. Other taxes levied come from products (cardboard, toilet tissue and other) passing through Niger from Nigeria or the Ivory Coast to neighbouring countries.

4.5 Tourist revenue

Total revenue (see Table 20) does not tally with the number of visitors. The gîte permit was introduced in 1993. Outside of Park W, it is difficult to make the distinction between revenue generated by national tourism and that provided by the forestry sector in particular. However, areas like the Air and Ténéré reserves and the giraffe zone generate tourist revenue. In order to get a better picture of the revenue from tourism, it would be important to consider this revenue.

Table 20 Trends in tourist revenue from Park W 1978 - 2000

Year	Daily pass (FCFA)	Number of visitors	Visitor revenue (FCFA)	Gîte permit in summer (FCFA)	Total (FCFA)
1978	1,000	1,796	1,796,000	-	1,796,000
1979	1,000	1,439	1,439,000	-	1,439,000
1980	1,000	1,432	1,432,000	-	1,432,000
1981	1,000	1,577	1,577,000	-	1,577,000
1982	1,000	1,449	1,449,000	-	1,449,000
1983	1,000	1,700	1,700,000	-	1,700,000
1984	1,000	1,659	1,659,000	-	1,659,000
1985	1,000	1,965	1,965,000	-	1,965,000
1986	1,000	2,780	2,780,000	-	2,780,000
1987	3,500	3,200	3,200,000	-	3,200,000
1988	3,500	1,000	3,400,000	-	3,400,000
1989	3,500	1,860	6,452,000	-	6,452,000
1990	3,500	1,683	5,995,000	-	5,995,000
1991	3,500	1,963	6,871,000	-	6,871,000
1992	3,500	1,263	4,422,000	-	4,422,000
1993	3,500	713	2,495,000	-	2,495,000
1994	3,500	890	3,104,000	4,964,000	8,068,000
1995	3,500	1,000	4,398,000	6,073,000	10,471,000
1996	3,500	1,414	7,280,000	0	7,280,000
1997	3,500	-	4,571,000	6,901,750	11,472,750
1998	3,500	2,118	4,849,000	7,829,000	12,678,000
1999	3,500	-	4,136,000	7,493,000	11,629,750
2000	3,500	918	2,889,500	4,883,000	7,772,500
TOTAL			**79,859,750**	**38,143,250**	**118,004,000**

5 PUBLIC SPENDING IN FAVOUR OF THE FORESTRY SECTOR

5.1 Spending by main state forestry institutions

The forestry sector is financed by current spending and state capital expenditure, spending by communities, spending from the management fund collected from the harvesting of forest resources and the spending of Non-Governmental Organisations (NGO) and Local Management Structures (LMS). In Niger, there are not any public enterprises involved in forestry.

5.1.1 Expenditure from the national state budget

Spending allocated by the state for forestry development is in two areas: current spending (or operating expenditure) and capital expenditure.

Operating expenditure

This is made up of the regular expenditure that covers the current activities of the Water and Forestry Service. This is purely administrative expenditure and includes the following:

- personnel costs (wages and salaries of forestry staff) - the calculation and payment of salaries is effectuated by services responsible for finance; and
- operating expenditure (purchase of materials, transport costs and expenses and other public interventions).

The Administrative and Financial Affairs Office (AFAO) of the ministry responsible for forestry prepares the budget. This preparation is done by going through the following stages:

- estimating revenue according to the regulations;
- estimating expenditure for budget proposals submitted by each ministry;
- organising budgetary meetings at all levels; and
- drafting a finance bill by the budget management team on the basis of the results of budgetary negotiations.

State sources of budget funds essentially undertake spending on current activities. Indeed, compared with neighbouring countries, Niger has the lowest tax burden (UNDP, 2000), which is 8% of GDP compared with 13% and 18% respectively for Burkina Faso and Chad in 1998. Table 21 below provides an indication of current budget spending on the water and environment sectors (at the time, the Ministry for Hydrology and the Environment, MH/E) compared to the general budget. The forestry and wildlife sections were integral parts of the water and environment sectors up until 1999; therefore, it is difficult to identify expenditure on forestry separately because the AFAO does not disaggregate the accounts.

Table 21 Comparison of the budget allocation to the water and environment sectors in relation to the general budget 1991 - 2000

Year[14]	MH/E budget ('000 FCFA)	General Budget ('000 FCFA)	MH/E budget as a proportion of the General Budget
1991	998	75,582	1.32
1992	1,043	76,020	1.37
1993	1,217	71,071	1.71
1994	1,233	104,696	1.17
1995	1,679	122,215	1.37
1996	1,716	130,358	1.31
1997	1,461	133,418	1.09
1998	1,372	138,444	0.99
1999	104,606	10,232,839	0.96
2000	1,027,000	237,210,042	2.31
2001 (forecast)	1,398,291	237,709,470	1.70

Source: Review of public spending in the rural sector (UNDP, 2000) – with updated information.

In analysing Table 21, it is notable that the MH/E budget scarcely goes beyond 1% of the general state operating budget, whereas the water and environment sectors or more particularly the forestry sector are always among those requiring priority. This shows the paradox between political speeches and concrete acts in terms of the allocation of resources to forestry. The table also illustrates that current government spending on the water and environment sectors increased significantly between 1991 and 1996. From 1997 onwards, it began to decrease. The clear rise noticed between 1991 and 1996 can be explained by the relative political stability restored in Niger after the 1993 democratic elections.

The investment budget

This is made up of resources from non-reimbursable aid and the contribution of the general state budget. Capital expenditure includes study, research and the production of economic, social and administrative infrastructures.

In contrast to the operating budget, the investment budget is prepared by the Ministry of Planning in close collaboration with the Studies and Programming Offices of the Ministries and follows the same process of adoption as the operating expenditure budget.

Analysis of the efficiency of capital expenditure in forestry enables us to make a certain number of observations in relation to the amount of money allocated to this sector by the national treasury, non-reimbursable aid and loans.

[14] From 1991 until 1999, the situation concerns the MH/E; in 2000, the situation concerns the Ministry for the Environment and the Combat against Desertification (ME/CAD).

Table 22 Trends in the investment budget for the forestry and wildlife sector by type of financing 1991 - 1998

Year	Allocated budget ('000 FCFA)			Total	Realisation of projects ('000 FCFA)			Total	Realisation rate
	Treasury	Loan	NRA[15]		Treasury	Loan	NRA		
1991	45,500	350,000	3,378,367	3,774,117	14,573	63,988	2,326,169	2,404,730	63.72 %
1992	35,788	213,000	3,915,382	4,164,170	12,588	0	1,727,986	1,740,574	41.80 %
1993	24,000	0	2,531,661	2,555,661	3,000	0	1,192,914	1,195,914	46.79 %
1994	42,750	417,671	3,800,278	4,260,699	11,970	0	3,438,272	3,450,242	80.98 %
1995	21,408	0	1,018,488	1,039,896	21,408	0	881,388	902,796	86.82 %
1996	5,000	0	622,978	627,978	5,000	0	684,026	689,026	109.72 %
1997	301,691	3,180,000	3,208,526	6,690,217	283,519	1,462,717	1,801,678	3,547,914	53.03 %
1998	248,700	3,123,900	2,637,048	6,009,648	244,990	2,572,688	1,822,453	4,640,131	77.21 %
TOTAL	**724,837**	**7,284,571**	**21,112,728**	**29,122,386**	**597,048**	**4,099,393**	**13,874,886**	**18,571,327**	**63.77 %**

Source: Review of public spending in the rural sector (UNDP, 2000).

The money allocated over the past eight years is 29,122,386,000 FCFA, that is an average of 3,640,298,000 FCFA per year (see Table 22). This allocation of funds changed widely and irregularly between 1991 and 1998. The annual average realisation of investment expenditure amounted to 2,231,416,000 FCFA, or an average of 64% of the allocation.

This variability in investment was due to the situation of government finances in Niger, which were in a very worrying state during this period. The country experienced huge difficulties in honouring commitments both nationally and internationally. This deterioration in government finances was due to widespread economic recession, but also to political factors that brought about the suspension of certain programmes and aid to Niger. It is clear that the consequences were felt in forestry, which was one of the major beneficiaries of this aid. Tension in the public revenue department, because of the poor performance in tax collection and the lack of spending control and management, was also a limiting factor.

[15] **NRA** = non-reimbursable aid.

5.1.2 Aid and foreign bilateral and multilateral loans

From foreign aid and bilateral and multilateral loans, the total money for investment programmes in forestry is estimated at 28,792,977,000 FCFA for the period 1999 to 2004 (see Table 23). This figure is equal to an average annual funding of 4,798,829,000 FCFA. Of the fifteen foreign sources of money that forestry benefits from, two programmes are loans from multilateral financing organisations, namely the World Bank and the African Development Bank. The total for these two loans alone amounts to 16,783,296,000 FCFA, or 58% of the total foreign assistance to the sector.

Table 23 Investment programmes and projects in the forestry sector supported by foreign funding 1999 - 2004

Title	Type	Duration	Financing	Cost ('000 FCFA)
Support project for the management of migratory birds and their habitats	NRA	1999-2001	Western paleartic migratory birds	50,000
Domestic Energy Project	NRA	2000-2002	Denmark	2,100,000
Project for the Management of Natural Forests	Loan	2000-2004	African Development Bank	7,500,000
Support project for training and assistance in the management of the Environment	NRA	2001-2003	Italy	500,000
Support project for the joint management of Zinder's sylvo-pastoral resources	NRA	2001-2002	Denmark	414,556
Project for the development of artificial methods of tree planting in Zinder	NRA	2001-2002	Great Britain	373,685
TCP : Support for the relaunch of the gum arabic sector	NRA	2001-2002	FAO	210,000
Project for the management of natural resources in Maïni Soroua	NRA	2001-2002	Denmark	521,700
Project for the Management of Natural Resources (PMNR)	Loan	1999-2001	World Bank	9,238,296
Project for non-wood construction	NRA		Denmark	2,902,814
Programme for combating cross border desertification	State	1999-2001	National Budget	100,000
Project for putting firebreaks into effect	NRA	1999-2001	Denmark	5,776
Park W Regional Project	NRA	2001-2004	European Union	2,000,000
Project for the durable utilisation of the fauna		1999-2001	National Budget	126,150
Support project in the Air and Ténéré areas for the management of natural resources	NRA	2001-2003	Switzerland/ Denmark	2,750,000
TOTAL				**28,792,977**

Source: DE report, January 2001.

5.1.3 Communities' expenditure

Communities' expenditure includes the expenditure undertaken by the different territorial communities in the forestry sector. The spending is authorised by completing operations sheets drawn up by the decentralised technical services of the water and forestry sectors.

The amount allocated by the territorial communities for the development of forestry varies from one year to the next. It was 30 million FCFA in 1991, 1992, 1994 and 1998 and exceptionally reached 130 million FCFA in 1993. The availability of funds encounters the same difficulties as for the state budget. This spending depends particularly on the goodwill of local authorities in the operation and on the disposition of the agricultural community, on whom the possibilities of resource mobilisation also depend.

5.1.4 Forestry management funds at different levels

Monitoring funds – Account 3001

The high rate of financial commitments for the 1998 tax year was due to the payment of outstanding bills. Money in Account 3001 was spent on establishment of forest plantations, fire fighting in the bush and the purchase of fuel for forest monitoring.

From Table 24, it can be seen that there are still significant differences between revenue collection and expenditure. The latter is very variable and depends on the revenue collected in each year. However, the average rate of disbursement is considerable at 88%.

Table 24 Trends in revenue collected and financial commitments from Account 3001 1993 – 2000 (in FCFA)

Year	Real revenue	Financial commitments	Rate of disbursement
1993	20,044,128	13,173,835	65.72 %
1994	23,127,517	21,573,265	93.28 %
1995	76,607,769	48,718,805	64.60 %
1996	83,375,939	71,600,796	85.88 %
1997	50,838,244	50,085,165	100 %
1998	40,422,614	40,422,614	100 %
1999	20,519,429	18,815,131	91.69 %
2000	39,308,104	48,544,703	123.50 %
TOTAL	**354,243,744**	**312,934,314**	**88.34 %**

Source: DE/TBPN report, January 2001.

Monitoring funds – Account 3002

Financial commitments from Account 3002 (see Table 25) are not affected by the revenue collected in each year. Money is spent when revenue has not been collected. This fact is due to the absence of inspection in the different regions. The account generates very little revenue whilst the spending requirements are very great.

Table 25 Trends in revenue collected and financial commitments from Account 3002 1993 – 2000 (in FCFA)

Year	Real revenue	Financial commitments	Rate of consumption
1998	1,145,250	1,529,550	133.56 %
1999	2,256,000	1,330,330	59 %
2000	2,113,800	2,902,310	137.30 %
TOTAL	**5,515,050**	**5,762,190**	**104.50 %**

Source: DE/TBPN report, January 2001

Communities' management funds

The trends in revenue in the communities' management funds are set out in Table 16. Communities that have rural markets are supposed to set aside an average sum of approximately four million FCFA per year on investment in forestry. However, up until now, these funds exist in name only. The allocation of expenditure is approved every year, but the mobilisation of money is very difficult and depends on the disposition of the heads of local administration. The ministry responsible for forestry must carry out the task of making local authorities aware, at their own level, of the existence of management funds and their use.

Therefore, it is necessary to follow up closely with communities to inform them about the revenue available in their forestry management funds. Any time now, the DES should provide information on the use and the balance of these funds. An organised and structured system should also be instituted for drawing up work plans and an annual budget for the use of these funds in harvesting zones. These plans and budgets should be co-ordinated by departmental offices.

LMS management funds

From 1992 until 2001, the money put into the management funds held by the LMS was 44,409,113 FCFA. Certain villages use this fund for the production of seedlings in village nurseries or for the funding of monitoring activity by water and forestry personnel. There are no exact procedures or rules for expenditure from this account. Except in the case of misappropriation of funds, this fund is always available to villages.

5.2 NGO spending

NGO intervention in the forestry sector is influenced by the priorities of foreign financing. When sponsors give priority to forestry, all the NGOs observe this fact and their actions are directed towards this as a result. There are approximately 70 NGOs who contribute to forestry. The main sponsors who finance the NGOs are bilateral donors from France, Canada,

Switzerland, Belgium, Germany, Denmark and The Netherlands, the European Union, USAid, UNDP and the World Bank.

It should be noted that there is a great allocation of resources to international NGOs, because sponsors consider that locally based NGOs are not yet mature enough to fully ensure the completion of development projects. It should also be noted that, most often, the sponsor finances the international NGO, which then, in turn, grants resources to local NGOs. In this way, the international NGO acts as a monitoring, follow-up and evaluation agent. Under these conditions, it is difficult to estimate the amount of money allocated to NGOs for the development of the forestry sector.

5.3 Overall government spending forecast

The improvement in forestry's contribution to GNP is mainly due to the value of forestry products and by-products from natural tree plantations and other types of plantations. This contribution will be upheld by strategic measures to modify the institutional and legal framework and the production of a series of appropriate studies to highlight this contribution. Concerning the institutional and legal framework, since 1999, with FAO's technical and financial support, Niger has completed its revision of the forestry code.

One of the aims now assigned to the state is to implement a 2000-2004 action plan so that it continues to improve the forestry sector's contribution to GNP. It is in this framework that action will be taken notably for the organisation of networks for forestry products and by-products such as gum arabic.

Table 26 Breakdown of costs per activity in the 2000 - 2004 Action Plan

Activities	**Cost ('000 FCFA)**
Restoration of 1,800,000 ha of land	167,075,000
Development of de 1,000,000 ha of forests	14,500,000
Realisation de 30,000 km de firebreaks	2,800,000
Increase in surface area of protected areas and management of fauna	3,175,000
Reinforcement of capacities of services	4,200,000
Follow-up and evaluation	130,000
TOTAL	**191,880,000**

Source: 2000-2004 Action Plan (Republic of Niger, January 2000).

The cost of intervention planned for forestry is estimated at 191,880,000,000 FCFA (see Table 26). These costs should be met through the efforts of territorial communities, the state, project structures, NGOs and the private sector. For its part, the state has already set the tone by allocating 850 million FCFA of its own funds for the budget in 2000, and 500 million FCFA for the budget in 2001.

6 DISCUSSION AND CONCLUSIONS

6.1 Overall evaluation of the tax system for forestry

6.1.1 Efficiency of the tax system for forestry

The following indicators allow the efficiency of the current tax system for forestry to be evaluated:

- The revenue generated by the customs service from levies on the import and export of wood products. This revenue was more than 1.2 billion FCFA in 1999 (see Table 18 and Table 19).

- Investment in forest development using the management funds generated from taxes on the transport and commercialisation of wood by rural markets. This contribution amounts to an average of 55 million FCFA per year (see Table 16, Table 17 and Table 25) and will increase with the setting up of new rural wood markets.

- Revenue and turnover from local management structures in their selling of wood in rural wood markets. This total figure is currently 1 billion FCFA (see Table 15) and this is also an efficient means of combating poverty.

- The contribution of forestry to GNP, which was 4% in 1990, is increasing and the aim for 2004 is to increase this to 8%.

- The state's financial aid for investment in the most promising sectors of forestry production (gum trees, trees used for fodder and food etc). This aid rose from 1 million FCFA in 1991 to 1.4 billion FCFA in 2001 (see Table 21).

- The obvious will of communities on the ground to take part in the management and development of their own forest resources and the will of the state to persevere in decentralising forestry resources.

- The interest in the sector shown by new financing from donors.

- The population's tendency to value standing trees.

Therefore, in the context of implementing the new forestry policy, a progressive increase in taxes on uncontrolled harvesting is envisaged. Moreover, this will contribute to an increase in state revenue.

6.1.2 Efficiency of monitoring

It is clearly apparent that the tax system is confronted with a "legal form of fraud" which has repercussions not only for revenue collection but also for the assessment of the efficiency of monitoring. This is encouraged by certain insufficiencies such as:

- the lack of operating capital for the Water and Forestry Service;
- the very low salary of monitoring personnel;
- the incorrect interpretation of laws by certain members of staff; and
- the non-compliance with laws by certain categories of the population (e.g. the violation of regulations by the army, the overloading of certain types of vehicles, etc.).

The monitoring rate was 11% from 1985 until 1990. Today it is only 30%. An example of the impact of this is that it is estimated that there is a 20% difference between the volume of wood taxed and the volume really transported. Current legislation ties the hands of the personnel responsible for monitoring and often leads to this unfavourable situation, in spite of the provision of efficient means of communication (such as walkie-talkies) that permit better monitoring operations to crack down on offenders.

The administration responsible for forestry continues to believe that the main way to increase revenue collection effectively is to improve the efficiency of monitoring operations examining wood entering and leaving the country or big towns. Thus, it is necessary to:

- oversee the conditions for harvesting and application of guidelines and directives contained in the Framework for Supply Guidelines;
- limit the reduction in the resource potential; and
- cut down on fraud.

This will justify the increase in forestry revenue. One of the major goals that is currently being fixed for forestry policy is to increase the level of monitoring of wood movement to 80% at the entrance to large urban centres. The drafting and revision of certain laws can also be the occasion for implementing a profit-sharing scheme with, as far as possible, deductions at source, which might provide incentives for staff and to direct these deductions to the rural wood markets.

6.1.3 Follow-up of forestry revenue

A plan of action has been put in place to follow up recommended changes to the forest revenue system. However, it is not completely watertight, in spite of activities already implemented (computerisation, paying-in slips) and undertaken (regular rounds by civil servants, co-ordination with the public revenue department). Unfortunately, information is not recorded and collected regularly, payments are not made in time and the follow-up of accounts is anarchical. It is, therefore, still necessary to spend a considerable amount of time

and energy in order to obtain information that should be readily available to the different services concerned. It is often difficult to interpret certain tables to assess trends. Indeed, in certain cases information is missing (e.g. information on government regulations).

There are other measures that should be adopted. For example, in terms of expenditure, both the central and decentralised levels of administration should draft work plans and budgets on the basis of revenue forecasts. This will allow the prioritisation of choices and should facilitate the allocation of expenditure to regions depending on the availability of funds. In addition, difficulties exist for the public revenue department in terms of releasing committed funds. On the basis of an annual and quarterly budgets, the ministry responsible for forestry should be able to release funds corresponding to planned expenditure from the Treasury, deposit them in an account in a commercial bank and thus facilitate disbursements.

6.2 Impact of the tax system for forestry on sustainable forest development

With the new organisation in place, the forestry management fund was set up at different levels. These funds should contribute to sustainable forest development in harvesting areas. The characteristics and lessons learned to date from the operation of these funds reveal several effects on sustainable forest development:

- Most of the funds come from levies in the form of taxes, fees or subsides paid punctually by a partner (in the case of the Domestic Energy Project). Taxes can benefit the forestry administration with a regular flow of financial resources. The initial contribution of a partner or donor allows activities to be implemented quickly while waiting for the tax mechanisms to be permanently fixed. The case of funding for the Domestic Energy Project, phase II is quite significant.

- Generally speaking, accounts are held in current accounts or special accounts of the public revenue department and are managed by the central administrative offices responsible for forestry (e.g. Accounts 3001 and 3002). This allows funds intended for the support of sustainable forest development to be mobilised more easily than general funds in the public revenue department. The procedure for payment from general funds is long and cumbersome and can, thus, bring about slowness and delays in the execution of programmes for forestry development.

6.3 Public spending on sustainable forest development

Public finances are currently the best means for the state to intervene in the management and development of forestry. Budgetary procedures are carried out in accordance with the fundamental laws and regulations outlined below:

- Law number 61-32 of 19 July 1961, pertaining to the finance laws;

- Law number 90-10 of 13 June 1990, relative to the Supreme Court;

- Ordinance number 84-34 of 27 September 1984 amending law number 61-32 of July 1961;

- Ordinance number 85-32 of 14 November 1985 instituting the public market code;
- Decree number 61-174 of 24 August 1961, concerning the application of the management system of the national budget;
- Decree number 68-75 of 21 June 1968, fixing the modes of government spending;
- Decree number 73-86/MF/ASN of 9 August 1973, concerning the organisation of the public revenue department;
- Decree number 93-45 of 12 March 1993, bearing the general regulations for public accounting;
- Decree number 93-176/PRN/MF of 3 December 1998 pertaining to the organisation and attributions of financial monitoring;
- Decree number 93-187/PRN/MFRE/P of 9 July 1998, bearing amendments to decree number 68-75 of 21 June 1968, fixing the modes of government spending; and
- Instruction 051/MF of 6 September 1967 on the accounting of public spending.

Although the importance of forestry has been affirmed in all national projects and programmes, it should be noted that public investment in forestry development remains low compared with other sectors like agriculture. For example, it scarcely represents a little more than 1% of total government spending.

The efforts to finance rural development have not yet yielded the expected results. Local development and management funds for forestry resources, placed at the disposition of community structures, have not been effective.

Thus, both for the central administration and communities, the procedure for carrying out budgetary spending as planned (and as outlined above in legal and institutional documents) in practice comes up against technical and human obstacles. Challenges include the diversity of operations and waste and these render and these make financial planning and authorisation uncertain. Likewise, through the structures in place for spending, there are gaps, notably in the non-application of certain laws that have become outmoded or laws that existed but have never been enforced. The example could be quoted of the non-functioning of the National Audit Office which was given the task of monitoring over time the decisions related to budget spending and, by not functioning, has led to a breakdown of budgetary discipline. For example, since 1981, no report from the audit office has been submitted to Parliament as envisaged under the law.

There are other factors that could be added to these constraints:

- The fact that Niger is not a country that transforms and exports forestry products.
- Institutional bureaucracy for projects, which makes it difficult to mobilise the resources donated to the country. This is the case of the National Plan for the

Environment for Durable Development (NPEDD), for the World Environment Fund (WEF) and of the Natural Resources Management Project (NRMP), which are respectively under the Ministry of Planning and of the Ministry for Rural Development.

- The reduction in the state's presence in the production, commercialisation and transport of forestry products has already begun. This is continuing today in relation to woodfuel products. In fact, the administration should focus on information, promoting awareness, monitoring and putting into place legal and regulatory conditions pertaining to non-ligneous wood products.

- A low level of participation on the part of territorial communities in the development of the forestry sector. This concerns a plan of action devised by technical services in the form of cards for recording operations. Under decentralisation, territorial communities will have their own forest resources and will be expected to make greater investments to benefit all.

- The absence of private businesses – In spite of new regulations on the transport and commercialisation of wood products, private businesses are slow in setting up. There is rarely any investment in gum tree plantations and the transport of woodfuel. The production of gum arabic, which could be promising, is currently discouraged given the price of gum on the international market. Woodfuel is also transported by quite dilapidated means of transport that can only carry small quantities of wood.

- Rural organisations are often very informal. There are currently a certain number of laws pertaining to the creation of rural organisations. These are laws on associations or rural bodies with a co-operative and mutualistic outlook. Therefore, the list of rural organisations was lengthened through, for example, the order concerning the sale and transport of woodfuel and the organisations in the framework of the management of soils. On this account, they assume, partially or entirely, certain responsibilities devolved to communities or to rural administration. Today unfortunately, there is no official document governing the statutes of these organisations.

6.4 Attitude to change in the current climate

6.4.1 Guidelines on the organisation of networks

The low price of wood does not encourage consumers to save wood and the increasing demand together with the growing urban population discourages sustainable forest management policies. The price of the most expensive wood in rural wood markets compared to the price for uncontrolled harvesting does not encourage seller-hauliers to move towards zones under development. One of the most effective measures to combat this perception of the main actors in the wood network would be to increase taxes on systems of uncontrolled harvesting to make wood more expensive. However, this often provokes heated responses from the trade unions representing wood harvesters and it would be a very difficult measure for the forestry administration to take.

Today, it is more feasible to increase the monitoring rate, to assure that the collection of taxes on harvesting and sale of wood is properly enforced. This would allow all levels of the administration responsible for forestry to meet their tasks of autonomously monitoring and following up harvesting in forest areas.

6.4.2 Guidelines on the financing of the forestry sector

Although it certainly presents some advantages for the easy and durable financing of forest development, the use of management funds has led to some problems that hinder the successful operation of the sector:

- The lack of clarity in the aims of these funds (the case of management funds for LMS and communities) as well as the lack of legislation, often do not limit these funds to be totally dedicated to the realisation of their goals. Thus, it has been noted that these different funds are under-utilised and have served to finance operating expenditure to the detriment of activities on the ground.

- In many cases, the situation in the public revenue department is often characterised by an absence of liquidity and this makes actual payment from the funds difficult.

- With regard to funds allocated by the state, legislation for releasing the funds undergo delays in being passed and published, thus making it impossible to benefit from the resources expected.

- Therefore, the systems for monitoring these funds, as well as the production of financial statement of accounts, are practically non-existent.

- Finally, the mobilisation of planned resources often suffers from difficulties in payment and repayment. The services responsible for their payment are either not sufficiently numerous or they have not enough means at their disposal.

In terms of the outlook for forest finances, the financing and management of forests will be carried out though the setting up of the "National Fund for the Environment" (NFE), as set out in law number 98-56 of 29 December 1998 pertaining to the management of the environment. The NFE is not yet operational but will be the outcome of a long process, both world-wide and nation-wide.

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