



Testing and enriching guidance modules for the 'facilitation of support for small and medium forest enterprises'



Second international workshop report – Forest Connect



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The technical directors of the workshop were:

Duncan Macqueen
IIED, 4 Hanover Street,
Edinburgh,
EH2 2EN, UK
Tel: +44 131 226 6860
Email: duncan.macqueen@iied.org

Sophie Grouwels
FAO, Room C-463,
Viale delle Terme di Caracalla
00100, Rome, Italy
Tel: +39 06 570 55299
Email: Sophie.Grouwels@fao.org

The logistics coordinators for the workshop were:

Ben Irwin
Farm Africa
PO Box 5746, Addis Ababa, Ethiopia
Tel: +251 11 416 9537
Email: benirwin@hotmail.com

Leianne Rolington
IIED, 3 Endsleigh Street,
London, WC1H 0DD, UK
Tel: +44 207 388 2117
Email: leianne.rolington@iied.org



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The views within this paper are the authors' own and do not necessarily reflect the opinions of PROFOR, FAO, DFID, SDC or DANIDA.

Table of contents

| | |
|--|----|
| Executive summary | 4 |
| Rationale | 6 |
| Day 1 – Sharing progress | 9 |
| Opening remarks and welcome | 9 |
| Welcome to the Forest Connect alliance | 9 |
| Introductions and overview | 10 |
| Update on progress in Ethiopia – SOS Sahel Ethiopia | 11 |
| Update on progress in Ethiopia – NTFP-PFM project | 14 |
| Update on progress in Nepal – ANSAB | 16 |
| Update on progress in Guatemala – Utz Che | 20 |
| Update on progress in Burkina Faso – TreeAid | 22 |
| Update on progress in China – Beijing Forestry University | 24 |
| Update on progress in Guyana – NRDDB | 26 |
| Update on progress in Ghana – Tropenbos | 30 |
| Update on progress in Mozambique – Centro Terra Viva | 32 |
| Update on progress in Malawi – CDM and Forestry Department | 34 |
| The role of the G3 in supporting small forest enterprises – IFFA | 36 |
| Update on progress in Liberia – SAMFU Foundation | 38 |
| Update on progress in Mali – AOPP | 41 |
| Presentation on potential Forest Connect work in Chile | 45 |
| Day 2 – Field trip to Forest Cooperatives at Chilimo Forest Reserve | 46 |
| Field trip introduction | 46 |
| Visit to regeneration area | 48 |
| Post-lunch briefing | 49 |
| Day 3 – Identifying how to test and enrich current guidance modules | 51 |
| Group 1 – Introducing approaches and plans for enterprise support | 51 |
| Group 2 – Facilitating background research on small forest enterprises | 53 |
| Group 3 – Bringing in others to help small forest enterprises | 55 |
| Start up support to forest producers organisation in Amhara Region, Ethiopia | 56 |
| Carbon offsets to planted trees - Tana-Beles WME project | 58 |
| Group 4 – Helping find markets and new products for them | 60 |
| Group 5 – Facilitating support services to improve sustainability | 61 |
| Group 6 – Strengthening voice to shape the policy environment | 62 |
| Debates over the future of Forest Connect | 64 |
| Workshop Evaluation | 67 |
| List of participants | 69 |

Executive summary

Forest Connect is an international alliance dedicated to reducing poverty by better linking SMFEs to each other, to markets, to service providers and to policy processes such as national forest programmes (NFPs). It currently involves active programmes of work in 12 countries: Burkina Faso, China, Ethiopia, Ghana, Guatemala, Guyana, India, Laos, Liberia, Mali, Mozambique and Nepal plus a broader network of 700+ supporters in 60 countries linked by an international social networking site (<http://forestconnect.ning.com>). With ever increasing pressure on forest resources, anchoring timber and non-timber forest product (NTFP) rights to responsible but profitable local enterprises is seen as a key step in reducing poverty, providing local incentives for avoiding deforestation and mitigating and adapting to climate change.

The Forest Connect alliance is co-managed by the Natural Resources Group within the International Institute for Environment and Development (IIED) and the Community-Based Forest Enterprise Development programme (CBED) of the Food and Agriculture Organization of the United Nations (FAO). New support from PROFOR and the FAO hosted national forest programme (NFP) Facility aims to draw on the emerging experiences of this alliance to develop (and roll out across Facility partner countries) a toolkit for the facilitation of support for small and medium forest enterprises. This workshop aimed to plan how to test and enrich this toolkit with experiences from Forest Connect partners from around the world.

The first day of the workshop was dedicated to sharing progress on supporting small forest enterprises in 10 different Forest Connect country contexts. Each of twelve country presentations framed their presentation in relation to a particular toolkit guidance module – illustrating what they had done and the tactics that they had used. For example, presentations covered:

- Module 5 Planning and sequencing activities – 3Rs methodology used to reorientate SMFE support project in Ethiopia; stakeholder workshop and steering committee developed to guide work in Ghana
- Module 6 Conducting SMFE diagnostics – research compiled and published in Burkina Faso, Ghana and Liberia
- Module 8 Mapping and benchmarking service providers – yellow pages developed in Burkina Faso and Ghana of service providers
- Module 9 Developing communication strategies – market information system developed using mobile phones in Burkina Faso, website developed in Liberia, small forest enterprise network established in Mali
- Module 10 Increasing market understanding – producer groups orientation workshops in Burkina Faso, eco-tourism exchanges in Guatemala, market understanding groups in Mali
- Module 11 Product development – essential oils in Ethiopia, artisanal wood products in Guatemala, ecotourism in Guyana, honey, wood craft and bamboo furniture in Malawi, baobab products in Mali, bamboo furniture and craft products in Mozambique, wintergreen oils and bio-briquettes made of charcoal in Nepal
- Module 12 Facilitation of business development services – systematisation of service needs and links with service providers in Guatemala
- Module 13 Financial services – women's credit and savings co-operatives in Ethiopia
- Module 14 Enterprise structures and governance – Forest Cooperative health check methodology in Ethiopia, and taken and tested in China, training on democratic governance structures in Guatemala, coconut producer association development in Mozambique
- Module 15 – Ecological sustainability – FSC chain of custody certification for hand-made paper production in Nepal
- Module 16 Policy research for change – research on domestic timber and NTFP issues in Ghana, research on Arapaima management to guide policies in Guyana, a complete policy analysis in Liberia relating to small forest enterprises.

For each presentation a peer-review panel was formed to give feedback on progress so far.

On the second day of the workshop, participants visited Chilimo Forest Union with its nine constituent Forest Cooperatives carrying out participatory forest management (PFM). A range of forest harvesting, restoration, nursery management, and livelihood diversification options were presented.

The history of the emergence of PFM and community forest cooperatives under the current government was explained. Participants had a chance to question the cooperative and union members.

On the final day of the workshop participants divided into working groups to share more detailed tactics and ideas under broad headings that related to the guidance modules. Morning and afternoon sessions covered:

- introducing approaches for enterprise support;
- facilitating background research on small forest enterprises;
- bringing in others to help small forest enterprises;
- helping find markets and new products for them;
- facilitating support services to improve sustainability; and
- strengthening voice to shape the policy environment.

The aim of these working group sessions was to develop a series of steps and tactics through which to interrogate the existing guidance within the draft toolkit – identifying where the guidance was appropriate and where it might have missed the mark. In the final session of the afternoon a ‘fishbowl debate’ was organised to debate the future of the Forest Connect alliance – which broadly served to affirm the commitment of alliance members to the work in hand and its increasing relevance to a range of issues such as poverty reduction, avoided deforestation and sustainable landscapes.

Rationale

Small and medium forest enterprises (SMFEs) and their associations offer particular advantages for poverty reduction. They accrue wealth locally, empower local entrepreneurship, strengthen social networks and engender local social and environmental accountability. But in least developed countries (LDCs), structures that connect with and support SMFEs and their associations are weak. The result is all too frequently social breakdown, economic failure and degradation of the forest resource on which SMFEs are based. The Forest Connect alliance addresses this lack of connectedness – based on substantial evidence of demand from in-country partners. Forest Connect is global in scope, involving 10-15 in-country teams in more direct attempts to support small forest enterprises, a co-management team led by FAO and IIED, supported by a steering committee and a wider network of 700+ interested individuals and institutions from 60 countries worldwide.

The project's objective, building on a first phase of multi-donor PROFOR support, is to test and enrich guidance modules for the facilitation of support for small and medium forest enterprises – helping to build social, economic and environmental sustainability amongst SMFEs by connecting them:

- to each other – by strengthening associations;
- to markets - by enhancing market links;
- to service providers – by strengthening information about, and markets for, financial service and business development service providers – based around sustainable practices; and
- to national policy processes – for example national forest programme (NFP) processes and other cross sectoral finance and business policy processes that shape the business environment.

At the first Forest Connect workshop in Edinburgh, 2-4 July 2008, supporters of small forest enterprises from around the world identified what types of guidance they needed to do their job better. In response, the Forest Connect alliance commissioned experts to draft a “Toolkit for the facilitation of support for small forest enterprises”. It is this draft toolkit that we seek to test and enrich now, both by sharing experiences at this workshop and by capturing in-country attempts to use the guidance that already exists.

The anticipated outcome is a toolkit on supporting small forest enterprises for practitioners that will ultimately help generate more profitable and sustainable SMFEs, served by strong business federations and flourishing financial service and business development service markets.

The development of the toolkit ‘Supporting small forest enterprises – guidance modules for facilitators. Pocket guidance not rocket science!’ aims to catalyse better targeted efforts to increase the sustainability and livelihood benefits of SMFEs. It targets SMFE support practitioners who are working with enterprise associations, financial and business development service providers and institutions responsible for forest governance across the world. Guidance is arranged in a series of self-explanatory modules (or tools), each of which provides step by step advice for a different element of SMFE support. There is inevitably some overlap between the modules. Nevertheless, the guidance follows a logical progression beginning with broad international considerations on setting up capacity building programmes for SMFE support (primarily aimed at donors), then moving to considerations of national level planning and capacity building, before providing more hands on advice for direct facilitation activities. The idea is that practitioners at whatever level will dip into bits that catch their eye – but that people completely unfamiliar with enterprise support will be able to read through the toolkit in a logical way and hopefully be wiser for it.

The action-learning process of developing guidance modules is also intended to build national capacity to make discerning investments in the SMFE sector. The intention is that it will directly bring real improvements to market access and income generation by specific SMFE associations, more coherent forest sector FS and BDS provision and forest-sector governance that is more responsive to the broader needs SMFEs – in each of the six partner countries.

Helping to mainstream guidance modules through the NFP Facility will ensure sustainability and strengthen collaboration between PROFOR and the NFP Facility, especially in the area of informed participation of stakeholders towards good forest sector governance.

The draft guidance modules have already generated, captured and shared new knowledge for two key audiences in sixteen modular areas, compiled by IIED through interactions with FAO and national country partners, NFP Facility coaches, and a broader array of experts through the Forest Connect networking site. Participants at this workshop now shared experiences of how they had used that guidance in the field and adapted it appropriately.



Audience 1: External agencies

Component 1: Facilitation capacity building

Module 1. Managing an international peer-peer learning group or alliance on small enterprise support

Module 2. Identifying national facilitation hub institutions

Module 3. Setting up an evaluation process

Audience 2: National facilitators

Component 2: Facilitation planning

Module 4. Introducing the 'market system development' approach

Module 5. Planning, sequencing and exiting activities

Module 6. Conducting and presenting small forest enterprise diagnostics

Module 7. Participatory value chain analysis

Module 8. Mapping and benchmarking support services

Module 9. Designing communication strategies

Component 3: Facilitation in action

Module 10. Developing market understanding

Module 11. Product development

Module 12. Business planning and the facilitation of business development services

Module 13. Financial planning and the facilitation of financial services

Module 14. Strengthening community enterprise governance and structures

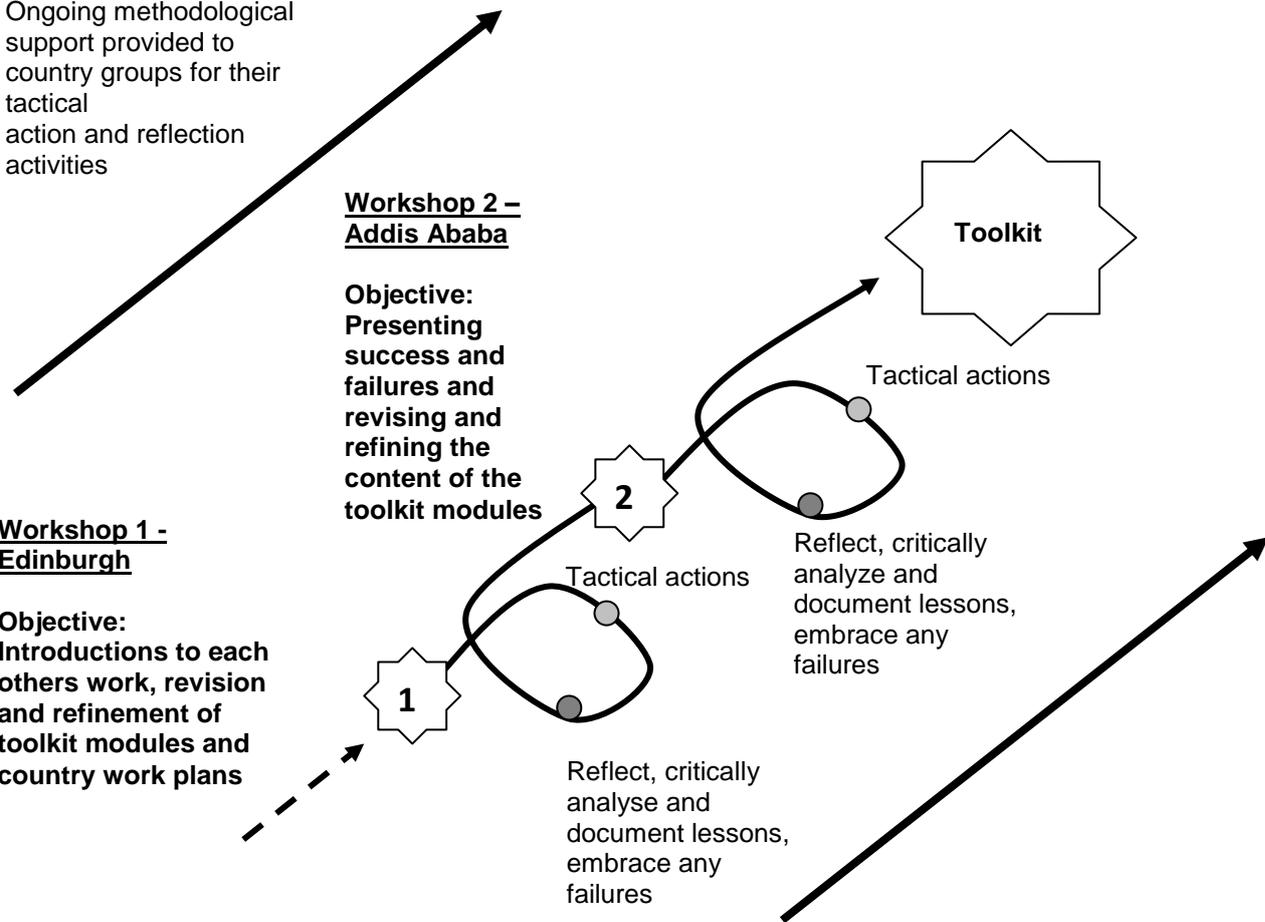
Module 15. Building in ecological sustainability

Module 16. Policy research for change

What is now proposed in the second phase is to test and enrich the content of these modules – both by practical application in country and by capturing country specific information about that application in boxed examples – and ultimately to publish the guidance in formats most accessible to end users in different languages.

An iterative process of action learning of which this workshop forms part is captured in Figure 1 below:

Figure 1. Process of development, testing and enriching of a toolkit on facilitating support for small and medium forest enterprises



Agenda – Day 1 – 16 February 2011- Sharing progress on supporting small forest enterprises in different Forest Connect country contexts

08.30 Coffee and registration

09.00 Opening remarks and welcome. H.E. Dr Girma Amente – Manager of Oromia Forest and Wildlife Enterprise

Dr Girma Amante, Director of the Oromia Forest And Wildlife Enterprise (OFWE) welcomed participants to the second international Forest Connect meeting, noting how good it was to see so many participants from so many countries present. He introduced developments within Ethiopia in which the Government and Oromia State had both issued proclamations in support of participatory forest management (PFM). The Government firmly believed in the importance of small forest enterprises as a vehicle both to secure sustainable forest management in Ethiopia's remaining forests, but also to make solid contributions to the livelihoods of Ethiopia's forest dependent poor. He noted the rapid developments in formal establishment of community Forest Cooperatives across Ethiopia in partnerships with OFWE and of the role of Farm Africa and other civil society organizations in helping that process. He wished the meeting every success.

09.15 Welcome to the Forest Connect alliance – Sophie Grouwels, FAO

The importance of SMFEs

SMFEs make a particular contribution to poverty reduction for three main reasons:

- wealth can be accrued locally – and is therefore retained by rural communities;
- social networks are strengthened through the development of enterprise which serves the long term interests of communities; and
- local environmental accountability increases as people realize the financial benefits of sustainable forest enterprises.

Challenges for SMFEs

The central problem for SMFEs is one of isolation – from each other, markets, service providers and decision makers. This isolation leads to:

- social breakdown – in which conflicts over resources develop;
- economic failure – because communities struggle to make the transition into the market economy; and
- degradation of the forest resources – because of inadequate incentives to encourage sustainable management.

Difficulties in addressing this central issue for SMFEs

- Reaching SMFEs can be difficult.
- Focus of NGOs is limited (for example sometimes to environmental issues – or social issues rather than to the broader requirements of sustainability that require social, environmental and economic foundations).
- Insufficient forestry extension services exist to give necessary business support to rural communities.
- Inter-sectoral outreach is essentially nonexistent – so the support services to agriculture do not find their way into the forest sector.
- Forestry businesses can be seen as risky investments by existing financial service providers.



Forest Connect's approach

- Forest Connect works to improve the connections between SMFEs and: other SMFEs; markets and market information; service providers and policy and decision makers.
- The results to which Forest Connect aspires include more organized forest enterprise groups that can: improve income generation, build greater business and forest management capacity, learn from each other, access finance and have a say in policy development
- Including ALL stakeholders in the process of developing SMFEs is critical.

How does Forest Connect work?

Forest Connect is comprised of two key elements:

- International – with an international steering committee (to provide strategic direction and oversight) and an information sharing platform (<http://forestconnect.ning.com>) plus the development of guidance on facilitating support to SMFEs.
- National – identification of national hubs which conduct national diagnostics, carry out practical work to support small forest enterprises and act as a service provider for local level businesses.



Forest Connect pilot countries

- Forest Connect has supported work in Burkina Faso, China, Ethiopia, Ghana, Guatemala, Guyana, Laos, Liberia, Mali, Malawi, Mozambique and Nepal.
- Possible Forest Connect countries: Uganda and Chile.

09.30 Introductions and overview of the guidance modules produced to date and structure of the day – Duncan Macqueen, IIED

Including panels for lessons learned, innovation and challenges and groups for timekeeping, energizers and recaps.

Why are we testing and enriching a toolkit and guidance modules?

- The alliance identified that SMFE support institutions are isolated and can benefit from sharing experiences.
- July 2008 workshop identified 16 areas where support needs identified by field practitioners.
- Ongoing support for in-country work to test and enrich guidance modules was funded by PROFOR.
- There is still space to add in new things (for example, climate related payments?).

Structure of toolkit

- Audience 1: International external supporters
- Component 1 – Facilitation capacity building

- Audience 2: National in-country supporters
- Component 2 – Facilitation planning
 - Module 4. Introducing the market system development approach
 - Module 5. Planning, sequencing and exiting activities
 - Module 6. Conducting and presenting small forest enterprise diagnostics
 - Module 7. Participatory value chain analysis
 - Module 8. Mapping and benchmarking support services
 - Module 9. Designing communication strategies

- Component 3 – Facilitation in action
 - Module 10. Developing market understanding
 - Module 11. Product development
 - Module 12. Business planning
 - Module 13. Financial planning
 - Module 14. Strengthening community enterprise governance and structures
 - Module 15. Building in ecological sustainability
 - Module 16. Policy research for change

Structure of this workshop

Day 1 - Sharing what we know – the objective is to meet one another and share progress.

- Presentations should be 20 minutes max covering country context; objective (what you wanted to achieve) activities (what you did) impact (what happened as a result), lessons and challenges.
- Each presentation will be reviewed by a panel of your peers who will assess: Progress / Innovation / Challenges.
- We will divide into teams to manage: Timekeeping / Energisers / Recap.

Day 2 - Field trip – the objective is to learn from activities in Ethiopia and have time to discuss ideas together. A field trip has been organized to Chilimo Forest on West Shoa.

Day 3 – Testing and enriching the toolkit – the objective is to work out how to test and enrich the toolkit.

- Self selecting groups will discuss particular guidance modules.
- People should join the group that they feel their past or ongoing country work most closely fits. We will then map out tactics (what we did), tips (what we learned that worked) and tumbles (things to avoid doing).

10.10 Update on progress in supporting small forest enterprises in Ethiopia – Lulu Likassa, Tsegaye Tadessa and Ben Irwin, Farm-Africa and SOS Sahel Ethiopia

Supporting small non-timber forest product business enterprises: the case of Joint/Participatory Forest Management Cooperatives, Bale Eco-region, Ethiopia

- Bale Eco-Region Sustainable Management Programme (BERSMP) is a FARM-Africa/SOS Sahel partnership programme, working with Oromia Forest and Wildlife Enterprise (OFWE).
- A two phase, six year programme launched in mid 2006.
- The implementation area is the whole of Bale massif, an estimated area of 22,000 km² (two zones).
- Working on six outputs: LU planning; CB; PNRM; NRLH; SF; policy.

Partnership with Forest Connect Alliance

- Established in May 2008 and Memorandum of Understanding (MOU) signed.
- Collaboration on different areas in SMFEs.
- SMFE training for BERSMP & OFWE staffs.
- SMFE diagnostic study for Ethiopia sponsored by Forest Connect.
- JFM CBO health check methodology development.

Overview of participatory natural resource management, community based organisations and business enterprises

- Joint Forest Management (JFM) has led to the establishment of Forest Cooperatives across the country.
- The primary objective is Sustainable Forest Management.
- The Forest Cooperatives were the best institutional form under which to formalise forest businesses (Cooperative law and Livelihood improvement).
- Small natural product business groups established under the Forest Cooperative structures.
- Forest Cooperatives and OFWE jointly manage the forests and are business partners.
- Benefit sharing modalities in place.



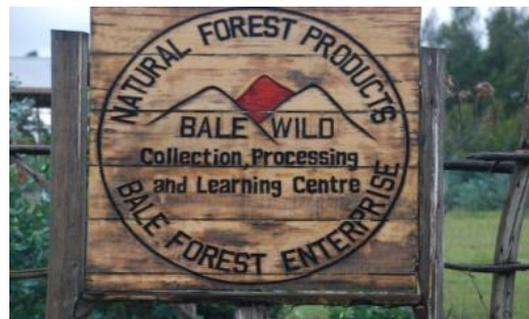
Potential natural products for SMFE development and value chains in Ethiopia:

- coffee
- bee products
- bamboo
- sport fishing
- warburgia
- essential oil

Example – module 11: product development of coffee business enterprises

Objectives

- Coffee quality improvement (high price).
- Speciality coffee developed – Balewild.
- Product value chain establishment (Community forests – Forest Cooperative - OFWE).
- International markets developed with first sales to Italy.



Activities

- Capacity building for coffee farmers (training, coffee technology support).
- Business partnership establishment (Forest Cooperatives with OFWE).
- OFWE paid premium price for coffee farmers (to drive quality).
- OFWE exported coffee to international market (Sandalj trading spa).

Impacts

- Revenue generated for both Forest Cooperatives and OFWE.
- Coffee farmers livelihood improvement.
- Coffee farmers aware of the value of coffee quality improvement.
- Business partnership and market linkage established.

Example – Module 11: product development for essential oil businesses

Objective

- Livelihood improvement through natural product, hence contribute to sustainable natural resource management.

Activities

- Natural product potential identified (eucalyptus, thyme, fennel, helycrysum).
- Purchase of three distillers and their installation.
- Production of eucalyptus globules oil.
- Product development - market linkage established (CBO (supply leaves) – OFWE (process and bulk) – ECOPIA (package) – end market (Canada)).

Impact

- New product introduced – based on Eucalyptus oil
- Income for community
- Revenue for OFWE

Example – module 13: financial planning within women's credit and savings cooperatives based on honey and coffee enterprises

Objective

- Gender mainstreaming in natural resources management.
- Income generation and economic empowerment for the rural women's group.

Activities

- Organise women's groups under the Forest Cooperatives.
- Support the women's groups in training in business management concept.
- Support in business plan development.
- Provision of grant to the group and follow up.

Impact

- Women's participation in natural resource management decision making has been increased.
- Livelihood improvement of the women involved.
- Women's credit and savings coops strengthened in terms of capacity (training) and capital.

Example – module 14: supporting community enterprise governance and structures through joint forest management Forest Cooperative 'health check' methodology development

Objectives

- 'Health Check' methodology development.
- Check the state of the Forest Cooperatives for well functioning in terms of both sustainable natural resource management and business.
- Helps to build on Forest Cooperatives strengths and address weaknesses.

Activities

- Methodology development (in the field office supported by IIED - Duncan).
- Testing the methodology (Badessa Forest Cooperative).
- Tools used: perceived impact of cooperative, SWOT, review capacity gaps).
- Assess the applicability of the methodology in diversified community business enterprises and forest types (plan).

Impacts

- Support / adjustment required easily identified.
- Capacity of Forest Cooperative to assess themselves was strengthened.
- The Forest Cooperative members easily understand what gaps exist (simple method).

Lessons learned

- Supporting small business enterprise under Forest Cooperatives contributes to sustainable forest management.
- Business skills need to be built both with government services and community groups
- Legal frameworks to support SMFE need to be strengthened, particularly the identification and control of illegal products.
- Forest Cooperative health check is a useful annual review tool for both sustainable NRM and business enterprises.
- Women are strong in running sustainable management business enterprises.
- A one hundred percent grant fund for business enterprises is failure: cost sharing = shared responsibility and commitment

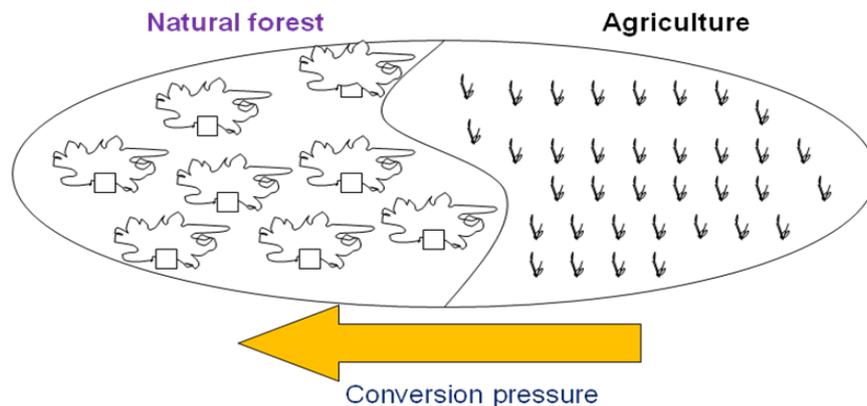
Challenges

- Lack of business skills for community and government.
- Community expectation (free money to run business).
- Lack of microfinance facility for SMFE.
- Weak linkage between private sector and public enterprise (mistrust).
- Weak business linkage between community SMFE and private sector.
- Deforestation is a threat to natural products.

10.20 Update on progress in supporting small forest enterprises in Ethiopia – Elias Kasahun, NTFP-PFM project

Example – module 5: planning, sequencing and exiting activities through adaptation of the '4Rs method'

- The aim of this work was to facilitate simple economic analysis of forest management incentives in Participatory Forest Management.
- We want to show how the method can be used to provide the rationale for PFM projects (and convince doubters) to focus more on facilitating profitable forestry through forest based enterprise development.
- The starting point was observation of the continuing loss of forests to agriculture.



The key question therefore became how to lower pressure

- Reduce forest use and increase agricultural efficiency?
- Increase forest value through supporting more profitable forestry?

Evolution of project approach to support community driven forest based enterprises

- 2003 – 2010.
- Focus mainly on 'taking pressure off forest' through domestication of Non Timber Forest Products - particularly backyard honey combined with initiatives to improve agriculture/land management.
- Set up 'forest protection focused' non-profit making institutions – Forest Management Associations (FMAs) to focus on forest protection.
- Set up separate profit making marketing institutions, Private Limited Companies (PLCs) – idea was they could sell domesticated NTFPs and cut out the middle man to get a better price.

Results of 3Rs analysis tool helped changed project strategy

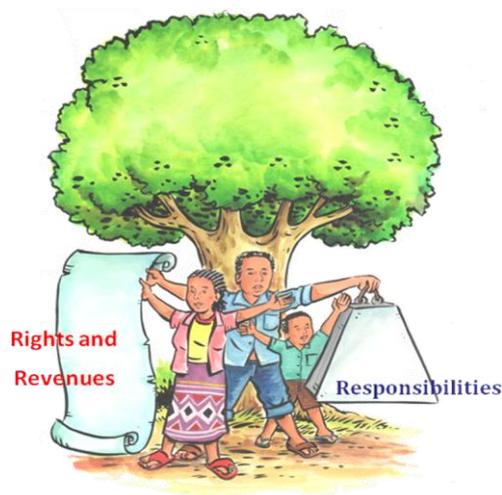
- 2010 – present.
- Focus on lowering pressure on the forest through maximising value of the forest through facilitating small forest based enterprises.
- Using an adaptation of FAO's MA&D process as a guide.
- One institution (cooperatives) combines protection, utilisation and marketing function.
- Phasing out/handing over agricultural intensification work.

Adaptation of 4Rs method (4th R, relationships was dropped, rights, responsibilities and revenues) for facilitating economic analysis of forest management incentives.

Objective: to facilitate economic analysis of the links between rights, revenues and responsibilities in Participatory Forest Management.

- Procedure 1: first ask villagers to on cards examples of each criteria before and after PFM.
- Procedure 2: after discussing cards each person gets 10 seeds, 10=100%, 0= 0%. They individually place in each circle according to how they feel about each criteria.
- Procedure 3: total overall percentage calculated.
- Procedure 4: discussion/analysis on relationship between 3Rs.

| Feeling of 'ownership' | Feeling of responsibility for forest management | Revenue(Income and home consumption) as percentage of total. |
|--|--|---|
| <u>Before PFM</u> Percentage: 33.75 | <u>Before PFM</u> Percentage: 38.75 | <u>Before PFM</u> Percentage of household income/needs from forest: 66.25 |
| <u>After PFM</u> Percentage: 55% Increase of 21.25% | <u>After PFM</u> Percentage: 56.25% Increase of 17.25 % | <u>After PFM</u> Percentage: 65% Decrease of 1.25% |



Analysis by community members of results of the 3Rs exercise

- Investment in forest responsibility is dependent on both ownership and income from forest, all three aspects are linked.
- Ownership + income from forest = responsibility for forest.
- Community said our project approach, which didn't actively encourage forest product use, was counter-productive to promoting forest protection.
- Only increase in price of forest products such as honey and coffee had kept community motivation for forest protection high.
- Direct forest based enterprise development support requested from project and development of dual function profit making – forest protection – cooperatives.
- This analysis presented by farmers themselves helped convince doubters and change project strategy towards supporting forest based enterprises.

Main lessons regarding the use of the 3Rs method

- Villagers are economic decision makers when it comes to what motivates them in forestry management – this of course is common sense.
- Unfortunately among all professionals in PFM – more work on the 'why' of forest based enterprises still required.
- Simple 3R method can help enlighten on the 'why' – best if villagers present and explain 3Rs analysis directly to the doubters, they are the best at convincing.

Main challenges regarding the method

- Professionals have criticised method as being subjective and not scientific.
- Need to find suitable criteria for the 3Rs depending on the country context – use local language.

Peer panel comments on presentation

Lessons

For the first presenter, I sum the lessons into five multiples. The main lesson is the multiplicity of everything – you have multiple partners, multiple funders. There are good lessons because most of the time we have different funders, funding the same project sending different tools and different ideas. He had six or seven big funders all into focusing on the same stakeholders. There are so many tools that were used, in focusing on multiple objectives for different NTFPs. Then they produce multiple impacts – they have added value to the NTFPs and to agricultural products, they have added value to family life through improvement of income.

Innovations

The entire presentation was innovative – the slides and pictures and labels capture entire rubric of what people are doing. The innovation is the people themselves. I thought the use of the landscape level approach – that is pretty brilliant to do, instead of just tackling one single community. I love the fact that they highlighted women, women's role and benefits. I thought that the health check methodology was innovative. I thought that the adaptation of the four Rs, the methods used with the seeds and the cards was brilliant. The people and the participation allow the innovation to bring to life.

Challenges

It is a challenge for me to challenge such good people. I was interested in women's participation. I have two points: It would be good to put more quantitative figures into the presentation. The other is that out of the six products, they have already done tremendous work in six products but if they present some of the challenges from the four years and present how others can achieve within two years limited time.

| Lessons | Innovations | Challenges |
|--|---|--|
| <ul style="list-style-type: none">• Multiplicity of partners: partners, donors, tools, actions, impacts, but one vision to achieve objectives. | <ul style="list-style-type: none">• Presentation itself• People involved• Use of landscape• Gender is excellent• Health check methodology• 4Rs methodology | <ul style="list-style-type: none">• More quantitative figures please.• More information on how to meet future objectives in limited timeframes. |

10.35 Update on progress in supporting small forest enterprises in Nepal – Bishma Subedi and Sudarshan Khanal, ANSAB

Introducing ANSAB

- A Civil Society Organisation, governed by an International Board, established in 1992.
- It works in South Asia and is headquartered in Kathmandu, Nepal.
- Its vision is rich biodiversity and prosperous communities.
- Its mission is to implement community-based, enterprise-oriented solutions.

Forest Connect Nepal Initiative

- Started in August, 2007.
- Generated useful information on SMFEs and Community Forest User Groups (CFUGs) that includes a diagnostic study, a comprehensive review of six species, documentation of value chain analysis process and lesson learned, major challenges and barriers faced by SMFEs and critical services required.
- Initiated a network and mechanism to share, interact and access information for Forest Connect participants in Nepal by developing a Forest Connect Nepal website, a web directory of SMFEs, a toolkit module to facilitate SMFEs, organising national stakeholders' meetings, workshop and dialogues; and supporting strengthening of association of SMFEs and CFUGs.

ANSAB and Forest Enterprises

- ANSAB's approach is to develop value chains with special emphasis on ecological sustainability, social justice and equity, and economic efficiency.
- Over 1,100 economic entities developed and strengthened.

- 77.5 thousand economic participants generated additional annual income of US \$6.82 million in 2009.
- 100,672 ha of forest and meadows brought under improved community management (representing 60,161 HHs).
- Eight FSC chain of custody certified enterprises.
- Recognition of Nepali products in international niche markets that care for environmental and social responsibilities.

Forest Enterprise Activities include:

- business planning;
- micro, community based and national enterprises creation;
- Business Development Services (BDS);
- market linkage and information dissemination;
- certifications; and
- promotion of networks.

Example – Module 15: building in ecological sustainability through supporting SMFEs of Nepal to attain FSC sustainability standards

Objective

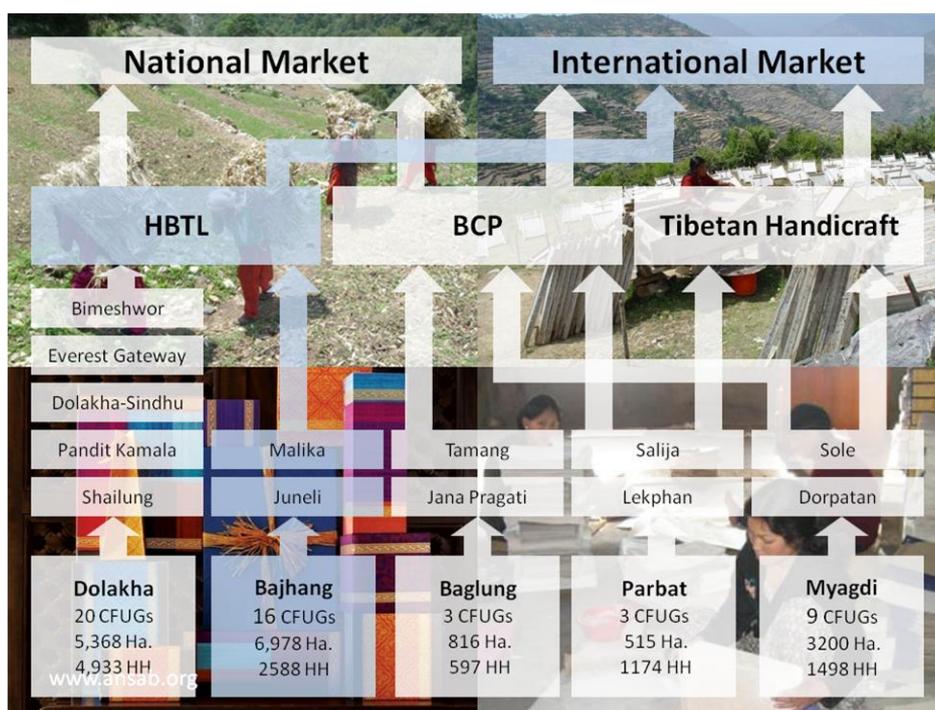
- Support SMFEs to meet international standards of sustainable forest management and get third party certification.

Activities

- Formed a private-public alliance (PPA) for the certification and sustainable marketing of Non-timber forest products (NTFPs).
- Coordinated the PPA, developed interim FSC timber and NTFP certification standards, a group certification model and awareness raising and capacity building.
- Provided technical assistance to resource manager and community groups.

Impacts

- Awarded FSC forest management group certification and CoC certification – 22 CFUGs with 14,086 hectares of forests, and more than 24 NTFPs.
- Access to new market, conservation of forest and biodiversity, and greater social benefits.
- An example of the entrance of the certified Nepali NTFP products in international market.
- 16 CFUGs in Bajhang produce FSC certified paper through the Malika handmade paper company that then sells on to Himalayan Biotrade Ltd and from there to the international buyer AVEDA.



Example – module 11: product development and upgrading for marketable bio-briquettes in Nepal

Objective

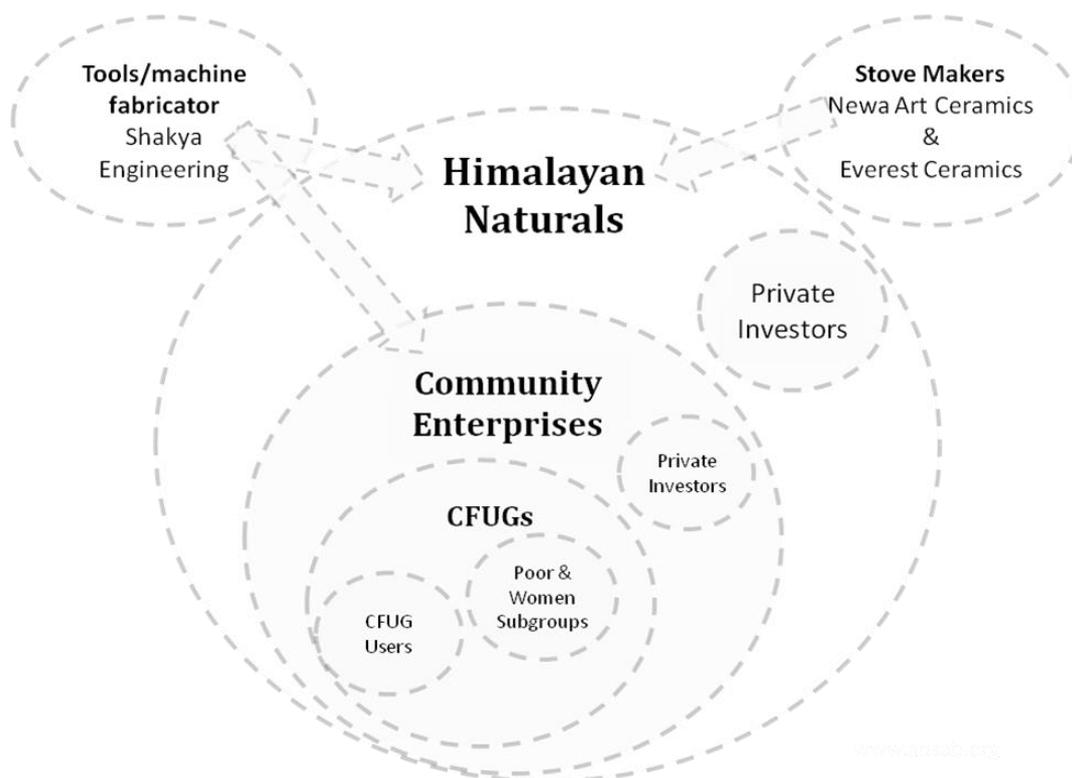
- Develop marketable product through upgrading and developing its accessories for convenient use.

Activities

- Organisation of communities for five local SFEs involving ten CFUGs.
- Design and experimentation: on quality bio-briquette production technology with community enterprises; on accessories with clay pot and iron product makers.
- Technical assistance to SFEs, and stove and tripod manufactures.
- Demonstration for quality increment and mass production.
- Marketing company and marketing campaigns.

Impacts

- Developed quality bio-briquettes, produced in quantity (500,000 briquettes in three years), all sold in Kathmandu through 51 retail outlets with attractive packaging and accessories (stoves and tripods) for convenient burning at remunerative price; demand is unmet.
- Direct employment to 94 (52 men and 42 women, income: US \$ 24,934/yr)
- For example, ten CFUGs in Dolakha and Sindhupalchowk supply wood to five community enterprises that make charcoal supplied to Himalayan naturals that then markets to Kathmandu consumers – also supplied with stoves by Newa Art Ceramics and Everest Ceramics.



Example – module 11: product development for wintergreen value chain in Nepal

Objective

- Move from dialogue to action through strengthening of value chain linkages, improving business environment and provision of business services.

Activity

- Conducted participatory value chain analysis identifying potential site, available resource, market potential, potential outreach, processing options including technology.
- Conducted enterprise feasibility study.
- Supported to establish community-based processing enterprises.
- Developed socially and environmentally lead firm for consolidation and marketing.
- Supported in certification and market diversification.



Impact

- Established 20 distillation units with annual production volume of 5000 kg oil.
- Created income and jobs at local level in harvesting and distillation.
- Price of the product increased due to certification and market linkages.
- Expanded market of Wintergreen oil.

Lessons and challenges

- Transforming primary producers into SMFEs requires: external support for organising and capacity building; and access to financial and non-financial BDS.
- CBFEs are critical to integrate producers into value chains.
- Role of responsible lead firms is critical – meeting market requirements and needs of CBFEs.
- Ecological sustainability requires: secured land tenure, capacity building, technical assistance, meaningful economic incentives.
- Development of self-sustaining value chain with balanced governance structure requires: economy of scale, large investment, and long-term commitment.
- There are no shortcuts if long-term poverty reduction and environmental conservation goals are to be achieved.

Peer panel comments on presentation

Lessons

Excellent presentation and very resourceful, as always. One is this focus on various levels of enterprise, starting from micro, community, all the way to national. This idea of clustering the linkages from local to national is good. The other lesson is the need for public private alliances. This has helped to develop NTFP products, provided there is attention to both quality and quantity. Sometimes with these small scale enterprises we are focused on quality and then when the market opens up they are not able to meet demand, one of the focuses of Nepal is that they addressed this.

Innovation

The way you give regional support is great – how you manage to share information in the region, and I have not seen similar examples, you have really that capacity to get the information out on natural products. I think it is excellent that you have these FSC certifications for small enterprises which is a lot of work. Also this niche market focus is good, which you made with the paper certification. Also the work together with the scientific community, about the properties of the product and how to use it is commendable. The partnership emphasis along the value chain, that is also very innovative. I like the way you focused on economies of scale; which we all know but we don't see the emphasis on that so much. The photos in the presentation were great – of the raw materials and the finished products.

Challenges

One challenge is that Nepal seems to have spread themselves over many different products, and the impact is difficult to measure because of the large number of products involved. It is difficult to measure their reach to so many communities. There is a mention of over 60,000 households, of which the actual benefit per household is not clear. Also they have failed to meet the demand for some

products like charcoal briquettes – there is a huge demand but they have not yet met it. These are maybe their two challenges.

| Lessons | Innovations | Challenges |
|---|--|---|
| <ul style="list-style-type: none"> • Various levels of enterprise • Public/private alliance • Focus on both quality and quantity | <ul style="list-style-type: none"> • Presentation itself • Not only national but regional • Toolkits developed and published • How the network works and shares info • Certification with small enterprises: focusing on niche markets and new products; having in mind end users • Works with scientific institutions (e.g. on charcoal briquettes) | <ul style="list-style-type: none"> • Difficult to measure impacts and benefits for people – and this is important • Challenge of meeting the demand for some new products |

11.00 Coffee

11.30 Update on progress in supporting small forest enterprises in Guatemala – Francisco Xante Lobos and Juan Ramón Girón Manzane, Utz Che

The context of SMFEs in Guatemala – the National Alliance of community forestry organizations

- The alliance includes 63 SMFEs.
- These are organised into 11 umbrella organisations.
- A total of 300 local communities are involved.
- These represent 77,000 families.
- Total forest area controlled is 750,000 hectares of forest.

Example – module 10: developing market understanding – the example of eco-tourism

- Exchange of experiences among community touristic destinations (Mayan biosphere, west highlands, Caribbean coast and coffee plantations).
- Integrated communications strategies developed.
- National platform for SMFE tour operations: “Heart of the forest” limited company.



Example – module 14: strengthening community enterprise governance and structures

- Advisory and training on democratic practices, transparency and accountability.
- Equity promotion.
- Transforming potential into SMFE: case of plantations clearings in former refugee communities: Nuevo Mexico cooperative.

Example – module 11: product development for wood products

- Building on local ideas and resources, empowering members of community.
- SMFE capacity building during prototypes development.
- Prototypes assessed on costs and quality issues. Value chain analysis, feedback and product innovation.



Example – module 12: business planning and business development services

- Business plan development for the SMFE Tikonel, in central highlands of Guatemala. The main objective was to broaden and enhance activities across the value chain.
- Experience led to the systematization of what services were needed, and development of a portfolio of business development services for other SMFEs.
- Participatory building of the portfolio, based on local capacities and demands.



Example – module 11: product development of Xate – where the main activities were:

- To strengthen the leadership of Xate's Committee.
- To consolidate the offer of Xate.
- To elaborate administrative tools.
- To improve quality control.
- To produce and institutionalize management plans.
- To improve packaging, managing and transporting.
- To increase the production (plantation and native).
- To re-introduce types of products.

Expectations for 2011

- Increase coverage of SMFE support on business planning and business development services.
- Support to network of umbrella community forestry organisations (gathered in National Alliance).
- Integration of SMFE to Forest Sector Financial Strategy.

Peer panel comments on presentation

Lesson

The main lesson was the attention to developing market understanding.

Innovations

What struck me was the systematic way of doing things – first understanding the SMFE and how it operates, by doing a value chain analysis. And then putting in the right structures to respond to the market barriers identified. To me this systematic way of doing things is an innovation.

Challenges

I understand that they have shared their experience in developing business plans but it is not sufficient I think. They need to include in this process more training in credit and financial issues. The other challenge is to quantify the benefits – maybe this would encourage another small enterprise in this business to follow the same procedures.

| Lessons | Innovations | Challenges |
|--|---|---|
| <ul style="list-style-type: none"> Attention to developing market understanding | Systematic way of working: <ul style="list-style-type: none"> Understand the market Understand the needs of smallholders Build the capacity levels of the organisation: Local-national lobbying activities | <ul style="list-style-type: none"> Need to go beyond develop business planning: need to include financial plans and more training on that Quantify the benefits |

11.55 Update on progress in supporting small forest enterprises in Burkina Faso – Sylvestre Ouderaogo and Elvis Tangem, TreeAid

General Introduction

- TREE AID: A UK forestry based development agency, with headquarters in Bristol.
- Focus: people and market based approach to biodiversity conservation
- Interventions: Focused in the drylands of Africa, currently in Burkina Faso, Mali, Ghana and Ethiopia.
- Have intervened in more than 20 countries in Africa indirectly.
- Africa office: Ouagadougou, Burkina Faso.
- Project office: Ségou, Mali.

Background of micro and SMFEs in Burkina Faso supported through Forest Connect

- Activities focused on SMFEs dealing in the production, value addition and commercialisation of Non Wood Forest Products (NWFPs)
- The major NWFPs: shea nut, butter and finished products, Dawadawa, honey and bee products, tamarind, Baobab tree resources, Moringa, cashew nuts, dried mango chips.
- SMFEs include a variety of business forms: individuals, associations, NGOs, businesses.
- They occupy different places in the value chain from producers or collectors to artisanal processors (75% Women).
- Ever increasing influence of the industrial sector and rural women traditional owners may lose.
- TREE AID signed a letter of agreement with FAO in 2008 to undertake Forest Connect activities in Burkina Faso to implement field activities using the toolkit, this is an outline of some of the major activities undertaken and impacts.

Example - Module 6: conducting and presenting small forest enterprise diagnostics: a diagnostic study on small and medium forest enterprises in Burkina Faso was undertaken

- The main objective of the study is to fill the information gaps existing on the operations and number of SMFEs operating in Burkina Faso, bring out the type of SMFEs, their products, markets and also the potentials presented and the challenges faced by the SMFEs.
- One of the first of publication to deal with the topic, it has become a 'pocket dictionary' for support structures and interested people.
- Published in English and French, widely distributed.

Example - Module 9: designing communication strategies: an analysis of information needs of SMFE in Burkina Faso was undertaken

- The general objective of this study was to use a participative approach to bring out the type of information needed by the SMFEs in Burkina Faso that will be adapted to their needs.
- The concluded that all the actors agreed on the need for market information, such information was lacking, and a need for capacity building on information use to all actors. October 2009.

Example - Module 10: developing market understanding – workshop to build market understanding amongst SMFEs

- The general objective of the workshop was to build the capacity of SMFEs on efficient marketing and understanding the markets. Specifically, understanding practical marketing issues.
- The training involved practical guidance on developing market plans. Participants were generally very satisfied and are implementing acquired skills.



Example - Module 2: identifying national facilitation hub institutions

- Setting up a steering committee to support SMFEs in Burkina. Plans were to co-opt the NTFP committee within which we will be able to make the case for Forest Connect and secure support for positive change in the enabling environment for small and medium forest enterprises (SMFEs). This activity was not very successful.

Example – Module 8: mapping and benchmarking financial and business development services

- Created a 'yellow pages' for support services available for SMFEs in Burkina Faso, including financial and business development services. The directory also contain information on the status of the services, paid or unpaid and services that have subventions.

Impact of the activities undertaken by Forest Connect using the toolkit

- Policy environment: the activities undertaken and studies and publications have provided justifications for the increasing interest in the sector from the state and diplomatic missions leading to more friendly environment and funding.
- Capacity building of SMFEs: The publications and activities have open up the markets for the sector, providing more choices to the producers and better processes within specific enterprises.
- BDS and financial services are more aware of the economic potentials of the sector and many SMFEs now know where to go for what services.
- Mainstreaming of the NWFPs sector: knowledge base created for future work.

Conclusion

- According to reports, using the toolkit is quite easy especially when it is adapted or used as guidelines, not 'rocket science'.

Recommendations:

- The need to make the toolkit more 'reader friendly' by introducing more photos and illustrations.

Way forward:

- Facilitation the dissemination of the toolkit.
- Facilitation of the follow up of the use of the toolkit in the field by local NGOs.

Peer panel comments on presentation

Lessons

There are several lessons: they have taken care to define the problem, at the local level we sometimes forget what we are supposed to achieve. The other is getting a range of different actors involved. The third is cataloguing both what SMFEs need and then the service providers who could meet those needs.

Innovations

The definition of SMFEs to include micro and family level enterprises is innovative, we tend to take that for granted. And the problem approach – reaching out to the financial sector, actually doing it – and bringing them on board.

Challenges

They've done a lot of impressive work but what I would like to see is details of exactly how you did it – how did you get financial service providers involved. You also mentioned Ghana, it is even more difficult to access credit there – please expand, so that other countries can learn.

| Lessons | Innovations | Challenges |
|---|--|---|
| <ul style="list-style-type: none"> • Focus on solving problems and not on the project • Cataloguing who is doing what • Making people aware of the need to get involved in SMFE activities | <ul style="list-style-type: none"> • Reaching out to the financial sector • Focus on understanding the problem and improving communication • Focus on micro / family-type enterprises | <ul style="list-style-type: none"> • More details on 'how' you did it please |

12.20 Update on progress in supporting small forest enterprises in China – Xinjian Luo research Institute of Forest Policy Information, and Xiaoli Zhang, Beijing Forestry University

Forest Connect China

- Implemented by Research Institute of Forestry Policy and Information, Chinese Academy of Forestry, focuses on both Bamboo products and timber forest products sector, especially on processing SMFEs.
- What we have done: 2007-2008, Forest connect China focused on a diagnostic study of SMFEs in China based on the literature review and field survey. 2009~2010, case study of SMFEs in Zhejiang province. 2010~2011, The 'health check' methodology for assessing Forest Cooperatives was tested (Module 14 of the Forest Connect toolkit) in Forest Farmer Cooperatives, in Longquan of Zhejiang, China.

Types of small forest enterprise we support

- Bamboo roots FFC: Xiao Zhuang Bamboo Cooperative established in 2007, its predecessor is Xiao Zhuang food factory. The cooperative have five initial funding members with a total registered capital of 70 thousand Yuan, while by 2009, 132 members joined in the organization with five financial investors, which increased registered capital to 1million Yuan, including 30 per cent appraised value of land contractual right. Bamboo shoots dry is main product accounting for about 80 per cent, the rest is small bayberry dry.
- Black Tea FFC: Longquan Jinfa Tea Cooperative was founded in August 2007, whose centre is located in QuYuen village, TaShi town. In 2005, in order to foster the tea industry, village representatives and officials were encouraged to visit and learn from other areas. With government support, and plenty of barren hills and waste land, the initiator started planning for the establishment of tea cooperatives. Five members financed about one million Yuan as initial capital investors, most part of funds were used for site preparation, tree and fertilizer purchases. After a year of cooperative building, with security supply of raw materials, Wulongshan Tea Limited Company was set up in 2008, operating by 'company + cooperative + farmer' framework. Due to wide varieties of tea, advanced technologies and natural growing advantages, many kinds of products were widely welcomed by the market, and annual sales reached ten million Yuan, maintaining an annual growth rate of 100 per cent.



Example - Module 14. Strengthening community enterprise governance and structures

Objectives

- In order to help the cooperative to be a healthy organisation, managers and members were invited to analyze their situation, including the past and the future.

Activities

- Group discussion was held in two cooperatives. For the past, participants were encouraged to talk about the strengths and weaknesses of the cooperative. Lots of members think that providing employment opportunities is an obvious advantage of cooperative, increasing income and earning reputation for local village are also important benefit, while there are many disadvantages the Forest Cooperative is facing, such as lacking capital for enlarging scale, shortages of equipment and management technology, difficulties in attracting talent, and so on. For the future, more government support was demanded above all, because the opportunities afforded by the cooperative are hardly receiving any government response.

Impact

- From the responses of the members, this process was useful for identifying their development problems. Through this, they are much clearer about the advantages and disadvantages, but to many of them, opportunities of cooperatives are hard to understand and they found it difficult to express their views.

Example 2 - Module 14. Strengthening community enterprise governance and structures

Objective 2

- Review any gaps in capacity, and identify what the priorities are for developing capacity.

Activities

- Facilitators made sure the flip chart paper is arranged as in the diagram and explain how the cycle works (planning leads to production which leads to processing which leads to marketing and sales – which should then lead to better planning etc). To Xiaozhuang cooperative members products quality, processing equipment and market information were all considered to be priority capacity, for them, this part (step 4) is hard to understand; in Jinfa tea cooperative, increasing market research was considered to be priority development, developing new products and increasing technical exchanges were also important.

Impact

- To the manager and the members of the cooperative, the cycle (planning – production – processing – marketing- management) is rarely thought about. Through discussion, this cycle was thought to be very inspired for the management of the Forest Cooperative, because some of the functions are not clearly demarcated in these two cooperatives. Though necessary interpretation was made, the cycle is still hard to understand for the participants.

Lessons

- Forest Cooperatives have their season, so try to find their available season to have the workshop with them.
- In China, try to visit Forest Cooperatives before lunar new year one month and after lunar new year one month, because at that time, farms are busy with preparing for or enjoying their Spring festival.
- Usually, farms in a Forest Cooperative that is operating well are busy, so better to give out allowance to the farmers when you have a work shop with them.
- Creating relaxed atmosphere and environment to reduce tension and worries is critical (for example preparing some refreshments).

Challenges

- Low educated background (among the members of two Forest Cooperatives, 75-82 per cent of the farmers fall below high school graduated) of members in Forest Cooperative is a barrier for them to understand management terms.
- The relationship between different management functions such as planning, production, processing, marketing is hard to clearly explained to the farmers.

- Our workshop did arouse the interest of the head of the Forest Cooperatives to enhance their management ability, including understanding marketing and production, but what should we do as the next step and where can they get such assistance in the future remains unknown.

Peer panel comments on presentation

Lessons

Methodology developed for forest cooperatives in Ethiopia. In this case they have tried it out in an interesting way. Another lesson is regarding the use of bamboo. In Ethiopia we have a quite a lot of this, in China they have cooperatives established to make use of this that we might want to learn from.

Innovation

I thought that government supported cooperatives was an innovative idea, you don't often hear that governments support such cooperatives. In doing the analysis, using a local manager as well as members of the cooperatives was a good idea. Identifying gaps for capacity building and also the cycle of product planning seemed to be innovative.

Challenges

You made the clear point that the context in China is different from elsewhere – I would want to see more about what the differences are - more of a background when you are sharing the story. The second comment is that you did an excellent job in pointing out where the capacity gap is in terms of the low level of education of the villagers. What is envisaged in terms of making the methods and business capacity building more understandable? The level of education is not going to change overnight. How do you remove the academic language to make it accessible? That would be a clear challenge.

| Lessons | Innovations | Challenges |
|---|--|---|
| <ul style="list-style-type: none"> • Methodology to assess health of forest cooperatives could be used more widely • Use of bamboo products could be shared between nations | <ul style="list-style-type: none"> • Government support to cooperatives • In the analysis of the situation use local managers and members of cooperative to check reality • Analysis of capacity building needs | <ul style="list-style-type: none"> • More information on the national context • How can you make the tools developed accessible to communities? |

12.45 Update on progress in supporting small forest enterprises in Guyana – Patricia Fredericks and Vanda Radzik, NRDDB

People are the centre of sustainable development

- Traditional systems of Indigenous Peoples and their interconnectedness with nature are at the heart of best practice in natural resource management.

The people of the North Rupununi in Guyana

- The NRDDB represents 18 communities - 7000 people (see structure below).
- Of these 90 per cent are Amerindian (Indigenous).
- Subsistence way of life continues for majority but currently in transition to monetized society.
- Lands and community forests are legally owned by Indigenous Peoples with legal land titles.

Small Forest Enterprises include:

- fisheries
- ecotourism
- community forestry
- Sustainable Forest Management (SFM)
- wood processing
- artisan arts and crafts
- traditional knowledge
- MRU research services
- medicines from trees (crabwood oil products)



Bina Hill Institute - Youth Learning Centre is empowering youth in sustainable human development



- It is home sown and home grown.
- It is the only national Amerindian training institution.
- Natural Resource Management is its key focus.

The aims and activities of the Bina Hill Institute

Aim

- Human resource sustainability and economic empowerment via practical training and knowledge building for Indigenous People's youth in natural resource management and related microenterprises.

Activities

- Ecotourism and business studies.
- Sustainable forest management – training in reduced impact logging, forest ecology, wood working etc.
- Traditional skills applied to business products.
- Preparing for payments for environmental services related to REDD+ and Guyana's Low Carbon Development Strategy including business and benefits from community forests and wetlands.

Impacts

- Youth are the vision carriers of sustainable development – in tandem with leaders of village councils.
- One has been newly appointed to UN Commission on Indigenous Peoples; others have been employed as park rangers, tour guides, and administrators.



Example – Module 16: policy research for change – relating to Arapaima Management

- Through collective effort in environmental planning and management – NRDDDB has successfully lobbied and demonstrated to national policy makers the wisdom of amending the Fisheries Act to allow for sustainable harvesting of Arapaima in order to improve livelihood base of communities (Arapaima was a “protected” species under CITES II).
- This was achieved through addressing the rampant illegal trade in Arapaima by imposing a three to four year moratorium internally, community education and outreach, four successive annual surveys of “counting Arapaima” using traditional method and scientific analysis; River Management Plan with State authorities and IIC, and presently a comprehensive Strategic Community Fisheries Plan.
- Arapaima surveys showed that the fish population has tripled since 2001.
- The surveys were based on local knowledge and methodology.
- Fishers’ ability to identify individual animals were used.
- Methodology was developed and transferred from Brazil.

Example – Module 11: product development of a community ecotourism model

Aim

- To create jobs and incomes by showcasing the beauty and biodiversity and the traditional cultural values of the Makushi IP.

Activities

- A living example of “Learning by Doing”.
- Surama tested the waters by developing ecotourism facilities and sampled success / direct benefits.
- An NRDDDB revolving tourism microfund was set up for community business start ups.
- Training, exposure and product development was supported by donors.
- The tourism product involved marketing internationally in partnership with the Government of Guyana and the private sector.



Impacts

- Surama was recognised as a success story / model with over 90 per cent of villagers earning income from tourism. Rotating system was used to share work and distribute benefits. Low volume-high value market approach was adopted.
- The NRDDDB helped establish an operations network of interlinked private and community tourism lodges, sites, tours and products – with shared services and benefits.
- Jobs provided; village assets base increased; culture and heritage revalued, preserved and transferred, biodiversity assets protected since the combined “nature and heritage” brand is the appeal to tourists.
- Conservation values / “green economy/low carbon” affirmed as viable.

Concept of Partnership – the three-legged stool

- For these businesses to work you need support from all three of community, government and NGO / private sector actors.

Lessons and challenges

- Good governance / good processes are essential for successful small businesses and related co-management of conserved areas.
- Improving quality of life and well-being of the people must remain at the heart of the process, and they need to see tangible returns in a timely manner.
- Our Indigenous People communities are in transition and the concepts and cash related transactions are still somewhat unknown and not always trusted.
- Business ventures often fail because what is lacking is experience and the skill to manage money and generate savings. And frustration easily sets in.
- Lack of capital investment from financial institutions is what the people face because they and their “small” business are not considered credit-worthy.
- Indigenous People in Guyana own land and assets collectively and therefore cannot access loans and so forth, because there is no provision in the financial service providers for Indigenous Peoples way of working despite them being the poorest of the poor (90 per cent of IP in Rupununi live below poverty line (HIES 2002 survey)).
- Innovative solutions are required and have no guarantees of success.

Peer panel comments on presentation

Lessons

We have really learned hundreds and thousands of lessons. One is the focus on doing business development hand in hand with natural resource management. If we manage both we can go for sustainable development. The other thing is the right to define development locally. The third is the type of business enterprises supported, which includes a wide range of businesses, from sport fishing, to ecotourism, which contributes to cultural and heritage conservation – they are all interlinked. Partnership is the forth lesson - where communities and government and NGOs and private sector are working together and all are needed.

Innovation

The presentation was very enlightening. You tried to bring in different types of stakeholders, I think that is innovative. Secondly, working with the indigenous people, building on the asset of land they have – building on their skills and knowledge and identifying the ways in which business could contribute to culture. I also like the links to a low carbon development vision, important with climate change. Community inclusion seems to be working very well.

Challenges

This might come in the future but I think value chain analysis; how to better explore problems intrinsic to those products would be good to do. Then tailoring information for different audiences, in particular for IPs and indigenous communities, including how to use the enterprise revenues. And the development of safeguards in order to get microcredit and investments will be a challenge.

| Lessons | Innovations | Challenges |
|---|--|--|
| <ul style="list-style-type: none">• Focus on human component of businesses• Integration of rights and development• Different types of business activities that can be supported• Good partnerships (3 pillars) | <ul style="list-style-type: none">• Good operational structure• Building on skills and values of IPs• Vision of carbon markets as revenue• Ecotourism model | <ul style="list-style-type: none">• Value chain analysis needs doing• Development of safeguards to attract microcredit and other funds• More info for IPs and communities on investments |

13.10 Lunch

14.10 Update on progress in supporting small forest enterprises in Ghana – Samuel Nketiah and Paul Osei Tutu, Tropenbos

Background

- Commenced in 2008.
- Tropenbos International Ghana was selected as the Forest Connect hub institution.
- Tropenbos International Ghana is a forestry NGO with the aim of making knowledge work for forests and people.
- Initial activities
 - Diagnostic study of SMFEs in Ghana (2008-2009)
 - National workshop on SMFEs in Ghana (March 2009)
 - Establishment of Project Steering Committee (2009)
 - Action plan and 2-phased project proposal (2009-10)
 - Execution of first phase with IIED funding (on-going)

14 SMFEs in focus

| Wood based | NTFP based | Service based |
|--------------------------------|--|----------------------------|
| Wood fuel production and trade | Bush meat production and trade | Community-based ecotourism |
| Wood carving and trade | Medicinal product production and trade | Plantation development |
| Carpentry and wood processing | Honey production and trade | |
| | Shea butter production and trade | |
| | Herbs and spices [e.g. black pepper] | |
| | Palm wine tapping and local gin distillation | |
| | Cola trade | |
| | Chewstick | |
| | Essential oils, gums and dyes | |

Example – Module 6: conducting and presenting an SMFE diagnostic study

Objective

- To gather and present background information on SMFEs in Ghana.

Activities

- Desk study.
- Semi structured discussions with SMFE practitioners and relevant institutions.
- Papers by three subject experts.
- Draft report.
- Discussion at national workshop and subjected to internal and external review.
- Final report published by IIED.

Impacts

- Informative report on diagnostic study published.
- Increased awareness of and focus on the potential of the SMFE sub-sector.



Example – Module 16: Making policy research for change through a project steering committee

Objective

- To establish, work with and push findings through a project steering committee.

Activities

- Nominations at national workshop.
- Meeting to select from nominated institutions.
- Meeting of representatives to discuss mandate, working modalities and action plan.
- Further meetings to develop proposal and steer its execution.

Impacts

- 12 member multi-stakeholder Steering Committee in place. Committee has:
 - steered development of two-phased proposal and is steering execution of first phase;
 - shared information and information materials; and
 - felt-needs flagged for attention (student/expert studies).

Example – Module 5: planning and sequencing facilitation intervention

Objective

- To develop and pursue a plan of activities for pursuing the project objective.

Activities

- Plan developed in collaboration with Steering Committee to develop order of intervention:
 - selection of SMFEs to focus on;
 - draft sourcebook to throw more light on 14 key SMFEs;
 - strengthen SMFE associations and facilitate creation of national federation of SMFE associations; and
 - interventions targeted at individual SMFEs.

Impacts

- Initially difficult deciding on where to start intervention but eventually planned to start from the general, narrowing down to key SMFEs and ultimately to individual SMFEs proving worthwhile.

Lessons

- With the right facilitation, SMFEs can be linked to policy processes.
- SMFEs neglected because of the work involved in their mobilization and organisation.
- Need to build on existing/on-going initiatives.
- Multi-stakeholder Steering Committee has enriched the process (PPP).
- Access to existing databases is difficult.
- Felt needs can be brought onto the table.
- Research needs are often there at the start.
- Customised E-marketing might be a future option?

Challenges

- Calls for more dedicated resources (time and funds) for both project team and Steering Committee c.f. annual project cycle with no assurance of continuity.
- Dealing with suspicion of some SMFE practitioners manifested in reluctance to give information – interview fatigue or fear of being arrested or taxed.
- Supposed ‘unwieldy’ nature of the SMFE-sub-sector.
- Fast-dwindling raw material base.

Impacts

- Policy recommendations to policy review committee.
- Representatives of SMFE actors have already been invited to make inputs to policy and legislative processes currently on-going in Ghana.
- Increased awareness among actors of the need to come together and to agitate for voice.

Peer panel comments on presentation

Lessons

I thought the process you designed and followed was very methodical. Your initial step was to open broad discussions, to feed a base of careful analysis and include significant dialogue between experts and communities. You then put in place project guidance and you saw the need for strengthening the enterprise. All very crucial ingredients, including all the necessary conditions to effectively link enterprises with the policy process. And partly at least to overcome this perception of small and medium enterprises and unwieldy and difficult to work with. The process was relatively complete and well thought out and planned.

Innovations

For the market, I see the innovation of new products coming into the market. And in terms of facilitation I like the idea of encouraging enterprises into national associations.

Challenges

Three challenges, first: a common issue is how to get SMFEs to seek funds and to elaborate a strategy to attract funds. Secondly, it will be important to establish a communication strategy for both the small and the medium forest enterprise and to clarify what you are using that information for. Thirdly, it is also very important to have a business plan for each product and enterprise to really understand what the market needs or the market's needs are.

| Lessons | Innovations | Challenges |
|--|---|---|
| <ul style="list-style-type: none">• Broad representation in project guidance• Creation of national associations to strengthen SMFEs• Process carefully planned | <ul style="list-style-type: none">• New products• Federation of small enterprises to create a national association | <ul style="list-style-type: none">• Fundraising strategy developed with enterprises• Communication strategy for small and medium enterprises• More attention to business planning |

14.35 Update on progress in supporting small forest enterprises in Mozambique – Issufo Tankar, Centro Terra Viva

Centro Terra Viva Background

- Centro Terra Viva (CTV) is a Mozambican Non-Governmental Organization.
- CTV objectives are:
 - to promote a good environmental participatory governance;
 - to influence the participation of civil society and rural communities in environmental protection and sustainable use of natural resources; and
 - to promote the appreciation, conservation and equitable sharing of benefits from sustainable use of natural resources.
- CTV started working on Forest Connect in 2007, conducting a survey of small and medium forest enterprises in Mozambique. This study made a diagnostic of SMFEs in issues related to: legislations; markets; enterprise organisation; opportunities and threats.

Types of small forest enterprises with whom we work

- Community Associations: people from the same community organised and working on the same objective; Bambu association (Barué); community development associations (including coconut group).
- Natural Resources Management Committees: elected community group to represent the community people on natural resources management.

Example – Module 11: product development using bamboo

Objective

- Promote more efficient uses of bamboo, as a stand for income generation and environmental preservation.

Activity

- Constitution and legalization of associations.
- Training on the integral use of bamboo (plantation, handling, processing and commercialization).
- Negotiation with the government small enterprise authority IPEME to establish a demonstration center on bamboo.



Impact

- More diversity of products on the market (for example, vases, tables).
- Increased family income.

Example – Module 14: strengthening enterprise governance and structures to do with coconut products

Objective

- Promote integral use of Coconut in order to lead to poverty alleviation

Activity

- Facilitate the creation and legalization of five community associations.
- Conduct training seminars on the sustainable use of natural resources.
- Conduct a training workshop on coconut integral use.
- Organise exchange experience visits with other forestry associations.
- Facilitate the participation of the associations in trade fairs and exhibitions to show and sell their products.
- Use green line to support associations.

Impact

- Improvement of living conditions (increase income from the sale of some products).
- Increased utilization of coconut (not just the leaf and coconut fruit).

Lessons Learned

- Any intervention in forestry must bring benefits for the local communities in other case they will not collaborate.
- The creation and development of small and medium enterprises is a long process and requires dedication, long and multidisciplinary assistance.

Challenges

- Increase the quality of the product lines and the production of SMFEs in a way to enhance their competitiveness and generate more profit.
- Link the Forest Connect project with other initiatives like REDD, in a way to make the whole support process more sustainable.
- Consolidate the work that has already started and increase the experience to other regions of the country.

Peer panel comments on presentation

Lessons

For me various things jumped out – one was the way in which you said supporting SMFEs matched the agenda of your organisation. I was thinking about the broadest possible agenda of pro-poor sustainable forestry – how do you bring that about? Again and again we have heard you have to make sustainable forest management worth something, put money in people's hands. In a way, if you are a forester and you are not interested in helping SMFEs, what are you doing? Secondly, it matters

what form you do it with in terms of a cooperative. We have to pick our business model to match your country context. Third, I like the way you showed how when people diversified their product, they could distinguish it in the market and profit more. Constantly reinventing and getting a structure in place to build that newness is critical. You mentioned the use of trade fairs – taking people from one place to another to see what works. And finally the impossibility of finding the amount of support that is necessary to do these long difficult talks spread over thousands of communities in large geographical areas. This is why REDD is so important – if we are going to achieve pro-poor sustainable forestry, we MUST get this message home, the REDD money has to get to these small enterprises, into these programmes.

Innovations

I think establishing community groups to represent where they want to go is good way – vital to know what the community is thinking. If the community did not participate in designing the programme it would not be sustainable.

Challenges

I have a little problem with your challenges. You want to increase the quality to be competitive. This is good. You want to increase the quantity of product. This too is good. But what is your thinking about how to make this sustainable? In ten, fifteen years it may crash. We have to link sustainability with profit. If you are organised and exploit, but haven't a policy about sustainability, what will you obtain in five, ten years. Secondly, it is a good challenge to make a link with international initiatives. You have to have a link also with national policy. If you go direct to the international level, this perhaps too far too fast. Finally, you want to consolidate what already works, which is good, but what kind of tools do you have to do it?

| Lessons | Innovations | Challenges |
|--|---|--|
| <ul style="list-style-type: none"> • If you are a forester you need to support SMFEs • Pick up the business model compatible with country context • Exchange visits – learning component • Linking SMFEs to other initiatives such as REDD | <ul style="list-style-type: none"> • Establishing a committee to represent the opinions of communities about what development they are after | <ul style="list-style-type: none"> • Sustainability versus quantity – plan producing in the future • Link with national policy • What tools you have to consolidate you network and activities? |

15.00 Update on progress in supporting small forest enterprises in Malawi – Bright Sibale, CDM and Alick Mitawa, Forestry Department

Institutional background

- Forest Connect is organised under the Forest Governance Learning Group (FGLG).
- The Deputy Director of the Department of Forestry is a member and also convenes the FGLG Malawi.
- The Centre for Development Management (CDM) coordinates and manages the FGLG Network in Malawi and develops research and inputs for the group.
- Forest Connect has its own steering committee within members of the FGLG.
- Our cases studies have been implemented by the Forestry Department (through EC support) and CDM (with technical support from FAO).
- The Forest Department implemented the Improved Forest Management for Sustainable Livelihood (IFMSLP), funded by the EC. The emphasis of the program was on improvement of forest resources and also on improvement of livelihoods of people participating – which involved a strong enterprise dimension.

Types of small forest enterprises

- honey production
- basket chair making
- curio making
- bamboo selling
- mushroom production
- hoe handle making

Example – Module 11: product development – honey products

Objectives

- Improve livelihoods of the targeted communities through sales of honey and other related products.
- Reduce over dependency on wood products such as firewood, timber and charcoal.
- Improve community participation in forest management.

Activities

- Communities were trained on bee-keeping and value adding through processing and packaging of honey.

Impact

- There was very little improvement on economic status of people involved due to limited production of honey. However, forest management and conservation slightly improved.

Example – Module 11: product development for craft (curio) making

Objective

- Improve livelihoods of participating communities through curio sales.
- Improve forest management through co-management.

Activity

- Provision of required technical skills through trainings on curio making and value adding.

Impact

- Improved economic status of the participating communities.
- Forest resource base improved through continuous replacement of favoured species for curio making.

Example – Module 11: product development of basket and chair making

Objectives

- Improve livelihood of forest dependent communities.
- Reduce pressure on forests from illegal charcoal producers who were now interested in the enterprise.
- Improve forest management in a co-managed system.

Activity

- Production of Forest Management Plan to ensure the sustainable use of bamboo resource.
- Formal trainings in basket chair making and value adding. Actual basket chair making by the group.

Impact

- Very huge impact because people got a lot of demand from good customer base in various towns.

Lessons

- For forest based enterprises to make impact, we need to ensure that we put in place beneficiary targeting mechanisms that match the resources available within the scope of the project. The project needs to have appropriate capacity and resource framework to support a defined number of beneficiaries.
- Sustainable and market-based FBEs require good organization, market linkages, leadership and tactic amongst forest dependent communities. Often this is limited and should be planned for in any community-based FBE project.
- FBEs create impacts when the value chain is properly studied, and mechanisms put in place and implemented to take advantage of market opportunities with the value chain. Conducting market studies is a key ingredient of success.

Challenges

- Capacity - communities and extension workers have limited market and marketing skills.
- Limited markets for FBE products within Malawi.
- Limited (short-term) resources for capacity building and monitoring.

- Limited raw materials.
- Limited political commitment; for example, very few co-management agreements signed with communities to give them secure access to forest resources.

Peer panel comments on presentation

Lessons

There seemed plenty of lessons to pick up: the first was that the FGLG is government led – that seems an important lesson. There are a number of clear forest enterprises that have been identified for promotion, with the lesson that you are being direct and focused in what you're trying to do. In the honey case, that supply and quantity is a problem when you're trying to develop markets is a good lesson to remember. In the curio enterprise, I think there is an interesting lesson there that it is leading to planting important species. The most important lesson is that if FAO are involved everything works!

Innovations

I think the main innovations were more as an emphasis on the close link with the government. It is essential – NGOs were for a long time have been escaping from the government. But they are the ones that hold the purse strings. No matter how well you do it, if the political environment is not enabling it will not flourish long term. Not only to work with the government but educate the government is the key. Government needs to see the scientific proof that it works.

Challenges

One is deeper involvement of key stakeholders for sustainability. You find that there is a challenge, a gap there. Then the other is the limited capacity of communities to make the business arrangements in areas where markets are weak. The third challenge is that the government led approach is appreciated but if the government is the convener too it may dominate the process.

| Lessons | Innovations | Challenges |
|---|--|--|
| <ul style="list-style-type: none"> • FGLG is government led • A number of forest enterprises identified for promotion • Crafts – leading to planting specific species • Sustainable bamboo use = management plans • If FAO is involved everything works! | <ul style="list-style-type: none"> • Close links with government • Mushroom production • Multiple approaches and partners | <ul style="list-style-type: none"> • Sustainability of the enterprises at community level • More capacity building for business oriented issues • More independent-objective advocacy |

15.25 Tea

16.00 The role of the G3 in supporting small forest enterprises – Peter DeMarsh (International Family Forestry Alliance)

Origins of the G3

- The G3 is a collaboration of three international organisations representing community, indigenous and family forestry. 'G3' is an abbreviation for 'The Three Rights Holders Groups', the groups representing and composed of families and communities with rights to use, manage, and protect forests. Its initial use was as a slightly mischievous allusion to the G8, G20, G77, and so on, based on the argument that "collectively, we represent over one billion people, so why shouldn't we be a 'G'?" I must confess a bit of surprise (and pleasure) that the term has come into wider use.
- The process of the coming together of the three international associations began in June, 2009 at the first of a series of workshops organised by The Forests Dialogue on the theme, 'Investing in Locally Controlled Forestry' (ILCF). Two of the organisations, The Global Alliance for Community Forestry (GACF) and the International Family Forestry Alliance (IFFA) already had an MOU in place outlining areas of mutual interest and cooperation but neither had a

formal connection with the International Alliance for Indigenous and Tribal Peoples of Tropical Forests (IAITPTF). Through the discussions in that initial meeting, it became clear that the three organisations shared a broad agenda, starting with the fundamental importance of strengthening tenure rights, and including the need to improve a range of basic support policies and services in such areas as market access, and extension, education and training programmes.

- Broadly similar perspectives also emerged around other specific issues identified in the ILCF process, as ways to improve access and reduce obstacles to investment were identified. More precise understanding of the fundamental importance of capacity building at the community level as a necessary condition for successful investments was a significant shared learning. Stronger community institutions and improved management skills and skills for negotiating with outside agencies, banks, investors, and international organisations are obvious areas of need for communities everywhere. Less obvious is the value of a broadly supported community development plan in making it easier for a community to assess how a proposed investment fits with the vision and priorities the community has established for itself.
- Since the first Dialogue in June 2009, the G3 has worked together at five more ILCF sessions and has collaborated at the World Forest Congress, and at several sessions of the UN Forum on Forests and other international events. Its development has received strong moral, logistical and financial support from the Growing Forest Partnership and its members, the FAO, the International Institute for Environment and Development (IIED), the International Union for the Conservation of Nature and the World Bank. For more details on the origins of the G3, see the January 2011 IIED papers by Duncan MacQueen ('Investing in Locally Controlled Forestry') and Grazia Piras ('Making local voices heard: the Three Rights Holders Group').

What the G3 is attempting to do

1. Promotion of our common agenda, raising awareness of governments and international agencies. A key tool is identification of examples of best practice (of which there are many), to overcome two widely-held prejudices:

- Communities can't succeed in enterprise development because social goals conflict with sound business practices ("Look how long it takes them to make a decision").
 - There are, in fact, many examples demonstrating the synergy between business effectiveness and social commitments (improved access to natural resources, marketing advantages of products with a clear, strong positive image, full access to local knowledge of the forest, the ability to protect the forest better than anyone else).
- Community involvement in forest management conflicts with the gravely urgent need to conserve forests; these are distinct and conflicting agendas, the more of one, the less of the other; at worst, giving communities responsibility for forests will directly undermine the critical need in the context of the climate crisis to protect as many forests as possible.
 - There are many examples where recognition of strong tenure rights of communities improves both local livelihoods, and conservation and protection of forests. These positive examples need to be made visible and promoted as widely as possible.

2. Help develop models for some specific tools

- Identify/develop methods for assessing the impact of proposed investment projects on communities to assist communities in the evaluation of these projects.
- Methods to demonstrate 'community investment readiness' (in particular, in the area of capacity development) to help outside investors better assess risks.
- Reduce the cost of forest management plans.

3. Support the concept and help in planning an ILCF investment Fund

- The hope would be for a significant degree of G3 control, to test new approaches to organisational infrastructure and support services such as marketing networks, project planning, and assessing potential investment partners and proposed technologies. Many good examples already exist of these types of activities. As a starting point in the work of a fund, it will be important to develop a methodology for quick, low-cost reviews of existing experience and best practice for each type of new infrastructure and support service considered for

support. It's clear that an eventual Fund should work in close collaboration with Forest Connect.

4. Promotion of associations, at all levels: local, national, regional and international. Associations are put in place by communities and families to carry out one or several possible functions:

- Direct services such as marketing, or extension, education and training. Product aggregation may be an important part of the marketing functions of an association. Services may often be carried out in partnership with other agencies.
- Policy development, lobbying governments (based on belief in the effectiveness of presenting a common position with one voice). Areas of work may include tenure, improved services, and tax policy.
- Support for the development of enterprises through an improved environment for ILCF- related businesses; in addition to both previous points, this will focus on specific regulatory issues, export taxes, improved roads and other physical infrastructure, and specific market access.
- Among the many issues that require consideration in planning and development of Associations:
 - What methods and forms of applying principles of democratic functioning and accountability are universal and which require adaptation to each local context.
 - How to match the desired function for the association with the geographic level at which it can be carried out most effectively.
 - How to turn social obligations and commitments from liabilities to assets.
 - How to develop the most effective relationship between general purpose associations for community, family and indigenous forestry, specialized associations representing small and medium sized forest enterprise, and the individual enterprises and their communities. What is the best balance between unity for strength and specialization for effectiveness?
 - How to help technical experts and communities collaborate effectively.

5. Sharing experience, ideas, and analysis

Aside from the obvious opportunities and the work being done to improve websites and other tools for information sharing, G3 will hopefully provide a forum for consideration and debate of the factors accounting for the success and failure of various approaches to enterprise development. A broad range of types of experience is involved with many variations:

- Enterprise base: purely individual, purely community with many intermediate possibilities.
- Source of investment: purely local, purely external, with many degrees of combination.
- Management structure: integrated with or separate from other community structures.
- Which combinations produce the best results in terms of financial viability and community development, and under what circumstances?
- In particular, how can a community-based enterprise use its community identity to strengthen and support its efforts to establish and maintain the business fundamentals of sound finances, reliable production, effective marketing, and credible governance?
- Governance and benefit-sharing is an area of particular challenge.

In general, it is hoped the G3 will contribute to the development of small forest enterprise in three ways: by 'expanding the discussion' through sharing of experience, by 'expanding the opportunities' through support for the development of new tools, and by 'expanding our leverage' in the shared task of improving relevant policies. In all these areas, G3 should work closely with Forest Connect.

16.25 Update on progress in supporting small forest enterprises in Liberia – Andrew Topka, SAMFU Foundation

Background

- Save My Future (SAMFU) Foundation was selected as National Partner for Forest Connect in Liberia after a stakeholder analysis conducted by FAO in Liberia in 2009. Project Activities for FC Liberia started in January 2010 and are on-going.
- SAMFU is a Local NGO organized and accredited in Liberia since 1987 with the mission to promote partnerships with environmental organizations, the Liberian government and communities to ensure a sustainable management of Liberia's natural resources.
- We educate local people how to use forests of Liberia for the economic and social well-being of the whole community. Our charity also monitors the activities of multinational companies in

Liberia to ensure that they meet government standards for the care and employment of their workers. Sustainability is at the heart of all our projects.

- SAMFU is committed to sustain peace in Liberia. We train staff and target communities to ensure effective participation in promoting peaceful co-existence in Liberia through conflict prevention and transformation.
- SAMFU empowers staff and coastal communities to ensure effective participation in promoting the long term survival of endangered marine species and sustained recovery of depleted stock.

Type of SMFEs

- Forest Connect Liberia is currently at the research stage conducting studies and surveys to gather information that will inform the decisions about future work with SMFEs in timber and NTFPs sectors. For example,

Forest Connect Liberia is currently conducting diagnostic study of SMFEs focusing on both timber and non timbers forest products. The study result will assist FC Liberia to focus on specific SMFEs and products recommended by the study.

Example – Module 9: developing a communication strategy involving a Forest Connect Liberia website

Objective

- To set up a clear information dissemination platform where information about the forest and SFMEs sectors are available for stakeholders to use.

Impact

- Forest Connect Liberia website has been developed and hosted and is currently being used by stakeholders to gather information about SMFEs in Liberia. The website also links users to the Forest Connect networking website and other international Forest Connect country websites for information.

Example – Module 6: conducting and presenting an SMFE diagnostic study in 5 counties representing 5 regions in Liberia

Objective:

- to get a clearer understanding of existing SMFEs in order to identify mechanisms for harnessing the potential of SMFEs to effectively contribute to poverty reduction and sustainable forest management.

Impact

- The diagnostic study is on-going and is expected to provide a full package of information on SMFEs in Liberia. A second draft report has been submitted by the consultant for comments.

Example – Module 16: policy research for change – through a complete SMFEs policy analysis in Liberia

Objective

- To conduct policy review and develop mechanisms for eliciting the key policy concerns of SMFEs and increasing their voice in forest decision making.

Impact

- The policy analysis is also on-going and is expected to identify and analyse existing policies related to SMFEs in the timber and NTFPs sectors in Liberia, identify gaps and make recommendations for intervention.

Outstanding Activities

- Consultant has been hired to conduct survey of service providers of SMFEs and the survey is on-going.
- Setting up Forest Connect Steering Committee – discussions are underway to either set up the committee or integrate it into the National Forest forum.
- Host information sharing workshop to present results of the three studies/surveys to stakeholders.

- Develop information sharing strategy during the information sharing workshop.
- Identify support for priorities recommended by the diagnostic study for empowering SMFEs after the current project.
- Conduct one training to be defined by the diagnostic study for supporting SMFEs in Liberia.

Lessons

- Every SMFE engaged by SAMFU/FC Liberia apart from the consultant informed us that they depend on their enterprises for the survival of their families. They are fully aware of the problems they are faced with and can suggest solutions. Because they are faced with numerous problems, their expectations are high which had to be properly managed in gathering information and engaging them especially when the future of the program is yet undefined.

Challenges

- SAMFU as an institution does not have the capacity to conduct all of the survey/studies listed above and had to hire consultants to do these. As developing SMFEs is an emerging area in Liberia, identifying consultants has been a major challenge. Trained consultants found to conduct the studies/survey are engaged in others activities (overloaded) which affected the timely delivery of project activities.

Peer panel comments on presentation

Lessons

The need to have diagnostics that feed into a review of national policy is a first lesson. To have a picture of what is going on and to influence policy making processes. This last slide really summarises that many activities are the main source of income for multiple communities, and they expect a lot from support agencies, and how to balance expectations is difficult.

Innovations

Liberia, first of all we wish you well on your new government. I thought that the way you articulated the integration of what is coming out of your studies into policy is very good. You are actually weighing up two options. Whether to separate or whether to integrate into the national forum. Maybe both? Both have their own merit, if that is an opportunity. The participation of the producers, the government and the intermediate committees that you have, seems to be working well. It is becoming a success story, maybe you could build on it, could be further defined for the modules as a process success story.

Challenges

I was trying to compare the status quo in Liberia versus other Forest Connect countries. I feel you are closer to where we are with diagnostic studies. How have you planned to use the studies that you are conducting at the moment, to integrate them into policy making? What tactics are you going to use to ensure that these studies create the forum where also government is playing a part. Being a new Forest Connect, you need to address that and see if you can learn from some of us and other processes. I didn't see enough about the forum, you talked about the national forest forum, I did not see who is playing what role in that forum and what is the stake of government? Possibly this is because Forest Connect is new and you have not discussed with members.

| Lessons | Innovations | Challenges |
|--|---|---|
| <ul style="list-style-type: none"> • Need for diagnostics to feed into policy • Activities are main source of income and this creates huge demand on support organisations | <ul style="list-style-type: none"> • Integration of results of diagnostics into policy reviewing process • Creation of national committee | <ul style="list-style-type: none"> • More planning on how to use the results of the diagnostics – projection into future actions |

16.25 Update on progress in supporting small forest enterprises in Mali – Mady Sidibe (Association des Organisations Professionnelles Paysannes – Association of Professional Farmers' Organisations)

AOPP: the context and start of Forest Connect activities

- Host organisation/focal point for Mali: AOPP
- Created in 1995 with around 20 grassroots farmers' organisations. Sixteen years later, in 2011, it brings together more than 200 grassroots farmers' organisations of varying sizes and types in Mali's eight administrative regions where 80 per cent of the rural population depend on agricultural resources for their livelihoods.
- AOPP objective: to improve livelihoods through the study and defence of farmers' interests.
- AOPP bodies: national level (two ordinary general meetings, one extraordinary general meeting, five working committees, one national bureau), regional level (three ordinary general meetings, one regional bureau). All of the association's activities are led by a technical team both at the national and regional levels.

Start of Forest Connect activities with the AOPP

- Started in 2008 with FAO funding, in a context of fight against poverty for populations whose livelihoods depend on forest resources, mainly non-timber forest products (NTFPs). This project is currently in its third year of implementation (2008-2010). The AOPP was chosen as the focal point for Mali, to ensure continuity and enable the groups and actors working on NTFPs to reach the expected results through an information and communication network. In line with this, the specific objectives are, among others, to:
 - Increase visibility of the small and medium forest enterprise (SMFE) sector.
 - Strengthen linkages between Forest Connect SMFE members and national forest programmes, decision-makers, service providers and markets.
 - Increase market visibility of Forest Connect members.

Types of SMFEs supported by the AOPP

- Non-profit SMFEs: forest enterprises that rely on forest resources/NTFPs for their subsistence. In Mali, the SMFEs supported by the AOPP in this context are producers from grassroots farmers' groups who gather NTFPs.
- Profit-making SMFEs: forest enterprises that develop income-generating activities around NTFPs. The SMFEs supported by the AOPP in this context are:
 - grassroots cooperatives developing NTFP production and marketing activities; and
 - NTFP processing groups.

SMFE diagnostic activities

Diagnosis is one of the first activities in the implementation of the Forest Connect project. The AOPP, in collaboration with others involved in project implementation, organised activities to get to know the current state of NTFPs. With financial support from FAO.

Objective

- To understand SMFEs through the analysis of grassroots groups that develop activities around NTFPs.

Activities

- Identification of service providers within the bodies involved in project implementation.
- Diagnostic study on SMFEs in Mali.
- National meeting to share lessons from, and validate, the diagnostic study.

Impacts

- Knowledge of service providers that could be used as resource persons to support SMFEs.
- The diagnostic report on SMFEs in Mali is made available to the groups as a guide about the importance of SMFEs in Mali. Information-sharing and validation of the diagnostic report with all the actors involved in project implementation. Knowledge of the general status of NTFPs. Role of the group actors/SMFEs. Knowledge of the constraints pertaining to NTFP development. Identification of 12 NTFPs. Identification of 30 grassroots groups. Development of activities around NTFPs.

Example – Module 9: developing a communication strategy

The beginning of AOPP's involvement in Forest Connect concerned several activities for SMFE development in Mali. Those activities stressed the importance of information and communication between actors involved in NTFPs. Therefore we wanted to carry out a number of activities in collaboration with the bodies involved in project implementation (State: *Direction Nationale des Eaux et Forêts*; ONG: Sahel ECO, PACCINDHA, MARA, AJE Mali, AMEPPE, ARAFD; grassroots groups and associations, and so on), with the financial support of FAO.

Objective

- To develop information services and support networks for SMFEs.

Activities

- Lesson- and information-sharing meetings of the steering committee on activity progress.
- Monitoring product interest groups within associations and cooperatives to follow activity progress and draft articles.
- Introduction of a computer-based database of NTFP SMFEs.
- Creation of a website (www.aopp-mali.org).
- Website animation through articles on NTFPs.
- Disseminating information on SMFE activities in the AOPP's weekly bulletin.

Impacts

- Developing linkages between project stakeholders.
- Knowledge of the products developed by the groups involved.
- Enterprise groups are aware of product prices.
- Data acquisition in the timeframe demanded by enterprise groups.
- Easier decision-making for group leaders.
- Knowledge of the NTFP-related policies in force.
- Creation of a climate of trust between State and population with regard to natural resource management.

Example – Module 10: developing market understanding

Objective

- To develop a strategy to collect data on market trends for the main products in partnership with the main producer associations and trade organisations.

Activities

- National-level meeting between service providers and SMFE and association leaders to share information and put in place a common strategy to monitor, collect and disseminate commercial information on NTFPs and the market.
- Consolidate and disseminate information on market pricing trends for the main products of interest.
- Participation of the groups in agriculture shows (FIARA, SIAGRI).

Impacts

- Groups understand why NTFP prices vary.
- Knowledge of other markets.
- SMFEs develop business links between themselves.
- Discover business opportunities.

Example – Module 16: policy research for change

Objectives

- To analyse the existing policies and regulations on small forest enterprises in Mali; and to suggest advocacy activities for a framework conducive to small forest enterprises.

Activities

- Analytic study of existing policies and regulations on small forest enterprises.
- National-level advocacy meeting on current policies and regulations on small forest enterprises to draw up a memorandum for farmers in Mali.

Impacts

- Knowledge of the law regulating SMFEs in Mali.
- Knowledge of Mali's national forest policy.
- Knowledge of the national policy for environmental protection.
- Knowledge of the food and agricultural products marketing policy.
- Advocacy suggestions and arguments are put forward to draw up a memorandum for farmers on NTFPs.

Example – Module 11: development of Baobab products through the Konsiga Cooperative in the Kayes Region, Mali

Objective

- To develop the cooperative's activities by raising the profile of wild forest products, mainly the baobab fruit, through marketing and processing.

Activities

- Participation in a national meeting to inform AOPP groups about the project.
- Meeting with large associations and microfinance banks.
- Research potential market.
- Collection and stocking of baobab fruits from cooperative members so they can be sold when the market price is optimal.
- Processing of baobab fruits.
- Batch-selling of baobab fruits using stocks.
- Monitoring of marketing activities.

Impacts

- Increase in quantities produced (around 1,000 tonnes of baobab fruit).
- Improved baobab fruit marketing practices in the group.
- Improved cash income for producers from family farms.
- Improved linkages between the actors dealing with the product.

Example – Module 11: product development of NTFPs with the Association Siguidiya des femmes de Nampasso in the Ségou Region, Mali

Objective

- To promote income-generating economic activities for women through the development of NTFPs (nééré fruit) to improve living conditions.

Activities

- Training on picking and gathering fruit.
- Monitoring fruit gathering activities.
- Processing techniques of the nééré fruit.
- Researching market information.
- Marketing on local and national markets.

Impacts

- Increased income of the group.
- Women actively take part in the management of the family farm (take responsibility for certain needs).
- Improved association infrastructure.
- Stronger collective work of the members.
- Improved information dissemination between the actors dealing with the product.
- Developing links between enterprise groups and formal development initiatives.



Main lessons learned

- Collective work is key to developing NTFPs in the groups.
- Exploiting NTFPs creates an incentive to protect forest resources.
- Consumers' growing demand for quality relies partly on adequate equipment, processing and packaging units.
- Bigger involvement of women in village and group activities leads to greater success.
- Enterprise support generates better knowledge of the properties of NTFPs.
- Groups are increasingly interested in marketing NTFPs as income-generating activities.

Main challenges to date for the AOPP regarding SMFE development in Mali

- Improving the organisation strategy of groups/SMFEs through the market analysis and development (MA&D) approach.
- Improving NTFP quality to make their sale profitable, in order to reduce poverty among rural populations.
- SMFE promotion and market access.
- Support to processing equipment, improvement of the technical processing and packaging capacities of grassroots group members through the support of financial partners.
- Lobbying the State to take the needs of SMFEs into account in policies.

Peer panel comments on presentation

Lessons

Among the lessons, the first one is to create synergy between the government institutions and the national Forest Connect programmes. Another is the necessity to make a very good diagnostic of the value chain before starting an intervention. The presentation insists a lot on the necessity to capitalise on information. This is crucial, both to monitor impact but also to communicate and strengthen the linkages between the producers and the markets – building knowledge and understanding of market dynamics.

Innovations

The first point is that they are working with different types of community organisations and diversified products. And secondly, trying to link the SMFEs with different government sectors, for the sustainability of the business. The third point is that they consider the subsistence enterprises in their activities as well as market orientated enterprises.

Challenges

I think the one of the key challenges is to find ways of getting the right information to producers so that they can make informed choices, especially in areas of high illiteracy.

| Lessons | Innovations | Challenges |
|---|--|--|
| <ul style="list-style-type: none">• Useful synergies amongst actors• Importance of diagnostics on value chains• Manage and capitalise on information and communication• Build knowledge and understanding of market dynamics | <ul style="list-style-type: none">• Focus on different types of community based organisations (subsistence and market orientated)• Connect SMFEs with different government sectors• Strong communication focus | <ul style="list-style-type: none">• Information in the right format to communities |

17.15 Presentation on potential Forest Connect work in Chile

Introducing Movimiento Unitario Campesino y Etnias de Chile (MUCHECH)

MUCECH is a union of national local organisations that works on social, economic, cultural and political issues in Chile.

Objectives

- Contribute to the conservation of natural resources, especially forest, water and soil.
- Demand and contribute to the productive, equities and sustainable development of 'campesinos' and indigenous people.
- Promote the relation among different 'campesinos' organisations, with other actors of the society at national and international level.



Training of farmers. Products: creams, shampoo, juice, aloe chocolates



Aloe plantation

Along these lines, MUCHECH supports small forest enterprises

- Training on production, economic monitoring of the SMFE.
- Providing technical advice through a group of specialists during the different steps of the productive chain.
- Facilitation within the community on the development of internal agreements and follow up.
- Indigenous plan of action.
- Examples:
 - marketing analysis for commercialization of Aloe;
 - providing relevant information for good management and negotiation;
 - establishing strategic marketing alliances;
 - analysis of value chain of the product, including quality control and added value; and
 - establishing national and international contacts.

Example – Module 11: product development for hazelnut in Mapuche community

- Establishment of 20 ha of avellano europeo (*Corylus avellana*).
- Provide technical assistance to plantation of avellano in the community.
- Organisation of the community.
- Commercialization of nuts.

Day 2 – 17 February 2011 – Field trip to Forest Cooperatives at Chilimo Forest Reserve

Background on the road

Forty per cent of Africa's mountains are here in Ethiopia. We are travelling to the West of Addis Ababa in this, the dry season in Ethiopia.

The Eucalyptus tree (*Eucalyptus globulus*) that you can see everywhere was imported from Australia at the end of the nineteenth century. It is a very important species for farmers and a source of income.

Construction activities, such as telephone lines, use Eucalyptus trunks. Due to heavy deforestation in Ethiopia, natural forest resources are diminishing.

But Eucalyptus is fast-growing – though it consumes too much water and degrades the soil. Local communities are interested in it; the management practice and seed collection are simple and it improves livelihoods – so there is a dilemma. There are other indigenous species, such as the juniper, and there is high biodiversity in the region.



Land belongs to the government but people are entitled to use land, and for their families to inherit it. No-one is entitled to sell land, as it is government property but all can use the land and resources sustainably.

There was a new proclamation from the Ministry of Agriculture in 2008, putting laws and policy in place to encourage participatory forest management, allowing access to local communities for the sustainable use of resources and benefit sharing. It outlines two types of forest ownership: one that belongs to the government, and one that belongs either to communities or is privately owned. But there is still a critical gap in institutional arrangements. There is no independent autonomous forestry organisation to implement the new law.

Field trip introduction by Union Chairperson, Abera Tefeshu (via translator)



We are located in Chilimo forest, in the Dendi district. This is one of nine forest-cooperatives organised under the union.

Before Farm Africa started the forestry intervention in this part of the forest, the forest was managed and administered by the government. During the era of government ownership of forest resources, the forests were protected by guards hired by the government authorities. At that time, members of Chilimo forest communities had no say in any kind of forest management, forest administration, development and utilisation. Every kind of income from the forest directly went to the government pocket and there was no chance for the community to make any kind of significant economic benefit from the forest.

In terms of forest resource management, during the period when forests belonged to the government, local communities would steal resources because they had no legal access to them. This created a tense relationship between the government and the community, and a destructive relationship between the community and the forest.

So after the communities have been organised into forest management groups and cooperatives, via initiatives from Farm Africa and SOS Sahel, the community took over the roles and responsibilities to

manage, develop and sustainably use forest resources. Last year the cooperatives harvested different forest products from Eucalyptus and also Cypress plantations, and obtained around 192,000 birr, out of which 30 per cent has gone to government accounts in line with a 70:30 benefit sharing agreement.

We now have management plans, establishing that resources belong to the community and everyone is benefitting from the resources. Apart from the economic benefits, the community also increasingly value the ecological benefit of the forest and are happy to protect the forest on a sustainable basis.

Question and Answers

- Q.** What is the link between the union and the nine forest co-operatives in Chilimo?
A. One of the objectives of the union is to mobilise the communities that have formed forest cooperatives, so they make sustainable use of forest resources. The other activity of the union is that it is supposed to provide materials the community cannot access, and involve itself in value-adding of forest products. It is also to present the forest products of the community in national and international market linkages. The co-operatives are particularly involved in forest protection, management and development activities, protecting the forest from hazards. Not all people residing in the forest area are members of the cooperatives. One reason for this is proximity – those living far cannot be members; of those living in the forest, some are not interested, some cannot physically contribute. They are still entitled to use the resources available, for firewood, construction materials and so on.
- Q.** How are benefits shared – and do the government still take 30 per cent and how is the 70 per cent shared?
A. People collecting firewood from the forest pay a fee to the cooperative. There are identified families who are entitled to collect firewood in the management plan; payments are also identified, for example, for four or five piles of firewood per month.
- The forest was planted by the government, there is government financial input and technical input. This is a kind of ownership right on the government side. There was time taken in lobbying and advocacy work by Farm Africa to agree the 70:30 split, the previous proposal was 50:50. Farm Africa argued that the forest is close to Addis Ababa, it is a high risk area and they needed an incentive to manage it. It took a long time to negotiate the actual figure.
- The 70 per cent is taken as 100 per cent by the cooperative: 45 per cent goes as a dividend to members, 20 per cent for petty cash and admin costs, 5 per cent for development activities, and 30 per cent as reserve in the bank. The members of the cooperative have shares in the union.
- Q.** Who writes the management plan and who approves it?
A. Farm Africa and other NGOs facilitate the process and the community take part. It includes forest area mapping and boundary identification. The government and the cooperative sign the agreement. Theoretically, it has to be updated. The activities in the plan are tree planting and the nursery. The arrangements are not the same in all regions, it depends on negotiations with regional governments. The current agreement is in place for 20 years.
- Q.** Who organises who does what?
A. People buy shares when they register. The cooperative has plans for protection and development and the work assignments are given to members. When it comes to benefit sharing, they look at the labour contribution (who/where/what). There is a formula for the dividend according to this. The minimum is 270 birr and the maximum is 590 birr.
- Q.** What percentage of the village are members of the cooperative?
A. It is about 85 per cent. In Chilimo cooperative, there are 129 households that are members.

Visit to regeneration area

Previously in this site was a Cypress plantation; it was sold in 1994 and according to the management plan was then replanted – this time with Grevillea. The plantation process took place based on the management plan. According to the plan, whenever trees are cut, they have to be replaced. The cooperative planted these and they are now in a good growing state.



According to the plan, every year they have to prune three ha of trees. This has started here. Pruning contributes to good quality timber. The Grevillia tree is grown because it is a multi-purpose tree, contributing to soil fertility, it is fast-growing and can coppice once again after cutting. It is economically advantageous. When the union and cooperatives took over the forest site, it was 4,199 ha. It is now more than 5,000 ha as a result of the plantations and the regeneration of natural forest.

Q. Has the cooperative received support from the government?

A. According to the management agreement, it is an agreement between the community and the government that whenever technical support is needed from the government, they will provide that support. But the kind of support and assistance from the government side is not as expected.

Q. Where is the money made?

A. Money is mostly from poles, hence the pruning.

Q. Do cooperative members receive training in technical forestry skills?

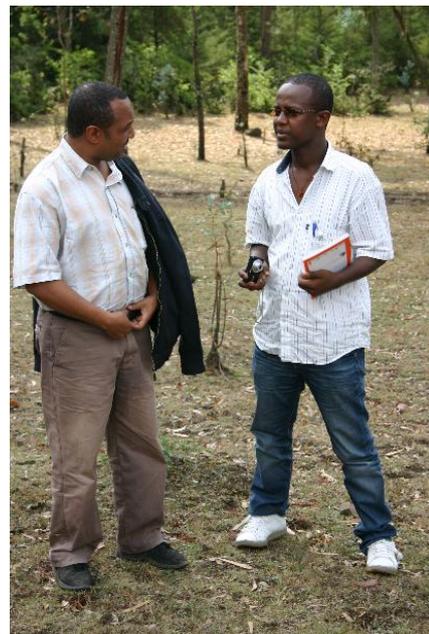
A. Farm Africa, when active, gave a number of different trainings, for example in nursery management, seed collection, forest area mapping, at different levels.

Q. How many people received it at the highest level?

A. Cannot say exactly, but a great number in the cooperative, particularly the leaders have training in forestry management and livelihood training.

Q. Does the community see the possibility of replacing inadequate government technical support themselves through training?

A. There are some key skills and knowledge that they have obtained from Farm Africa, for example having skills in selecting soil, so they do not need further support from them.



Q. Is there support post-Farm Africa, for example from the local government?

A. Currently there is structural change in the forest institutions. When the Forest Enterprise was established, their primary assistance was that technical people came and identify the trees to be cut – it is a business-orientated organisation.

Q. In many countries they invest in training, because it improves value. What value added plans do the union have?

A. The union is not so active, mainly due to financial constraints. When it was established, there was an expectation that many cooperative members would be members, but this has not happened. They were going to sell products to the union for them to make money. This did not work because the government Oromia Forest and Wildlife Enterprise (OFWE) stepped in and said that they must sell on a competitive market through public bidding. The union was not in a position to compete with other traders in that capacity. OFWE has a vested interest in getting a higher price because they have a 30 per cent stake. There is anticipation that Farm Africa will work to develop a new business plan on ecotourism. Five forest-based activities have been identified, and the cooperative and the union are taking part.

Post-lunch briefing with Abera Tefeshu (Union Chairperson), Teseme Jobera (Chilimo PFM Cooperative Chairperson), and Tehahun Giessesse (Oromia FWLE forest expert)

History – Abera Tefeshu

During the nineteenth century, Emperor Menelik was travelling from Addis Ababa and saw smoke and fire in the forest in this region. He saw a group of people trying to convert forest to agricultural land. He then gave the forest as a gift to a French Ambassador on condition the area was conserved. This worked reasonably well – with the French developing a system of sustainable harvesting. But after the first invasion by Italians, the government took over and carried out less sustainable logging for years. When the Italians evacuated, the area again changed hands and this building was used as a palace, given as a gift to his wife for the Emperor's first born son. The wife of the Emperor managed the forest, allowing logging, and the forest diminished: 22,000 ha became 6,000 ha.

Under the Derg regime, the forests were protected by the hiring of guards but it was not possible to stop the deforestation. There was a transition period after the fall of the regime and the community were not happy with the guards – the forests were damaged greatly. The problem was intense with the livelihood of the community in danger.

In 1994, Farm Africa started the 'joint forest management' project, involving the community and government in the management of forests. After several intervention activities, the community understood that it was their turn to manage the forests. The benefit was not only for the local community, but for the whole region.

Highlights of the PFM Cooperatives – Teseme Jobera



Before the intervention of Farm Africa, the community did not consider the forest their own. After several discussions about Participatory Forest Management (PFM) and exchange visits to degraded sites elsewhere, the community understood the importance of the forest. There is a local saying in Amharic 'The gold in your hand you consider as a metal'. The visited areas, South Ethiopia and North Shoa, were discussed with the local communities there who pointed out how hard it was to subsist without any forest.

A fifteen-member committee was established, to serve as a bridge between Farm Africa, the community and the local government. Initially, there were rumours that the forest was being sold, and there were community members who were in disagreement. The committee produced action plans, and the role of Farm Africa at the time was to facilitate things. Seven use areas were identified in the forest and the fruits of efforts began to be seen – the whole community then started to support the PFM process.

A total of nine cooperatives now operate PFM through five committees working to action plans. It has not been a smooth process, especially with conflicts between neighbouring communities. This has been addressed by establishing use areas as boundary markers.

A grant of 22,000 birr from Farm Africa has been used as a revolving fund to give out credit. To diversify agriculture, they have developed an irrigation system, which is used to grow vegetables. An area marked as ready for sale according to the management plan has been sold, with a percentage (c. 65,000 birr) going to the government. The remaining funds were used to strengthen the credit and saving scheme. 69,000 birr was divided by all members depending on their contribution; every member is now actively engaged with the forest – and they now see it as belonging to them.

Q. Who decides which trees to plant?

A. They have an agreement with the agriculture development office, the government is responsible to give technical advice. OFWE's mandate is to manage the state forests, so they give support.

- Q.** What would the community ideally like OFWE to do?
A. The relationship so far is good, they are supporting with tools like the forest inventory and the nursery. But it is not enough - the community is seeking more on forest management and development.
- Q.** To what extent are these experiences found elsewhere in Ethiopia?
A. Chilimo is one of the first PFM sites, but there are now examples from at least four provinces – especially in the South of Oromia. The NTFP-PFM programme is scaling up into new regions. There is a plan to create a Federation with regional representatives – partly because harmonising PFM systems is a challenge for the Ministry of Agriculture.
- Q.** How long is the agreement between the government and the Cooperatives in Chilimo for?
A. It was established in 1997 and there is no deadline for end. The agreement can be revised if needed but so long as the forest remains, it stays.
- Q.** What is the guarantee for local people if there is a new government?
A. PFM cooperatives are recognised as a legal entity, accepted by existing laws. It is not guaranteed even with this government – the agreement says they are managers, not owners. The agreement exists, but it is questionable if they could ever defend it.

Because of the small scale of the forests, income from forest harvesting only happens every five, six or even ten years; this is not enough incentive to keep cooperative members active in protection and replanting duties and this is the reason for engaging in ecotourism development. We feel the need to diversify livelihoods.

The PFM Chilimo cooperative has 695 ha of forest for management, 99 ha of plantation in four blocks. The plantations were received from the government, most planted during the Derg time. Benefits go to each individual, which is roughly 70-600 birr per household, per annum, dependant on their involvement. After five years, a dividend of 69,000 birr is divided (250-590 each). Income is developing, for example with the sale of seedlings from the nursery.

- Q.** Do the government want to see the forest area expanded? It is in their interest to make more money, so what is holding up expansion?
A. The area surrounding is already occupied by farmers as agricultural land; instead, the need is to diversify.
- Q.** How is the gender aspect taken into account in terms of participation, and how are unique needs of women taken into account?
A. There is a level of participation in each area. Membership is open to both men and women, it is often the man as the head of the household but where women are head, they are members – this cooperative has 24 women members. There are four women on the committee. In Ethiopia, the cooperative is a legally recognised community organisation, and this is why they chose this type of institution.
- Q.** Does the union have connection with other unions? The union is made up of cooperatives, what are the relations with the other villages? What happens for the future in terms of members and benefits?
A. There are only two PFM unions and unfortunately there is no communication between them. We are hoping to see some more PFM unions established. Members of the PFM cooperatives and unions should strengthen their efforts to see the future of the forests is in good condition.

- Q.** What are some concrete examples of improved forest management?
A. Before the intervention, you used to be able to hear axes standing here. Now, it's only birds. There is also now good regeneration; previously there were cattle on the forests, now it is closed off. Other wild animals are coming into the forests and hunting practices have been banned – the number of antelope, for example, is increasing.



Day 3 – 18 February 2011 – Identifying how to test and enrich current guidance modules on supporting small forest enterprises.

09.00 Recap team

09.10 Introduction to Day 3 group work – Duncan Macqueen, IIED

People should join the group that they feel their past or ongoing country work most closely fits. We will then map out tactics (what we did), tips (what we learned that worked) and tumbles (things to avoid doing).

09.30 Group work

Self selecting buzz groups of those interested, to assess what in-country work might feed into three groups of planning modules: each group considered two guidance modules grouped under a single heading.

Group 1 – Introducing approaches and plans for enterprise support (Module 4: Introducing the ‘market system development’ approach and Module 5: Planning, sequencing and exiting activities)

Five tactics identified:

1. Market analysis and development
2. Strengthening and improving institutional development
3. Identifying products
4. Capacity building
5. Business planning

An umbrella topic, overarching the above five, was *ensuring control by the enterprises, communities and those at the grassroots*. The first two topics were discussed in more detail by the group.



Tactic 1: market analysis and development

Tips:

1. Start by involving the communities, and then consult other stakeholders, such as government and the private sector. Then consult again with the community on findings, ('reality check') to ensure that the market analysis and development process remains faithful to the wishes of the community.
2. Use FAO's MA&D process guidelines (Market Analysis and Development), adapting them for the local context.
3. Conduct or integrate the '4P' analysis – Price; Place; Product; Population. When doing market analysis, consider the price of the product on the market, what the quality of the product is, whether it will be competitive, consider the target population and where the product is going to be sold.
4. Conduct a product market-segment analysis that looks at all targets, including the high income, middle income, low income, local market and export market.

Tumbles:

1. Expert support agencies and communities need to recognise the complimentary and indispensable strengths and contributions each provides for the other – do not try to do it all alone.
2. Look to what is possible - small producers need to have appropriate policies in place that encourage and allow access to markets and create a broadly enabling environment for business. There are examples in countries of prohibitive policies, long distances to markets and also the limitations of those markets.

3. Don't put all your emphasis on carbon at the start - to get added value from carbon and enable people to benefit, you first need to be organised at the level of the farms and forest producer organisation.
4. Financial constraints can cause difficulties in getting fair prices and access to markets.

Tactic 2: Strengthening and improving institutional development

Tips:

1. Ensure effective and inclusive participation in institutional development. This involves opportunities for leadership, various ways for the community to participate, and regular and effective communication.
2. Stakeholders and 'the hub' (i.e. the main support institution) need to develop a clear vision, strategy and responsibilities.
3. Capacity building is critical for improving all levels of participant and institutional involvement in the market chain.

Tumbles:

1. Governance problems and inappropriate management systems for communities, often caused by weak institutional capacity with regards to SMFEs, create a lingering challenge in trying to achieve environmental/natural resource and business/financial sustainability.
2. Sharing the added value from benefits like carbon sequestration can be challenging.
3. Maintaining energy and enthusiasm from stakeholders in the SMFE market process can be difficult and it is critical to include strong facilitators, ensuring the process is owned and led by the forest people themselves, and to allow sufficient time and patience to allow the process to flourish.

Group discussion

- This starts by involving the communities; but it is not only the communities, but private sector, NGOs, government that should be key for market analysis and development. The government should certainly be in the mix, not just communities.
- The group discussed that despite there being other central stakeholders, communities were *the* central stakeholder: after each consultation you need to ground check with communities.
- The three cannot all be primary. The community is primary, the private sector and government are secondary.
- When doing market analysis, it is important to keep the community's interests at the heart of enterprise development; this should be the main objective. But if you are only relying on the community for information, you are not going to help them. You need to know their skills and capacity but more importantly, the market and what the potential is.
- The challenge is really based on the experience many of us have had: if you rely only on the community, much crucial information will be ignored, if you rely only on the experts, essential new ideas will be ignored. Often neither recognise this weakness.
- We also need to recognise that communities are not homogenous.
- On building a strong partnership, the main suggestion is building between the communities, the private sector and the public. Thinking that the communities are the weak link, the government starts from a biased perspective. We hear about large-scale private investment, we hear about the need for partnerships with social entrepreneurs; but these alone do not reduce poverty without strong equal partnerships with communities in the value change. We need to move towards these strong equal partnerships.

Group 2: Facilitating background research on small forest enterprises (Module 6: Conducting and presenting small forest enterprise diagnostics and Module 7: Participatory value chain analysis)

This group focused in on the gathering of information necessary to start small forest enterprise support activities.

Tactic 1: Clearly define Terms of Reference for the diagnostic study of SMFEs



Tips:

1. Identify the rationale/need for the study.
2. Clarify the concept of SMFE (the more inclusive the better).
3. Define methodology to be used: desk study to identify existing info, data sources etc; quantitative and qualitative field work.
4. Define deliverables: mapping of SMFE; gaps in the value chain; institutional and policy analysis; capacity needs assessment. Note that reports are important but other things are important, such as images.

Tumbles:

1. Inadequate desk reviews (undue duplication); undocumented information (grey literature) – need to find ways of gathering all key information.
2. Not involving all stakeholders / actors.
3. Unclear objectives.
4. Complicated methodologies, which are difficult to implement.

Tactic 2: Careful and realistic planning of the implementation of study

Tips:

1. Elaborate work plan and budget, including dissemination of findings.
2. Organise the logistics: survey instruments; transport and travel; documentation gadgets (i.e. video etc).
3. Put together appropriate multi-disciplinary study team, and define their roles.

Tumbles:

1. Lack of good or available national consultants: look beyond the sector/country, teaming the local and the international; look to the local level within the country, where often they know the systems better.
2. Unwillingness of SMFEs to share information or results.
3. Lack of reliable data – use informed estimates wherever possible.

Tactic 3: Collect high quality data

Tips:

1. Use multiple methods of data collection.
2. Train enumerators adequately.
3. Use adaptive tools to work around difficulties in data collection.
4. Triangulate data and data sources.
5. Put in place and implement mechanisms for quality control.
6. Always conduct a pilot study to test work of enumerators.
7. There can be a lack of consultants, because the people who can deliver are busy. Make use just of their brains and get other people to collect the data.

Tumbles:

1. Inadequate supervision.

2. Balancing quality with resources: the challenge of working within time and financial constraints.
3. Lack of support from data sources.

Tactic 4: Involve all key stakeholders (especially decision makers who you want to influence)

Tips:

1. Identify all relevant stakeholders and define their roles.
2. Involve them from planning stage: workshops; consultations; report back to stakeholders; consider gender, voiceless and weak.
3. Use appropriate communication tools, such as phone, personal contact, radio, text message, invitation letters.

Tumbles:

1. Availability of stakeholders – flexible work programme.
2. Conflicting stakeholder interests.
3. Consultation fatigue.
4. Representativeness of stakeholders.
5. Avoid raising high hopes especially in the field (manage expectations).
6. Cultural barriers; there are sometimes attempts to bring in all stakeholders but there is a need to ensure they are effectively participating. A possible solution is separate meetings, to give the opportunity to all groups.

Tactic 5: Validation and dissemination of study results

Tips:

1. External review.
2. Validation workshops (regional and national).
3. Appropriate dissemination mechanisms – easy-to-read information sheets / reports; talked previously about pictures and caricatures.
4. All-inclusive participation.

Tumbles:

1. Too technical a report – should always match the report to the audience.
2. Finding a good time to suit all stakeholders.
3. Expectation management.

Group discussion

- Regarding the tactic of working with local people: sometimes in a survey team, since most of these diagnostics are national, you are unknown if you visit a new area. If people are operating illegally, they are often scared to speak to foreigners; there is a lack of trust and they will not share information. It is useful to have a local person in this context.
- Using a local research team that you continuously train, the quality of the results you get are incomparable with a professionally done one, which ends up being minimalist. I recommend the groups find the resources first; identified the people in the village who are trusted by the community.
- Feeding information back to those consulted is a good practice, what you do to inform them and help them do their thing better?
- How many of the enterprises that were diagnosed know about the results? We need to do that better if we are to build understanding more broadly amongst enterprise groups.
- A way of getting the information back into the community in a way it can be internalised is doing films, visuals that capture the information, because many people can't read. Youth quickly pick up the 'participatory video' formats if they are used.
- This expectation management is important; tips on how this is done would be useful.
- Providing information is one thing, but encouraging use of the information is another. Unfortunately, we do not have the resources to deliver in a way that might be expected.
- This is where we need to build partnerships, getting people on board so that they are able to integrate the information in their programmes from word go, rather than going back and trying to implement it at some future date.

Group 3: Bringing in others to help small forest enterprises (Module 8: Mapping and benchmarking support services and Module 9: Designing communication strategies)

On module 8, we first tried to define what this meant in different contexts. The overall objectives were similar but the processes were different from country to country.

Tactics:

1. Identification of which small forest enterprises to target.
2. Needs or gap analysis for those enterprises.
3. Cataloguing relevant support services.
4. Facilitating information sharing / flow between small forest enterprises and those services.
5. Monitoring and evaluation of support services.
6. Using tools such as the 3 Rs (see above) to assess progress.

Tips:

1. Participatory design of processes and strategies together with the enterprises we are trying to support. The information should not be one-sided; the NGO type of information. We should have feedbacks.
2. Good agreements with government – since they are often the only long term supporter of service provision in remote areas; the necessity to talk to government from the beginning, rather than sending a report to the Ministry of Forestry that will not be looked at.
3. Ensure tangible benefits to enterprises who receive support to encourage others to follow.



Tumbles:

1. Overambitious plans for support in short time-frames.
2. General pre-held assumptions.
3. Creating dependency syndrome where all support is to be provided 'free'.
4. Rigidity of project focus.
5. Don't create false expectations if you can't deliver.

For module 9 we visualized this like an umbrella, with the objective of the communication strategy at the tip – but various contributory elements to it: raising awareness; providing information and capacity building; advocacy and lobbying, product promotion and so on.

Tips:

1. Identify the objective – be it general awareness raising, information and capacity building, advocacy and lobbying, product promotion and so on.
2. Conduct audience analysis, analyzing the stakeholders who you want to reach.
3. Look at the channels of communication and the tools for of information flow: you cannot always use the same channels - some like the internet, some like town criers.
4. The type of information you are trying to send is important; translations, visual imagery etc.
5. There should be feedback, there should be two-way flow.
6. There is a need for monitoring and evaluation (M&E) – how is communication flowing, how is it being used?
7. Information is dynamic, particularly market information which can change daily. The information needs to be updated and managed.
8. There is therefore a need to be innovative and to use the latest tools for a cost-effective constant flow of information to stakeholders (e.g. mobile phone marketing advice).
9. Mechanisms for facilitation should be adapted, real, appropriate and contextual.

Tumbles:

1. Avoid assumptions.
2. Avoid exaggeration or lies.
3. Be careful to avoid misinterpretation.

Case study: Market information system on product prices for NWFP in Northern Mali

- Audience analysis.
- Identify information needs and format (mobile phones).
- Participatory agreements with information providers and users.
- Capacity building and training.

Tree Aid is developing a market information system; there was a need for market information; there remains a problem of price rigging due to unscrupulous middlemen and little freedom of choice. There was also a need for capacity building to train every stakeholder in how to use the system.

Group discussion

- When you are bringing in others, the 4Rs should be brought in from the word go. Response: This should be number six on the tactics, captured in fullness of rights and responsibilities.
- Talking about rights and responsibilities; who are the others you are talking about bringing in? CBOs, NGOs, governments, financial institutions?

13.00 Start up support to forest producers organisation in Amhara Region, Ethiopia - AgriCord

Project Background

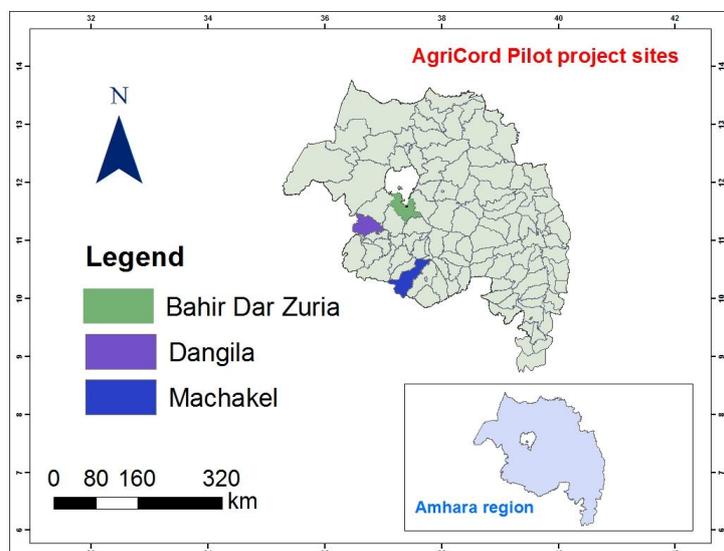
- Duration of the project: pilot phase - one Year (Sept. 2010 - August 2011); if it is scaled up, it perhaps extend up to 2013.
- Project location: Bahir Dar, Zenbaba union is HO - at pilot phase it targeted three primary cooperatives.

Project objective

- To make forest producers' organisations function well and deliver services contributing to sustainable forestry, restoring the environment and improving the lives of small scale farmers.

Donor profile

- AgriCord is an alliance of agri-agencies of the national farmers' organisations of Belgium, Canada, Finland, France, Italy, the Netherlands, Portugal, Spain and Sweden.
- MTK (the Finnish Central Union of Agricultural Producers and Forestry Owners) supports AgriCord.
- In Finland, there are more than 100 Forest Management Associations (FMAs) covering the whole country and employing over 1,000 experts. FMA's can provide all the services required by the members from planting to timber sales.
- The Kyyjärvi Forest Management Association (FMA), is the twinning partner of the project.
- The project is working in close collaboration with similar projects supported by Finnish government working in Amhara region such as TBIWDP.



Forest inventory field exercise together with TBIWDP

Host organization profile:

- The union was established in 2006.
- Comprises nine primary cooperatives, which are operating in nine districts of Amhara region.
- Besides its regular activities, this time it is implementing two independent donor funded projects (AgriCord & Oxfam GB projects).

Target farmers' organisation of the project

| S/N | Name of cooperative | Location | Year of establishment | Members | | |
|-----|---------------------|-----------------|-----------------------|---------|--------|-------|
| | | | | Male | Female | Total |
| 1 | Edget Behebret | Machakel | 2007 | 41 | 8 | 49 |
| 2 | Agunta | Dangilla | 2004 | 414 | 343 | 757 |
| 3 | Yibab | Bahir dar zuria | 2009 | 31 | 2 | 33 |
| | Total | | | 486 | 353 | 839 |

Project Activities implemented or to be implemented

- Institutional development of forest producers' organisations.
 - Forest officer employed to HO since the start of the project.
 - Project launching workshop organized in Nov.2010 in the presence of different stakeholders (37 people participated, of which 8 females and 29 males).
 - Institutional management training given to HO personnel, board of the union and target cooperatives (23 trainees;16 males and 7 females).
 - Training of HO personnel, Union and target cooperatives on forest product market intervention mechanisms (to be given soon).
 - Study tour to Finland (to be held in May 2011).
- Increasing forest producer financial returns from forest management and utilization.
 - Development of method for systematized market information collection from sales points (quantity, price, quality) (to be developed).
 - Development of system for collection of sales information within cooperative (to be developed).
 - In this regard, very recently pole market survey conducted by the project in western Amhara. The survey result showed the results overleaf.
- Strengthening forest producers' capabilities in commercial forestry
 - Terms of trade for experts and district authorities on extension focusing on commercial forestry.
 - Awareness raising and training to cooperative members on commercial forestry.
- Supply information for marketing and carbon trading.
 - Carry out inventories, provide information to farmers.
 - Evaluate function of household inventories.
 - Provide field level data on carbon trading model at smallholder forest farmer level.



Tree grower



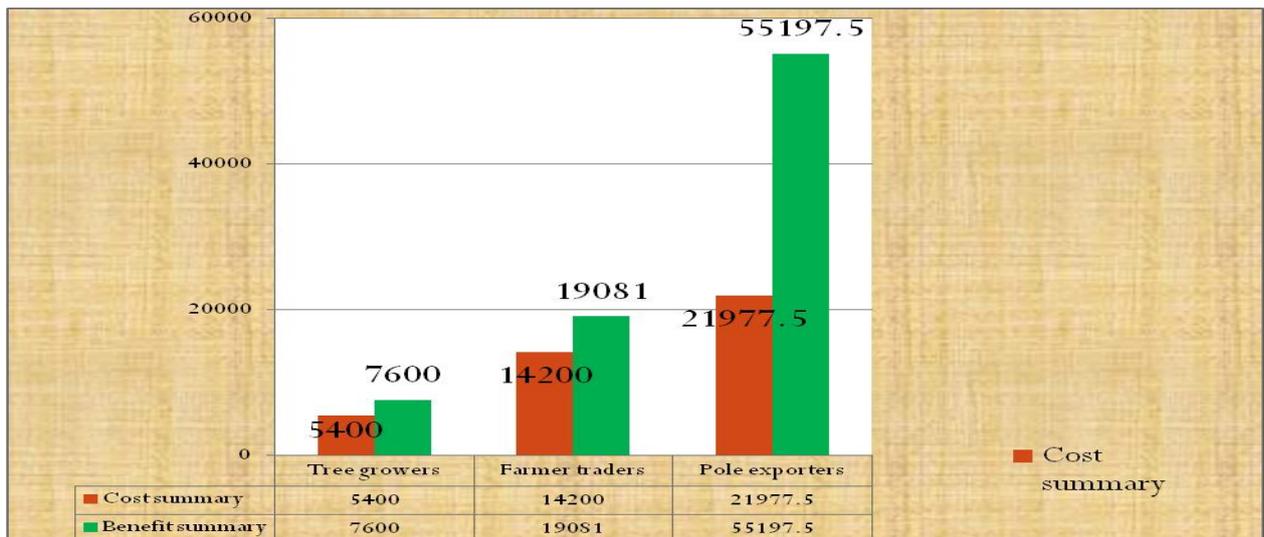
Farmer trader



Pole middle men



Exporter



Impact of the project

- The institutional capacity of forest producers' organisation would be strengthened.
- Understanding of cooperative EB members and cooperative members as a whole on production forestry improved.
- Market intervention mechanisms that would increase the financial returns of the forest producers' organisation and/or their members from forestry sector improved.
- Forest resource development promoted within the rural landscape and peri-urban areas.

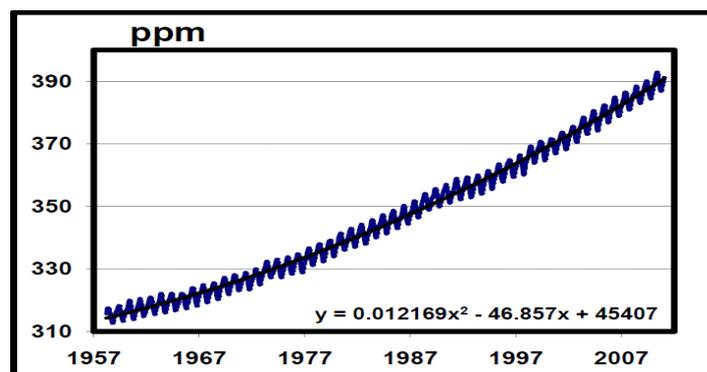
13.30 Carbon offsets to planted trees - gaining added value from carbon trading in smallholder farms and small & medium forest enterprises - Veli Pohjonen, Tana-Beles WME project

CO2 in our air

Despite climate conventions in Kyoto, Copenhagen and Cancun (Mexico):

- CO2 concentration of the air is rising.
- 24 per cent between 1958 – 2011.
- No sign of change after Kyoto (1997).

CO2 in the atmosphere 1958-2011



Two ways to combat

- Through the sources: reduce CO2 emissions. Technological way.
- Through the sinks: increase carbon offsets to trees. Ecological way.

Carbon offsets to trees

- Conserve and manage the existing natural forests.
- Establish (large) block plantations.
- Smallholder farms, and small and medium forest enterprises with productive planted forests.

Carbon Offsets in farms and small and medium enterprise forests

- Plant trees;
- count the trees in year 1;
- define the carbon stock in year 1 (= A, tn C/farm);
- recount the trees in year 2;
- define the carbon stock in year 2 (= B, tn C/farm);
- carbon offset = B – A (tn C/farm/yr);
- Ato Minale Hailu, Gelawdeos, Dera: A= 5.04 tn C/farm (356 trees), B= 5.47 tn C/farm (438 trees)
carbon offset B-A = 0.4 tn C/farm/yr.



Carbon offsets into money

- Ato Minale Hailu's Carbon Offsets.
- A = 5.044 tn C/farm.
- B = 5.465 tn C/farm.
- B-A = 0.421 tn C/farm/yr.

How much in Birr (or Euro) is B-A?

- CER pricing principle.
- Certified Emissions Reduction, CER (<http://www.ecx.eu/>).
- Price of CER = 11.43 Euro / tn CO2.
- Price of C = 41.91 Euro / tn C (factor 44/12).
- Price of C = 966 Birr / tn (exch rate 23.04).

Value of tree farmer's offsetted carbon changes with daily CER-value at international market

- Carbon offset in one year: B-A = 0.421 tn C/farm/yr.
- Price of carbon 966 Birr/tn C (42 €/tn C).
- Value of offsetted carbon: 407 Birr/yr (18 €/yr).

Summary of eight sample farms - all measured twice

| SAMPLE FARMS IN TANA-BELES PROJECT AREA | | | | | | | |
|---|----------------|-------------|-------------|---|---|----------------------------|-------------------------------|
| | Farmer | Trees A | Trees B | A (2009) Carbon stock tn C/farm A | B (2010) Carbon stock tn C/farm B | Carbon offset tn C/a | Carbon offset in Birr/a |
| Ato | Tsegaye | 42 | 38 | 0.718 | 1.200 | 0.482 | 465 |
| Ato | Misganaw | 711 | 1089 | 1.219 | 2.511 | 1.292 | 1248 |
| Ato | Zeru | 524 | 426 | 3.139 | 3.057 | -0.082 | -79 |
| Ato | Andarg | 4900 | 4912 | 6.058 | 9.469 | 3.411 | 3294 |
| Ato | KesYohannes | 1408 | 9159 | 7.065 | 6.921 | -0.144 | -139 |
| Ato | Minalehailu | 356 | 438 | 5.044 | 5.465 | 0.421 | 407 |
| Ato | Baynes | 270 | 269 | 1.212 | 0.778 | -0.434 | -419 |
| Ato | Desalegn | 228 | 282 | 2.210 | 2.637 | 0.427 | 412 |
| | AVERAGE | 1055 | 2077 | 3.333 | 4.005 | 0.672 | 649 |

- Principle of Carbon Offset payment.
- Year A gives the baseline value (tn C/farm).
- If B-A > 0, payment is done.
- B becomes new baseline value.
- If B-A < 0, payment is not done.
- The payment is done in the year when new carbon stock exceeds the baseline value.

Expected Carbon payment to Ethiopian farmers and enterprises

- Fair price would be CER = 966 Birr / tn C.
- In real trade at least two levels of middlemen are present.
- Would the price to farmer or enterprise drop to one third? That is 322 Birr / tn C.
- What was paid in Ethiopian Humbo project?
- 245 Birr / tn C (4 USD / tn CO₂)

How to organise carbon offset trade?

- Smallholder farmers group into Forest Producers Organization (FPO).
- FPO buys once a year the carbon offsets from member farmers.
- FPO sells the carbon offsets to Ethiopian Carbon Offset Export Agency.
- The Export Agency sells the carbon offsets to International Carbon Trade markets.

Challenges for Monitoring, Auditing and Certification

- Defining the carbon stock, development of Excel model and Forest Calculation with C.
- Monitoring and evaluation (M&E) of the carbon stock in Forest Producers' Organisation and in the single farms.
- Use of IT – technology (mobile phones, GPS) in carbon data communication, carbon payments and M&E.

Ecological advantages

- Carbon offsets trade encourages farmers and enterprises to plant more trees.
- Planting of trees further away from all weather road increases.
- Planting of trees on most eroded sites increases.

Economic advantages

- Farmers and enterprises get added value from planted trees.
- The value of smallholder forestry increases annually by about 10 per cent.
- Carbon offsets are to be understood as a new export commodity from forestry, like exporting construction poles to Sudan, or tree leaf based essential oils to Canada.
- A new export commodity is added to Ethiopian international trade.

Group 4: Helping find markets and new products for them (Module 10: Developing market understanding and Module 11: Product development)

Tactics:

1. Developing marketing strategies, for example, Branding.
2. Developing quality control systems.
3. Building local knowledge into product development.
4. Ensuring equitable benefit sharing from the start.
5. Focusing on building products for local and national markets, not restricted to international markets.

Tips:

1. Branding: using your story to sell your brand; appeal to market hooks and play to your strengths.
2. Targeting local market potential to maximize sales of your product – matching local products to local markets.
3. Diversification of markets and products to ensure enterprise sustainability.
4. Defining quality baselines: quality reference points and standards; undertake feasibility study if these do not yet exist.
5. Create trustworthy partnerships for fair play and equitable benefit-sharing / profitability for community producers.
6. Stakeholder involvement: strong, equitable stakeholder agreement in the whole market process.

Tumbles:

1. Avoid targeting high value markets, for example Europe, with local products that are better suited to the local or national market.
2. Avoid producing too much of the same type of product for the same type of market, which has

- negative impact on price.
3. Produce high quality as far as possible, avoid poor quality products for all markets.
 4. Avoid replicating the old exploitative model that keeps the poor poor by accepting globalization / the free market.

Group discussion

- I'm not clear on the last point. We are all involved in development, trying to develop in a good way and work with local producers in a good way. But if we're honest, sometimes we are replicating the old exploitative ways, with a bit of window dressing. NGOs claim to work in solidarity with the poor, but we need to constantly challenge this. The market failed in the biggest economy, the US - it's a bad model. We need to work on changing the model – not just rolling it out with the same consequences. Globalisation, the free market, are really the new imperialism. I think we need to take stock and challenge it.

Group 5: Facilitating support services to improve sustainability (Module 12: Business planning and the facilitation of business development services and Module 13: Financial planning and the facilitation of financial services and Module 15: Building in ecological sustainability)

Tactic: Build mutually beneficial relationships between service providers and SMFEs

Tips:

1. Before we identify the service provider we need to assess the needs for service provision.
2. Organise SMFEs into producer groups to reduce transaction costs of service provision.
3. Assess the capacity, quality, cost and coverage of the service providers.
4. Assess the appropriateness of the tools of service delivery.
5. Organise an interface forum between the SMFEs and service providers.
6. Establish an e-platform between SMFEs, service providers and buyers.
7. Establish embedded service linkage between various actors: In value chain, producers need to be linked with the national level, for example linking honey producers with national beekeeping associations.
8. Organise exhibitions and trade fairs.
9. Analyse and publicise the financial and socio-economic success stories in relation to microfinance, for example, where people are unsure that enterprises will pay back their loans – we publicise the financial service of the SMFEs.
10. Make an MOU or contract between the two on a sustainable basis; the relationship should not be for a short period of time, and a contractual agreement needs to be signed with the service provider.

Tumbles:

1. Avoid service providers who are too academic.
2. Limited or inadequate service providers: if they are limited, payment will be expensive.
3. Avoid loans at the start-up phase. If there is a loan and they fail, there may not be anything to pay back – starting with their own funds, they reach a level of understanding of business, then they go for a loan and are successful at payback.
4. Continuous payment for service provider by a facilitator; for example if an NGO is working with management group, maybe the SMFE depends only on the external support. SMFE contribute to sustain themselves.

Group discussion

- On point three, avoiding loans, I thought we should be promoting access to finance. In a business financing group, any business has to take time; they invest with you, take risks with you.
- The point here is that big loans at the outset before the enterprise is running well can be a millstone around its neck – wait until things are established first.
- A lot of enterprise groups use internal financial resources first.
- In Guyana, the NRDBB association wanted to borrow money, but the interest rate is higher than a commercial bank. When you challenge them they say, “you're high risk.” Micro-finance is supposed to be the cushion that makes investment possible – but this is often not how it works. Indigenous people can never get the loan because their assets are communal.

- When we talk of loans, most of the time, encouraging internal savings and loans schemes are better. In addition, most of the time what we do is educating financial structures on the profitability on SMFEs, because they don't know. They consider them high risk because they don't understand the potential of the sector. We come up with business plans, which show how much each can produce. We don't guarantee that they'll pay if they fail, we guarantee the business plan will work.
- Can we clarify by saying formal loans.

Group 6: Strengthening voice to shape the policy environment (Module 14: Strengthening community enterprise governance and structures and Module 16: Policy research for change)

Tactics:

1. Undertake policy gap analysis – what do the policy provisions support and not support; pro-poor interventions is what we want.
2. Identify key policy decision-makers (the connected) and build partnerships and coalitions with them.
3. Conduct evidence-based advocacy and research (convincing decision-makers, sensitizing actors).
4. Capacity building with communities and SMFEs to make use of findings.
5. Develop a communications strategy to advocate, lobby and capture.

Tips (capacity building for strengthening voice):

1. Look at what policy / information capacity needs to be built at all levels – and develop a plan.
2. Validate that plan with all stakeholders.
3. Help design policy research analysis and evidence based research that fills the gaps.
4. Map key decision-making stakeholders and their interests.
5. Building both ad hoc and specific, planned partnerships; these need to be mapped out with their interests, which need to be managed along with their expectations and conflicts.
6. Create multi-stakeholder platform for consensus building; the multiplicity requires a forum to share experiences and tactics.
7. Define strategies for money, resources need to be defined.
8. A mechanism needs to be put in place for continuous M&E to monitor the changes and the impacts of the capacity building.
9. Strengthen the social base. We are building capacity for specific groups but there needs to be capacity built amongst the general public to inform them. This could be either in the communications strategy or in capacity building. This will go beyond the key stakeholders by providing information to create support.

Tumbles:

1. Avoid the consideration that training is equal to capacity building.
2. Avoid the assumption that all trainers are at the same level.
3. Avoid advocacy without evidence; the policy analysis and research should create a base for our advocacy.
4. We should use data in the right way, not in a confrontational way.

Group discussion

- With this emphasis on capacity building, what capacity were you trying to build? For example in the Uganda case where the government gave away the Mabira forest, there was an advocacy campaign. They won the battle by doing research to document the extent of the livelihoods and benefits being lost by this giveaway of a forest reserve. But then they didn't do any of the rest of what you suggest here – they used mobile phones to form an alliance, they got on the radio, they marched to form an alliance. We need to remind ourselves what the group is supposed to do in terms of strengthening.
- The lack of clarity is also because we are focusing on only one tactic out of several that are needed to achieve a big policy shift (such as stopping the Mabira give-away).
- Needing to get evidence to the right people is clear.
- Capacity building is needed because not everyone understands what the legal and policy realities are and how they need to be changed.
- What you saw for mobilization in Uganda; many things were done by many stakeholders. In

Mabira, the communities around the forest had to meet with the minister – but to make this profitable capacity had to be built around the groups to say, if you meet with the minister, this is what you do.

- There is a difference between building an advocacy campaign, and building a sustained campaign. The framework is the same but the speed of the action is different.
- Coming to what you said about Uganda, a successful campaign to get back a forest asset. You have to be able to be very flexible, and know when to engage very directly, confrontationally in political action. When someone is taking your forest, you can't just build capacity. There needs to be something in the toolkit on innovations and direct action – because it is research for direct action, we can't leave it out when it's appropriate.

Concluding remarks

We need to ensure that we are giving guidance that is based on practical steps. When we look at the steps, we need to see if we've given something emphasis that isn't used anywhere – it is going to be used as a checklist for revising the guidance.

The process for doing that will incorporate the sessions, the case studies, and an editorial team. Maybe the steering committee can decide on the process.

16.00 Debates over the future of Forest Connect

A fish bowl debate method was used to explore with participants the future of the Forest Connect alliance. According to Peter O'Hara who has designed and trialled this method, the fishbowl debate has been used to great effect in multi-stakeholder meetings where there are divergent views. It provides an opportunity for different stakeholder groups to be able to justify their points of view and provides all groups with an equal opportunity to do so, including the marginalized. It also clearly identifies which issues are most contentious as well as those that the participants are closest to consensus on. Its strength as a method lies in the way it ensures the debate can not be dominated by any individual and that when the method starts it tends to build its own momentum and energy and the facilitator can step back. The main steps include the following:

Step 1

A position statement is advanced by a proponent of that motion.

Step 2

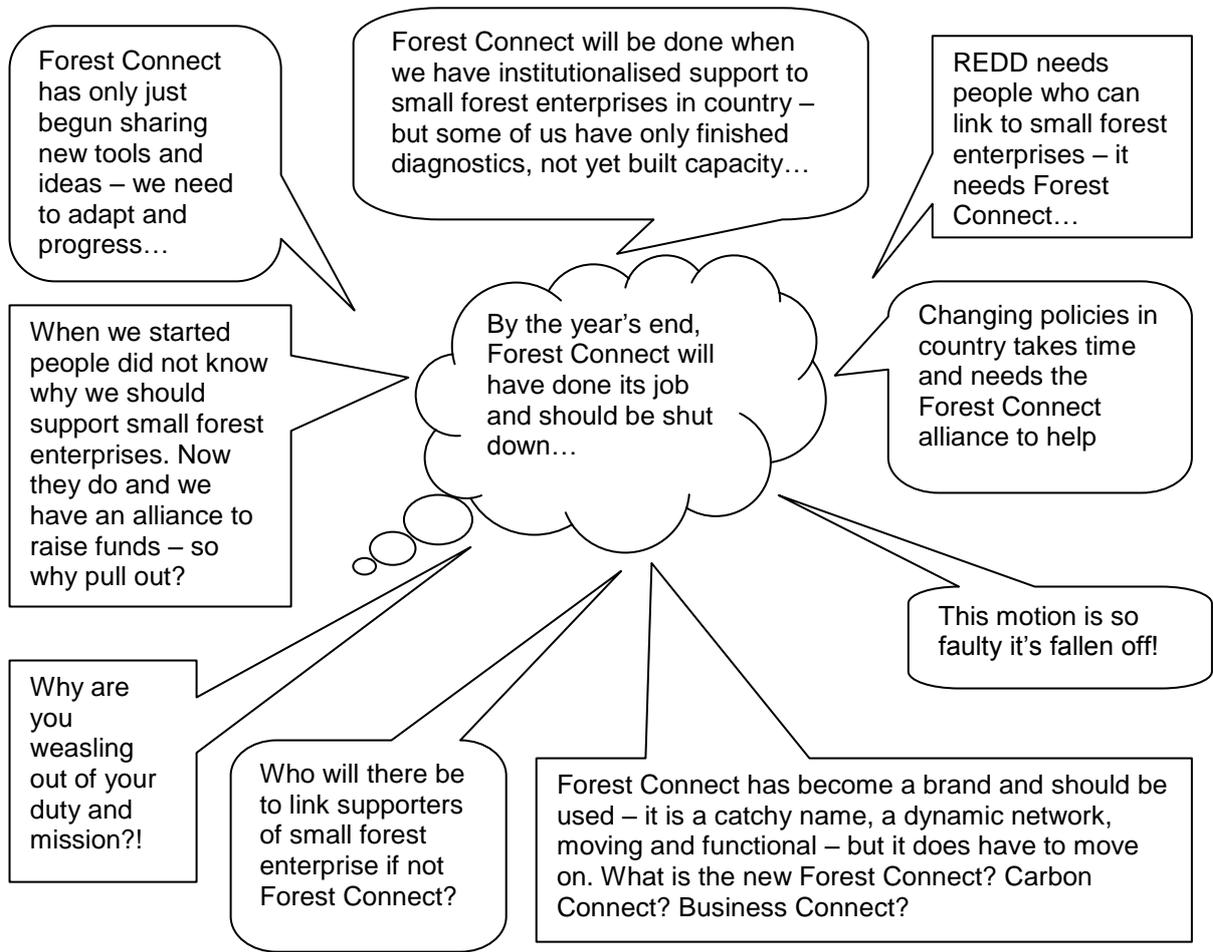
The 'fish bowl' is prepared by having 3-5 chairs in the centre of the room or meeting place, facing each other. If there are enough chairs have a ring of chairs like above around the outside that is fine, people can sit on what is suitable on the outside. A flip chart is placed to be easily visible from the centre of the chairs. On this board the position statement is placed.

Step 3

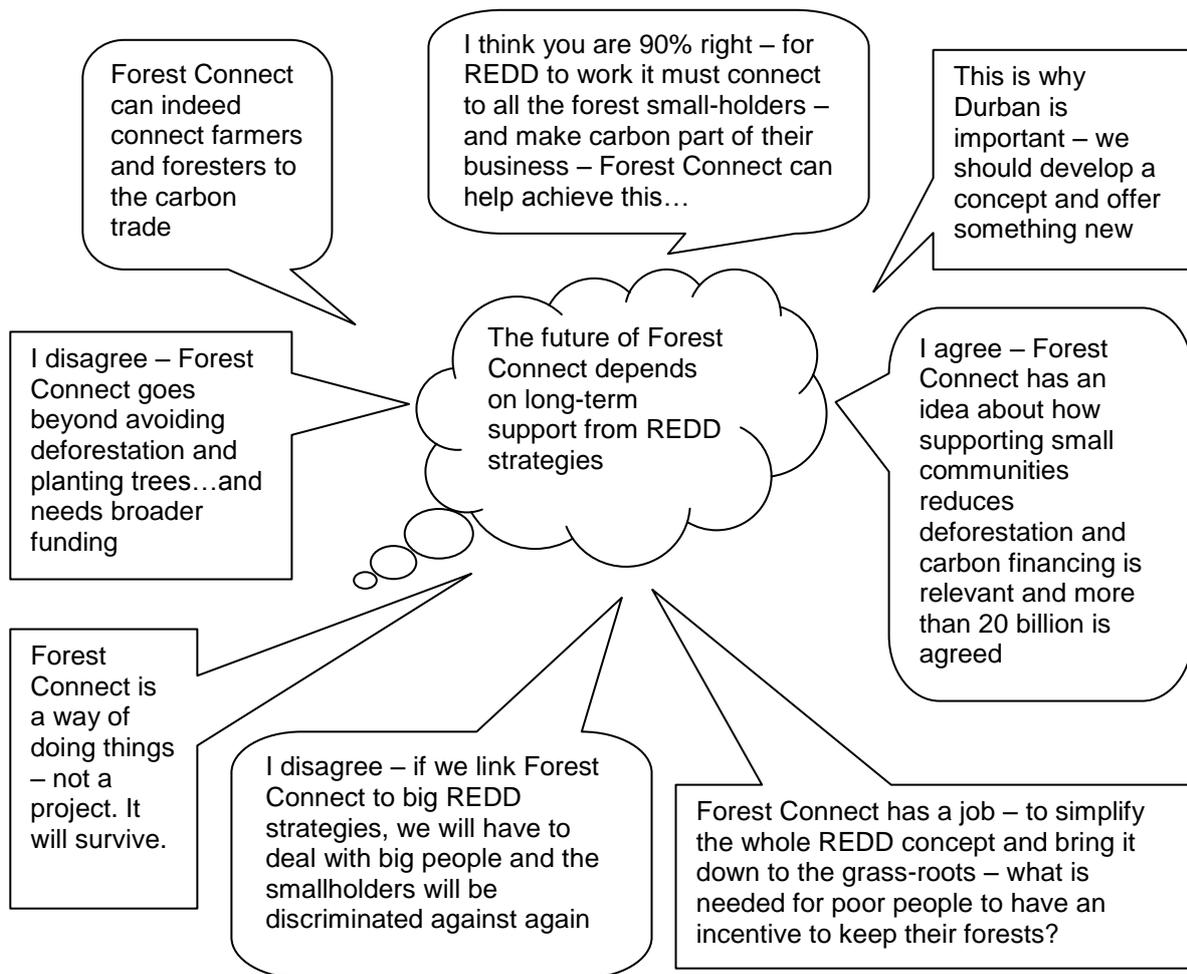
Only those in the centre of the 'fish bowl', the 'fish' are allowed to speak, no one on the outside. In the centre only one person at a time is allowed to speak, a 'passing stick' can be used. One chair in the centre is reserved for the justifier of a statement, the others are for respondents. The position statement is revealed and then the justifier after walking around and justifying his/her statement and trying to persuade the larger group can remain on the justifier's chair throughout the debate around the statement and can respond to any respondent if they wish. Once the justifier has finished his/her initial justification, the debate can begin and anyone from the outside ring can come and sit in any free chairs in the centre, these are the respondents. As many people can come as there are chairs free. The respondents must leave the central circle immediately once they have made their statement. They must return to the outside ring and must wait until at least one other respondent speaks before coming back to the centre again and only when there is a space available. The respondents should say if they agree or disagree with the position statement when they first sit down in the centre before they give their. Time management and generally enforcing the rules in the fishbowl is extremely important, the facilitator should treat all equally. Up to 5 minutes maximum for the initial justification and up to 1 minute maximum for anything said by either justifier or respondent at any one time after that may be appropriate. Time cards, one with '3 minutes', one with '30 seconds' and one with 'Stop!!) have proven to be a useful tool for the facilitator to use to manage this the timing.

Step 4

Wrapping it up occurs once the debate has run out of steam by a quick vote – with those supporting the motion moving to one side of the room and those disagreeing moving to the other side of the room.



Motion rejected unanimously!



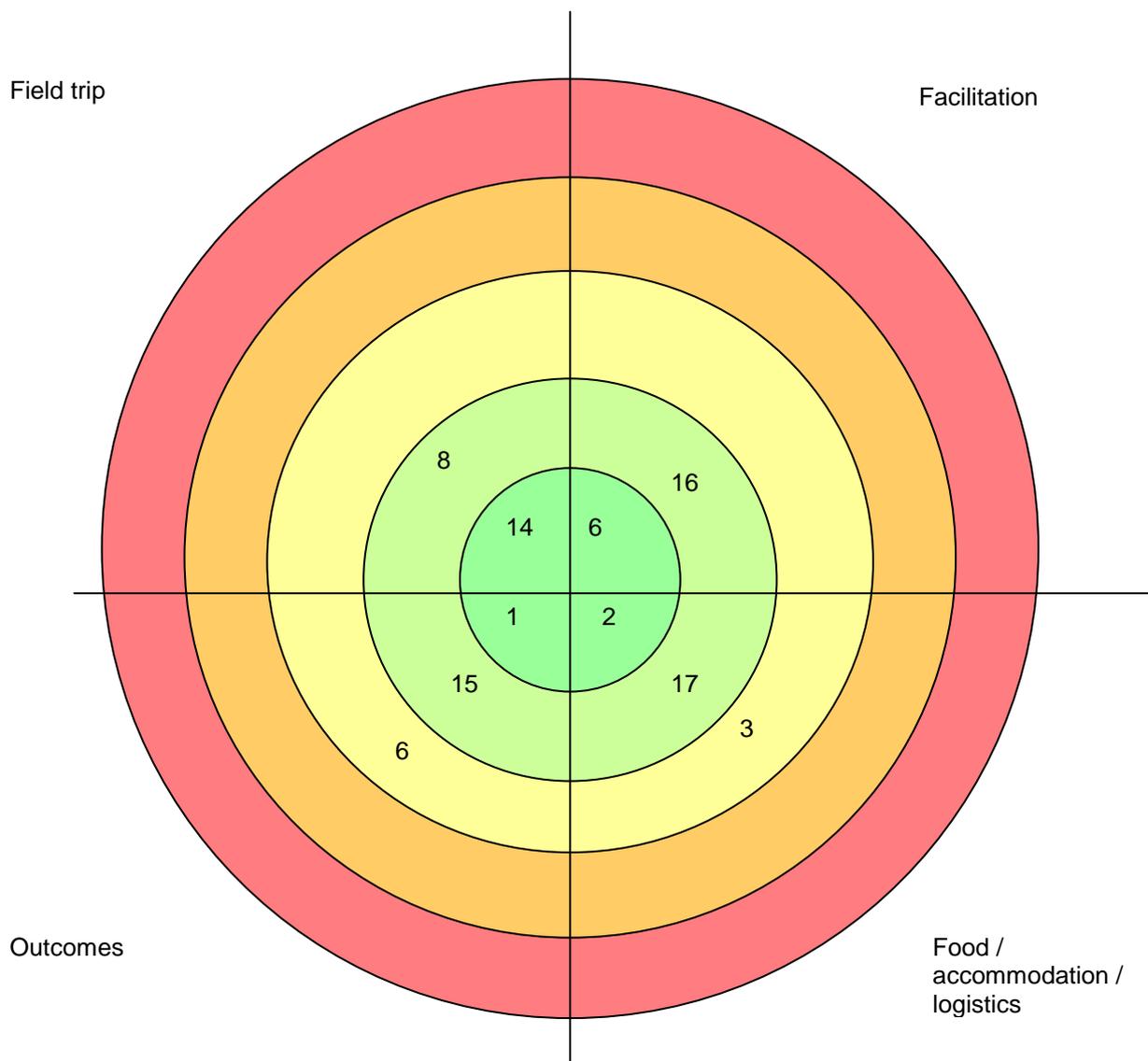
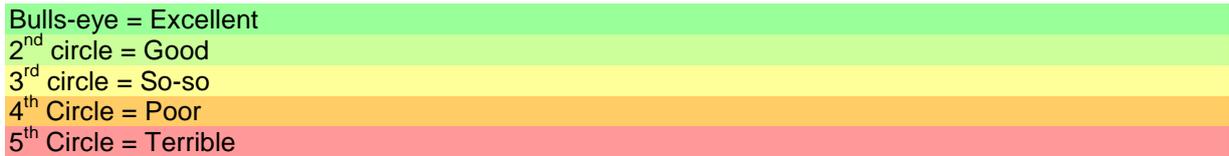
Motion declined very narrowly...

17.30 Workshop Evaluation

Participants were asked anonymously to put a cross in each quarter of an evaluation target. The numbers below summarise what participants thought (the nearer the centre, the better the evaluation).

Participants were then asked to write anonymous comments on positive and negative feedback walls. An unedited list of these comments is given below.

A plenary session was used to read out the comments so that there was transparency about what needed to be improved for next time. A particular issue will be the location and field trip to be arranged for the next meeting.



What was good?

The field trip (x8)
Facilitation (x6)
Level of participation (x3)
Service (x2)
Content (x2)
Logistics and organisation (x2)
Group work (x1)

What could be improved?

Translation needs to be given more consideration (x2)
The workshop duration could have been longer to give more time (x2)
Outcomes could have been more specific and better summed up (x2)
Advance communication of materials was insufficient (x2)
Better control of timetable needed (x2)
Assessment of past years work needed (x1)
Better to invite direction of way forward for Forest Connect from participants (x1)
Last day debates departed from the preliminary workshop agenda (x1)
Include soft drinks at the tea and coffee breaks (x1)
Town visit (x1)
Time for shopping (x1)

18.00 Formal closure of the workshop

List of participants

Biniyam ABEBE, NTFP-PFM Project, Ethiopia, forestmkt@yahoo.com
Mesfin ADMASSU, AgriCord, Ethiopia, atale_mengistu@yahoo.com
Berihun AMSALU, Zenbaba, Ethiopia, berihun.amsalu@yahoo.com
Bereket ASSEFA, FARM-Africa, Ethiopia, assefabereket@yahoo.com
Peter DEMARSH, International Family Forestry Alliance (IFFA), Canada, grandpic@nbnet.nb.ca
Patricia FREDERICKS, Bina Hill Institute, Guyana, patfred2009@gmail.com
Seyoum GEBREKIDAN, SOS Sahel, Ethiopia
Sophie GROUWELS, FAO, Italy, sophie.grouwels@fao.org
Zerfu HAILE, AgriCord, Ethiopia, zerfuhailu@yahoo.co.uk
Ben IRWIN, SOS Sahel, Ethiopia, benirwin@hotmail.com
Elias KASSAHUN, NTFP-PFM Project, Ethiopia, eliaskasahun@yahoo.com
Hussein KEBEDE, Ministry of Agriculture, Ethiopia, kebede_hussein@yahoo.com
Sudarshan KHANAL, ANSAB, Nepal, sudarshankhanal@ansab.org
Lulu LIKASSA, SOS Sahel, Ethiopia, Lnefabas@yahoo.com
Francisco Xante LOBOS, Ut'z Che', Guatemala, fxante@tikonel.org
Duncan MACQUEEN, IIED, UK, duncan.macqueen@iied.org
Davidson MADIRA, Natural Enterprises Development (NED), Uganda, md@naturalenterprises.net
Juan Ramón Girón MANZANERO, ACOFOP, Guatemala, subdireccion@acofop.org
Alick MITAWA, Department of Forestry, Malawi, chalachamulungu@yahoo.com
Samuel NKETIAH, Tropenbos International Ghana, ksnketiah@yahoo.com
Paul OSEI-TUTU, Tropenbos International Ghana, p.oseitutu@yahoo.co.uk
Rigoberto Turra PAREDES, MUCECH, Chile, rigoturra@yahoo.es
Grazia PIRAS, IIED, UK, grazia.piras@iied.org
Veli POHJONEN, Tana-Beles, Ethiopia, veli.pohjonen@gmail.com
Sylvestre OUEDRAOGO, TreeAid, Burkina Faso, sylvestre.ouedraogo@treeaid.org.uk
Vanda RADZIK-SOCHACKI, NRDDDB & Iwokrama, Guyana, vandaradzik@yahoo.com
Ararsa REGASSA, Oromia Forest and Wildlife Enterprise, Ethiopia
Leianne ROLINGTON, IIED, UK, leianne.rolington@iied.org
Laura SCHWEITZER MEINS, FAO, Italy, laura.schweitzer@fao.org
Bright SIBALE, CDM Consulting, Malawi, bbsibale@sdp.org.mw
Mady SIDIBE, AOPP, Mali, Email: smady2@hotmail.com
Bhishma SUBEDI, ANSAB, Nepal, bhishmasubedi@ansab.org
Tsegaye TADESSE, FARM-Africa, Ethiopia, tsegayet@farmafrika-eth.org
Elvis Paul Nfor TANGEM, TreeAid, Burkina Faso, elvis.tangem@treeaid.org.uk
Issufo Ibrahim TANKAR, Centro Terra Viva, Mozambique, issufotankar@gmail.com
Tekelearegay JIRANE, FARM-Africa, Ethiopia
Andrew TOPKA, Samfu Foundation, Liberia, andrewtokpa66@yahoo.com
Xiaoli ZHANG, Beijing Forestry University, China, zhangxiaoli0817@sina.com