

Briefing

**Natural resource management;
Sustainable markets**

Keywords:
Producer organisations, community forestry, empowerment and land rights



Issue date
April 2020

Policy pointers

Across the Congo Basin, governments should orient both REDD+ processes and their strategies for achieving the Sustainable Development Goals towards catalysing rural entrepreneurship that incentivises sustainable forest management.

To support entrepreneurship, partnerships like the Central African Forest Initiative (CAFI) should prioritise finance for embedding a system for rural business incubation services that will help establish sustainable community forest businesses.

Membership-based forest and farm producer organisations and their networks — those which directly represent and have a mandate to serve forest producers — should be the primary recipients of such investment and support.

National governments and REDD+ implementing agencies should develop integrated approaches — which work across forest and farm sectors — to include diverse types of community forest business models that collectively ensure sustainable and equitable forest landscapes.

Remote forest producers: reaping the benefits of collective action

Smallholder forest producers are isolated from markets; they receive little or no technical and financial support. Additionally, rights to forest resources are often weak and burdened by over-regulation. Trying to do sustainable business in remote forest areas may appear futile, but this remains the best option for the 1.5 billion forest-dependent people across the globe to enter the cash economy with long term prospects. In the Congo Basin, organisations of forest producers have been challenging barriers to growth by overcoming isolation, sharing knowledge and collectively negotiating market access and favourable policy decisions. The 'CoNGOs' project showed how, with support, organised smallholder forestry producers in Cameroon and the Democratic Republic of Congo (DRC) could swiftly build successful and sustainable enterprises. We urge programmes such as REDD+ and the Central African Forest Initiative (CAFI) to invest in upscaling and embedding these 'business incubation' approaches.

Community forestry has been a key policy instrument for supporting sustainable forest management and improving rural livelihoods; 'community forestry enterprise' is perceived as a vital strategy for the latter. However, despite this being applied for two decades — particularly in Cameroon, but also in the DRC — few examples of successful community forestry enterprises exist.^{1,2} Up-front and operational costs are simply too high;² additional challenges including poor infrastructure and remoteness push them higher. Most forest products are traded locally with little prospect of enhancing or capturing a greater share of the value, both benefits that integrating higher up the value chain would generally offer.

Despite poor returns, community forestry matters in Cameroon and the DRC. It generates important livelihood income and employment, mainly for individuals collecting forest products or felling timber under a short-term artisanal logging

permit. But as yet, there is limited support to enhance the scale and value of these activities. Without a supportive process to accelerate the successful development of sustainable businesses ('business incubation'), entrepreneurs and local communities struggle to develop capacities or make investments that could add value and reach wider markets.³ This means the majority of profit is captured elsewhere: a missed opportunity for supporting rural development and reducing poverty.

Supporting entrepreneurs

The CoNGOs project (see Box 1) sought to address some of the challenges facing smallholder forest producers through a supported enterprise development process. From May 2017 to August 2019, IIED and partners (INADES, Center for Environment and Development, and Tropical Forest and Rural Development in Cameroon and Tropenbos DRC in the DRC) worked with

Diverse community forest business models can increase local empowerment and self-determination, in just a short time

participants including community forest rights holders, members of artisanal loggers' associations, communities in conservation 'buffer zone' areas, and peri-urban timber and non-wood forest product (NWFP) processing enterprises.

We used an enterprise development approach known as **Market Analysis and Development (MA&D)**. The process provides a framework to design support for forest product-based enterprises; it seeks to enhance local communities' entrepreneurial

capacities (improving their market access and cash income) while incentivising sustainable management of natural resources. Alongside skills development, an important outcome is the recognition of local forest producers as 'entrepreneurs' by themselves and others.

The MA&D process followed four successive phases, with interim coaching support:

1. Initial scoping to identify suitable products with the highest profit potential and screening them against sustainability criteria.
2. Participants carry out market surveys; select products with highest profit potential.
3. Participants develop an Enterprise Development Plan (EDP); this assesses financial viability and plots implementation.
4. CoNGOs partners support enterprises during the start-up phase to implement their EDPs and improve practices, through regular coaching and by linking entrepreneurs with service providers (for example, technical

assistance, basic accounting and financial management skills trainings).

In the fourth phase, CoNGOs developed a small grants programme to help enterprises access the finance to implement their EDPs and to improve financial management, reduce the impact of their timber and NWFP harvesting, and invest in processing equipment. Enterprises could also access training in risk management and conflict resolution.

Consolidating support

The MA&D process supported 39 enterprises across the two countries (see Box 2). Across all the enterprises, women comprised between 30–100% of members, with 43% and 70% of management positions in Cameroon and the DRC respectively held by women. The greater representation in Cameroon was due to the high concentration of NWFP enterprises (12 of 14). In both countries, women are gradually gaining equality in decision-making positions.

Thirty of the enterprises received small grants.⁴ Additional support to register their enterprises and open financial accounts proved to have extra indirect benefits: for many entrepreneurs, 'official status' made it possible to resist unofficial harassments. The importance of clear legal status for the enterprise partnership and for each member's contributions (many of whom invested their own money) became evident as entrepreneurs began to implement their EDPs.

Applying the process: key results

Targeted marketing. Enterprises were at different stages as they entered the MA&D process. For those that went from subsistence production and roadside sales to targeting specific markets and opportunities, it was a steep learning curve with high rewards. One family business in the DRC (selling fresh medicinal plants to order) transitioned into a small cooperative and opened a shopfront in town; investment in processing enabled the shop to stock, add value to and market natural products to a broader consumer base. The resulting five-fold increase in monthly income was a strong but not unusual result: across the CoNGOs project, entrepreneurs' incomes grew by at least 20%.

Diversifying beyond local markets. For established enterprises, including artisanal logging entrepreneurs in the DRC, the MA&D process helped identify new opportunities and strategies for diversifying into higher value markets. Entrepreneurs based in Kisangani, Tshopo Province and various locations in the Ituri province shifted their focus from local markets to Kinshasa, Kampala and Nairobi. New

Box 1. About the project

This briefing is one of five on the 'NGOs collaborating for equitable and sustainable community livelihoods in the Congo Basin forests' (CoNGOs) project. Launched in 2016 in the Congo Basin — where the second-largest tropical rainforest provides the livelihoods of 40 million people — the project aimed to improve the livelihoods of forest-dependent communities through better governance and practice. The project partners believe that strengthening the organisation and capacities of CSOs and local communities to secure and develop community forestry rights and enterprises have been central to achieving this. CoNGOs was led by IIED with a consortium of NGO partners in five countries. UK: ClientEarth, Fern, Forest Peoples Program, Rainforest Foundation UK, Well Grounded. Cameroon: Association OKANI, Centre for Environment and Development, INADES-Formation. CAR: Réseau des Populations Autochtones et Locales pour la gestion durable des écosystèmes forestiers de Centrafrique, Centre pour l'Information Environnementale et le Développement Durable. ROC: Organisation pour le Développement et les Droits Humains au Congo, Forum pour la Gouvernance et les Droits de l'Homme, Comptoir Juridique Junior. DRC: Tropenbos International.

partnerships were established between entrepreneurs who had previously been sole traders. Just six months into their EDP, the Dura Forest logging enterprise was accessing higher value markets within their home province as well as reaching trading hubs in the Ugandan and Kenyan capitals.

Improved finances and planning. The small grants programme and trainings for entrepreneurs were critical to improving business management and increasing profitability. Although many enterprises provided co-financing, small grants helped overcome the difficulties of accessing finance. Using new tools to analyse the market and applying basic accounting and risk management techniques had other positive knock-on effects. In Cameroon, the ability to provide financial records opened new avenues for entrepreneurs to access credit; in DRC, better planning around production and sales helped some entrepreneurs to depend less on pre-financing, which has previously left them in debt rather than profit.⁵

Initiatives to increase collective action. We supported geographically scattered entrepreneurs to gather and identify opportunities for collaboration; more importantly, they were able to consider how to use collective action to make it sustainable. In Cameroon, four cooperatives decided to form a 'second-tier' marketing cooperative and use their combined strengths to provide marketing services to members. Similarly, in the DRC, leading members of RINEC Bois established a separate services cooperative that allows members to share the costs of processing equipment, market research and transportation. These initiatives were entirely driven by the producers. And because their enterprises generate revenues — provided they have enough members and products — second-tier cooperatives can pay for critical marketing and advocacy services. With more support from government and donors, second-tier producer organisations could grow and extend their services to more members. This kind of transition is urgently needed across the whole Congo Basin.

Consolidate gains with systemic change

The CoNGOs project proved that diverse community forest business models can increase local empowerment and self-determination, in just a short time. However, these advances seem small and vulnerable compared to the systemic change that is needed. Here we suggest how that change might get started.

Develop a diverse rural economy through business incubation services. A broader

Box 2. Enterprises for incubation: location and type

In **Cameroon**, CoNGOs worked with 14 agriculture and NWFP enterprises, located within a community forest or conservation zone in the Eastern Region.

In **the DRC**, we focused on the Mongala, Tshopo and Ituri Provinces, working with:

- 19 timber enterprises, represented by seven artisanal logging associations and organised under a single network, Réseau Inter-provincial pour l'Exploitation et Commerce du Bois (RINEC Bois); and
- Six small NWFPs and agricultural enterprises, created as a result of the CoNGOs training programme.

longer-term vision for community forestry should focus on the many uses of community forests (including collecting NWFPs, agriculture, conservation, social and spiritual functions) and its links with peri-urban areas. Cameroon's civil society has long argued for revision to legislation that prevents community forestry becoming more flexible and progressive. The focus on timber is problematic, having created both dependency on external contractors and inequity within communities (the benefits are poorly spread).⁶ In contrast, DRC's more progressive legislation promotes multiple uses for community forests.⁷

While the CoNGOs project shows clear connections between different community forest business models, poverty reduction and rural employment, at present neither country is making the crucial links between community forestry and other key forestry livelihoods, or pursuing its potential to contribute to rural development, growth and employment programmes. To sustain and scale up community forest enterprises, the Governments of Cameroon and the DRC should develop sub-national business incubation systems^{6,8} which will support the development of a diverse rural economy.⁹ Institutional models (eg NGOs or government) can offer an interim measure, but in the long-term business incubation systems should be installed within producer organisations, to be led and developed by the producers themselves. This kind of transition would likely support progress on several Sustainable Development Goals.¹⁰

Invest in networks of producer organisations.

Future investments by national REDD+ programme implementing agencies and regional fund initiatives, such as CAFI in the DRC and Cameroon, should therefore prioritise actions that prepare forest producers' organisations for that role. Investment in business incubation is critical to ensure that their enterprises can organise and begin to integrate more vertically into national and regional markets — both are necessary if community forestry is to progress.

It is equally important to facilitate the organisation of producers within specific geographic areas, so they can more easily identify and access economic opportunities. In this respect, the provincially integrated REDD+ (PIREDD) programmes currently being implemented by a host of CAFI partner organisations in the DRC are well placed to offer support. Without strategic geographic clustering, delivering incubation services to forest producers scattered across large areas will be costly and limited, leaving little chance that second- or third-tier cooperatives gain a foothold. To avoid this, one of the incubator's key roles must be to link remote producers not just to each other but also to a host of services that can help those second-tier organisations get started.

Establish a comprehensive forest and land use plan. It is hard to predict whether natural regeneration can keep pace with artisanal logging and other timber operators, who work in different locations within Cameroon and the DRC from year to year. We can, however, be certain that allocating annual harvesting permits does not foster a longer-term vision of sustainability. In the DRC, besides community forestry laws, regulations were put in place in 2016 to establish Artisanal Forest Units (AFUs).¹¹ The AFUs are allocated from a provincial-level forest management plan steered by the provincial governor's office; they are designed to increase both control over the sector and the sustainability of the forest. But to date, no such units have actually been established. Although the AFU approach could offer a partial solution to the sustainability problem, it may take some time before provincial government authorities do the significant groundwork needed and make them a budget priority.

In the meantime, implementing agencies of REDD+ programmes should explore practical solutions that sustain the forest while also providing access to services, jobs and decent livelihoods. This could be achieved, for example, by supporting the development of partnership agreements between local community forest management entities and external forest and agriculture enterprises. But to avoid dependency on external investors, local community enterprises first need to be supported to develop their own forest management and enterprise development plans. In the case of artisanal logging, partnership agreements would offer greater control over timber harvesting, which would follow a management plan over a larger area and so safeguard natural regeneration. Such agreements could unlock greater market access and support the development of mutually beneficial local partnerships, generating returns beyond the typical local capture. Some communities with recently approved local community forest concessions (LCFCs) in Tshopo Province are exploring such partnerships by seeking capital to invest in community agroforestry enterprises (associating cocoa production with food crops). For governments in the region and funding institutions such as CAFI, the LCFCs in the DRC provide an unparalleled opportunity for longer-term planning and investment to improve forest livelihoods.

Anna Bolin, Alphonse Maindo, Raphael Meigno, Matthieu Kyanga and Alain Lekeulem

Anna Bolin is a senior researcher in IIED's Natural Resources Group. Alphonse Maindo is director of Tropenbos DRC. Raphael Meigno is project manager at INADES formation Cameroon. Matthieu Kyanga is technical supervisor at Tropenbos DRC. Alain Lekeulem is director of INADES Formation Cameroon.



Knowledge Products

The International Institute for Environment and Development (IIED) promotes sustainable development, linking local priorities to global challenges.

Institut Africain pour le Développement Economique et Social (INADES) work to improve the socio-economic self-reliance of rural populations, placing an emphasis on the participation of women and ethnic minorities in the development process of their communities.

Tropenbos DRC improves governance of tropical forests for the benefit of people, biodiversity and sustainable development. We ensure that knowledge is used effectively to formulate and to enforce appropriate policies for promoting good practices.

Contact

Anna Bolin
anna.bolin@iied.org

80–86 Gray's Inn Road
London, WC1X 8NH
United Kingdom

Tel: +44 (0)20 3463 7399
www.iied.org

IIED welcomes feedback
via: @IIED and
www.facebook.com/theiied

ISBN 978-1-78431-796-6

Notes

- ¹ Cuny, P (2011) Etat des lieux de la foresterie communautaire et communale au Cameroun. Tropenbos International, Wageningen. <http://bit.ly/2kTlCw> / ² Lescuyer, G, Kakundika, TM, Lubala, IM, Ekyama, IS, Tsanga, R and Cerutti, P (2019) Are community forests a viable model for the Democratic Republic of Congo? *Ecology and Society* 24(1): 6. <http://doi.org/10.5751/ES-10672-240106> / ³ Macqueen, D and Bolin, A (2018) Forest business incubation: Towards sustainable forest and farm producer organisation (FFPO) businesses that ensure climate resilient landscapes. IIED and FAO. <https://pubs.iied.org/13595IIED> / ⁴ Work with nine of the enterprises in the DRC were affected by insecurity in the Ituri Province, which also affected the small grants support. / ⁵ Also observed in: Ongona, PT, Lescuyer, G, Vleminckx, J, Adebu Abdala, B and Lokombe, D (2016) Utilité d'une typologie des scieurs artisanaux de bois pour contribuer à la formulation d'une politique publique en province Orientale (RD Congo). *Biotechnologie, Agronomie, Société et Environnement* 20(4), 468–481. www.cifor.org/publications/pdf_files/articles/ALescuyer1605.pdf / ⁶ Mbile, P and Macqueen, D (2019) Options for sustainable business incubation that serve Cameroon's community forests. IIED, London. <https://pubs.iied.org/13612IIED> / ⁷ Decree n°14/018 from August 2nd, 2014; Ministerial order n°025/CAB/MIN/ECN-DD/CJ/00/RBM/2016 from 9 February 2016. / ⁸ Ewango, C, Maindo, A, Shaumba, J-P, Kyanga, M and Macqueen, D (2019) Options for sustainable community forestry business incubation in the Democratic Republic of Congo (DRC). IIED, London. <https://pubs.iied.org/13613IIED> / ⁹ CoNGOs consortium (2019) Yaoundé declaration: statement concerning community forestry in the Congo Basin region. IIED, London. <https://pubs.iied.org/G04413> / ¹⁰ In particular, SDGs 1 (no poverty), 3 (good health and wellbeing), 5 (gender equality), 8 (decent work and economic growth), 13 (climate action) and 15 (life on land). / ¹¹ Ministerial order no 85 / CAB/MIN/ECN-DD/CI/00REM/2016, 29 October 2016.

This research was funded by UK Aid from the UK Government, however the views expressed do not necessarily reflect the views of the UK Government.

This document is the sole responsibility of its authors and does not necessarily reflect the views of all consortium members.

