Supporting small forest enterprises
Reports from the field

Guyana
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Report on Forest Connect Guyana experiences

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Acronyms

CDC   Commonwealth Development Corporation
CI   Conservation International
CIDA   Canadian International Development Agency
DFID   United Kingdom Government Department for International Development
EU   European Union
GCP   Global Canopy Programme
GFC   Guyana Forestry Commission
GNIFC   Guyana National Initiative for Forest Certification
IDB   International Development Bank
IIED   International Institute for Environment and Development
LCDS   Low Carbon Development Strategy (Guyana)
MRU   Makushi Research Unit
MSSC   Multi-Stakeholder Steering Committee (of the Guyana LCDS)
NRDDB   North Rupununi District Development Board
NTFP   Non Timber Forest Product
SFM   Sustainable forest Management
SMFE   Small and Medium Forest Enterprises
WWF   World Wide Fund for Nature
1. Institutional history

Guyana’s engagement with Forest Connect has involved several institutions. This has helped to spread expertise, but also presented challenges for continuity.

IIED began to engage with Guyana to support small and medium forest enterprises in 2003. The Guyana Forestry Commission (GFC) research division was keen to assess the opportunities and constraints for such enterprises and agreed to undertake a national survey of small and medium forest enterprises (Thomas et al. 2003). While many small family-owned timber operators existed, there were at that time few community forest enterprises. Given in-county concerns over the sustainability and limited support options for SMFEs at that time, the Guyana National Initiative for Forest Certification (GNIFC) agreed with IIED to conduct a comprehensive review of the forest associations that were attempting to upgrade business capacity among their members (Ousman et al. 2006). At the same time, the major distributor of chainsaw logging equipment in Guyana, Farfan and Mendes Ltd, was commissioned to author an analysis of the rapid increase in small-scale logging, its implications for forest management, and possible policy options (Mendes and Macqueen, 2006).

By 2007, the international Forest Connect alliance formed and discussions in Guyana led to the selection of Iwokrama International Centre for Rain Forest Conservation and Development (Iwokrama) as the national institutional hub for the alliance. Iwokrama wished to pursue its mandate to both work with hinterland communities and further sustainable forest management in Guyana, by increasing the organisation and connectedness of small enterprise groups. The vision of this first phase of Forest Connect work was to create an in-county Forest Connect directory of small forest enterprises backed by an online database of SMFEs and their products, and at the same time identify service providers who might be brought in to help those enterprises.

By 2008, with the website database online, a second phase of Forest Connect work started conducting value chain analysis, particularly of the craft sector, bringing in designers to give training in design improvement. Staff changes, internal funding issues and political reservation over Iwokrama’s involvement in what was considered Guyana Forestry Commission territory led to major delays with this work, however. Through further discussion, it was agreed that the support for small forest enterprises should focus in more narrowly on autonomous Amerindian lands, with a shift in convenorship to the North Rupununi District Development Board (NRDDB).

The NRDDB has a vital interest in maintaining the good health and wise management and use of its locally owned forests, savannahs and wetlands and the rich resources within these. Further, it has in interest in doing good business with these life-sustaining resources, so as to equitably provide incomes and decent livelihoods for our peoples who live in and depend upon these areas. Forest Connect shares these values and offers some small support and international network linkages, which we consider to be very useful for us. We are still in the start-up stage of our forest businesses and face many challenges. We welcome the way Forest Connect works with us. We find it a very simple, flexible and suitable way, refreshingly different and practical in comparison with some other supporting agencies, allowing us to move at our own pace.
Guyana is also embarking on its Low Carbon Development Strategy (LCDS), which is intrinsic to Guyana’s REDD+ commitment. The NRDDB supports the LCDS in principle and serves as a member of its Multi-Stakeholder Steering Committee (MSSC). We are therefore keen to advance our knowledge of and benefits from Sustainable Forest Management (SFM), in particular as it applies to our community-owned and controlled forests. We see the link to Forest Connect as an important help in this task.

2. Activities

Prior to the establishment of Forest Connect Guyana, IIED worked primarily with the GFC, GNIFC and Farfan and Mendes Ltd to gather and spread information about (i) the existence, opportunities and constraints to SMFE development in Guyana; (ii) the nature, needs and opportunities for SMFE associations; and (iii) governance changes that might be required to better deliver support to SMFEs. These reports were widely distributed in country and are available on the website (see references).

Following the establishment of Forest Connect in 2007, Iwokrama held discussions with 14 forest-linked associations and 16 service providers to determine willingness and ability to participate in the proposed Forest Connect network. As part of an organisational mapping, the associations identified their individual roles, activities, products, services and priority needs, as some of the main parameters to be publicised on the internet. A database was constructed around four main product groups: (i) eco-tourism; (ii) medicinal products (Makushi Research Unit (MRU) /merisin sepo); (iii) handicraft and sewing; and (iv) timber. The main identified needs within these associations included the following:

Product development and marketing
- Finding or developing markets for their products, including through use of the internet.
- Developing variety in product designs, for example, craft and ceramics of relevance to consumers.
- Promotional/marketing campaigns: including participation in local, regional and overseas trade fairs.

Business capacity building and education
- Specific skills training: for example, vocational class in sewing; art of embroidery; cookery, food and nutrition; tour guiding; and hospitality.
- Management training: such as management; marketing; accounting; and technical assistance in proposal writing.
- Information technology and computer training: basic computing skills; and website development and management.

Strengthening of associations
- Increasing the number of members.
- Forming linkages with neighbouring communities.
- Training in the registration of organisations and procedures for internal management.
- Loans or grants for equipment and materials: for example, sewing machines and materials; handicraft tools (small drills, baits, knives); boats and engines for rural tours; and computers.
- Renovation or construction of processing facilities for training, sewing, handicraft and so on.
- Transportation from rural communities to markets.
- Computer equipment.
Information was collected on 14 major Guyanese service providers to identify the types of support provided to small and medium enterprises through existing programmes. Combined with the analysis of major needs as expressed by the associations, it became clear that a number of key challenges to SMFEs in Guyana existed: (i) the geographic spread of the associations that was hampering business support; (ii) the shortcomings in communication infrastructure; (iii) the inadequate organisation of and business capacity of staff within the associations and enterprises; (iv) the absence of mentoring through partnerships between more established enterprises and the small businesses or associations; (v) lack of market intelligence as to which types of products are in demand, pricing mechanisms, logistic facilitation from production enterprise to the market – especially overseas markets; (vi) the lack of seed money or micro-credit without collateral, which would give associations a jump start in enterprise development; (vii) the lack of ability to fulfill market demand on a sustained basis with assured quality and reliability; (viii) a lack of apparent awareness by those in authority and decision-makers of the importance of encouraging community-based enterprises as a way out of unemployment, poverty and ignorance, and as a mechanism for empowerment, democracy, governance and development.

An analysis was made of the business environment. This included the 2004 Small Business Act; the National Competitiveness Strategy; the various bodies of legislation specific to the forest sector; and guidelines produced by key agencies, such as the Small Business Development Finance Trust and EMPRETEC. A final report of phase 1 was prepared, presenting key recommendations to the Guyana Forestry Commission and the various government and private sector business support agencies (Ousman, 2007). These recommendations included the need to:

- Maintain a central coordinating body to collect and disseminate information about SMFEs and support agencies – overcoming the current problem of information being scattered throughout various government institutions and some donor agencies.
- Establish specific forest-related information centres (possibly within Guyana Forestry Commission offices) on a regional basis, to provide up-to-date marketing and technical information to the SMFEs. These would have key contact points in participating adjacent villages. Agro-processing activities, especially related to trees on farms, should be given special attention.
- Create a permanent design centre or school for various products, arts, crafts, and so on.
- Work with existing financial institutions to develop appropriate credit instruments for SMFEs.
- Support the ongoing technological development for online product sales. Some of the communities now have access to telephones and computers; for example, Moraikobai, Kwakwani, Ituni, Santa Mission, Surama (no telephone access but satellite dish for internet communications), Linden, Annaí (NRDB and MRUs), Orealla (no computers but telephone available) and so on.
- Assist with market research and product development – building a constructive partnership between the new Guyana Marketing Corporation’s expertise with agro product development and the Forest Connect partners.
- Continue supporting the strengthening in numbers and capacities of small community logging associations, and favour them in future Guyana Forestry Commission strategic allocation plans and re-allocation of concessions.

The Iwokrama team developed a website to allow public access to the collected information, and to raise awareness of the opportunities and challenges facing SMFEs (http://www.iwokrama.org/forestconnect/index.htm). The website was structured to allow potential buyers to search for products by category or producer group. A resource section allows producers to access further information on available national support institutions. A webpage with links also highlights international reports produced by the international co-managers of the alliance (IIED and FAO), including reports on international learning events that involved 12 Forest Connect country teams.

In addition to in-county work, the Forest Connect Guyana team from Iwokrama participated with 12 other
countries in the first international Forest Connect meeting (2-4 July 2008). At this meeting, institutional support hubs for SMFEs across the world met to define areas where they required guidance to carry out their work more effectively (see Macqueen and Morrison, 2008 - http://pubs.iied.org/pdfs/G02295.pdf). The Guyana team presented findings of their work and helped to design the framework of a toolkit for those facilitating support to SMFEs.

As a result of these developments, Iwokrama began a second phase of support work, this time focusing on the handicraft category of SMFE. Responding to the need for better product development and marketing, four training workshops were organised across Guyana (in Moraikobai, Surama, Santa Mission, and Rupertree) to bring in American and Brazilian handicraft designers (see Figure 1).

At the same time, the online database of handicraft associations was updated with detailed contact and ordering information, and detailed visual and written material on the products for sale. In addition, in September 2008, Iwokrama with the Ministry of Amerindian Affairs in hosting Amerindian artisans at the major exhibition CARIFESTA. This was a major opportunity to exhibit their products to broader regional buyers. A one day workshop on product design was accompanied by an evaluation and commentary on the products exhibited by artisans. A range of specific suggestions were made in regards to colouring, use of dyes, labeling, targeting specific seasonal markets, ways to diversify product lines, shaping and finishing, organising sales, suitable and unsuitable (for example, CITIES listed) product inputs, and beyond.

Figure 1. Handicraft design training at Santa Mission

As the convenorship moved to the NRDDB, a process was undertaken to enrich an emerging toolkit of guidance for facilitators of SMFE support, and to help integrate it into the Bina Hill Institute Curriculum and facilitate its dissemination through NRDDB’s capacity building services. As part of that process, a team from Guyana attended the second international Forest Connect workshop in Addis Ababa, Ethiopia, to
present modular components that had been adopted and used in Guyana (see Macqueen and Rolington, 2011). Several modules of the Forest Connect toolkit now have examples from Guyana produced by the team (see Macqueen et al. 2012).

The objective of mainstreaming the toolkit into the BHI curriculum was to ensure both human resource sustainability and ecological sustainability. The method was to empower indigenous youths with the necessary knowledge and skills to manage enterprises that would bring benefits to themselves and their community. This was done through the Youth Learning Centre of the Bina Hill Institute, a ‘knowledge-building’ institution, catering specifically for out of school indigenous youths. It builds capacities and knowledge-bases for inter-generational transfer of knowledge. This includes modern and scientific, as well as traditional ecological knowledge, and affirmation and utilisation of traditional skills and culture.

In this way, building ecological sustainability within the Rupununi Wetlands and its related ecosystems was given a concrete context. Youth were prepared through appropriate and relevant curricula for the types of jobs and the world of work that a local “green economy” will also sustain. It was also a means of preparing youths for how Guyana is now focusing on protecting their environment and managing their natural resources, in such a way that they can receive optimum benefits. With the implementation of the Guyana’s LCDS, the need for skilled human resources will be amplified – hence the relevance of the curriculum of the Centre.

All courses have a practical aspect, in which students are exposed to hands-on activities in community tourism businesses and forest enterprises. Modules on ecosystem services, climate change, and the role of forests have been produced locally. They are being used in schools and the Youth Centre to disseminate information on these topical issues.

3. Impacts

Early analysis (Thomas et al. 2003) showed that there were approximately 750 formal SMFEs working in the wood-based sector. This includes forest extraction companies (less than 24,282 Ha), sawmills (less than 16,000 m³/yr), charcoal licencees, firewood producers, furniture manufacturers, timber dealers and sawpit dealers. There are many more enterprises and community groups involved in the production of other small wood products and non-timber forest products (NTFPs).

Almost all (90 per cent) of SMFEs are owned by Guyanese individuals or family firms. Similarly, most (but not quite all) are directed towards the domestic rather than the export market. Some are subcontracted by larger firms to make up logs for export orders. There are also some small or medium furniture manufacturers who export to other CARICOM countries and elsewhere. The contribution of SMFEs to total production in the sector is significant. For example, in the forestry sub-sector, 257 of the 276 forest enterprises with concessions are classified as Small and Medium Forest Enterprises (SMFEs). Though covering only 31 per cent of the productive forest estate (1.8 of 5.7 million hectares), these SMFEs employ 75 per cent of the employees in that sub-sector and account for 50 per cent of the revenues collected by government.

Further detailed analysis of 14 SMFE associations in seven of Guyana’s ten regions (Ousman et al. 2007) showed that some of the associations are clearly upwardly mobile – with expanding membership and exciting prospects (for example, the Surama Eco-tourism Enterprise). Others are based around depleted resources with stagnant markets (for example, the Orealla Loggers’ Group). Both types of association are critical to the livelihoods of rural communities in Guyana, which often have only limited options available
to them. Finding ways of securing subsistence, or helping associations to expand where new opportunities allow, were noted as critical priorities for external support services. Detailed analysis of priority needs formed the subject of subsequent Forest Connect analysis.

The risk of not making support to SMFEs a policy priority was highlighted in a third report (Macqueen and Mendes, 2007). At the time that report was written, an argument (substantiated by significant economic cost data) was made that reallocating large concessions into smaller concessions using new portable technology would lead to an increase in annual royalties to nearly G$300 million (US$1.5 million), instead of an indebtedness of G$270 million (US$1.35 million). If the 1,325,000 ha of state forest permission concessions were added to this equation, a further G$92.7 million (US$463,500) would be added in royalties, giving a grand total of G$392 million (US$1.96 million). Considering that royalties received by the GFC in 2002 on a total volume of 328,546 m³ of logs and lumber amounted to just over G$125 million (US$625,000), simply changing the method of harvesting Guyana’s forest would make it possible to more than triple the initial revenues to the state. There would also be substantial gains in employment.

Subsequent Forest Connect work has built on the evidence presented in those reports by engaging directly with both SMFEs and service providers as described above. Five major impacts have followed:

**In-country evidence wielded and accepted by key government, NGO and private sector entities.** The analysis contained in the reports described above, and substantiated in subsequent Forest Connect websites pages and reports, has been distributed to major government agencies, such as the Guyana Forest Commission; NGOs, such as Iwokrama and Conservation International; private sector bodies, such as the Guyana Marketing Corporation; and the Forest Products Association and the Guyana Manufacturers Association. It has been presented in special seminars organised by Iwokrama and it has been assimilated and spread by the press and websites within Guyana (for example, http://www.stabroeknews.com/2009/opinion/letters/05/15/the-forestry-sector-is-missing-a-strategic-allocation-plan/; http://www.guyanagateway.org.gy/?q=taxonomy/term/37)

**New tools designed to improve SMFE support.** The collection of information on SMFEs and their associations within Guyana led to the development of a web-based platform. This was designed to raise awareness of the products and services offered to potential buyers, while also cataloguing service providers who might be approached by SMFEs. In addition, the Guyana Forest Connect team helped to define and develop modular guidance within a toolkit for facilitors of support to SMFEs. The team then tested three modules of this toolkit (Module 11: Product development – related to community ecotourism; Module 15: Building in ecological sustainability from the start – relating to youth education within the framework of Guyana’s Low Carbon Development Strategy; Module 16: Policy research for change – related to Arapima management). The presence of both Iwokrama and NRDDB staff in the second international Forest Connect meeting in Ethiopia, May 2011, allowed them to contribute to the enriching and testing of those guidance materials.

**Capacity of SMFE support institutions strengthened.** The capacity of both Iwokrama and latterly the NRDDB has been substantially strengthened in its role of supporting small forest enterprises. This has been achieved through designing and implementing initial diagnostic work, developing communication platforms, engaging with specific value chains, bringing in service providers, and exchanging approaches and tactics with colleagues in international learning group events. The work has also led to a significant increase in understanding of specific value chains, such as handicraft, forest watershed fish production, medicinal oils and soap manufacture, and carbon-businesses based on agroforestry interventions. Students who have graduated from the Bina Hill Centre since its establishment in 2007 are now employed in various positions in the NRDDB, in positions in the tourism and fisheries sector, and have gone on to train and work with institutions similar to the Iwokrama International Centre as tour guides and park
rangers. Some have already been elected to the positions of Toshao, Deputy Toshao and village councillors in their communities.

**Policy processes engaged and decisions changed in favour of SMFE rights.** Through the process of engaging government institutions (both in preceding research on SMFEs and in the support programme of Forest Connect itself), the Government of Guyana has been sensitised to the need to offer more secure commercial forest tenure to community groups. Between 2007 and the present day, the number of community forest associations has increased from 27 to 62 – including both indigenous peoples associations (on both titled and State Forest Permission lands) and other community forest associations on State Forest Permission land. The increasing emphasis within state forest land allocation towards communities was in part directly attributable to the work of the Forest Connect team (Deputy Director of Guyana Forestry Commission – Personal communication).

**Number of SMFEs and income generating potential increased.** The increasing allocation of rights over State Forest Permission lands to communities, alongside greater emphasis on Indigenous Peoples’ rights within Guyana through the Low Carbon Development Strategy process (in which Forest Connect team members played an active part) has substantially increased the numbers of potential SMFEs. In addition, particular progress has been made in a number of sectors. This includes, for example: improved design capacity of handicraft producers in Amerindian community enterprises; the development of clearer fishery management plans in forest catchments of the Rupununi; product development for medicinal oils and soaps from key tree species; and exploration of agroforestry business models that might capture carbon payments within both the voluntary carbon market and Guyana’s LCDS. NRDDB has been able, for example, to use Forest Connect support to help improve the quality of the product and labels of the “Medicine from Trees” products. The labels were produced professionally, with a sticky backing, which considerably reduced the laborious effort of applying paste to each label by hand and then sticking them on the bottles and jars. We showcased these new products and labels at a local products fair recently and were pleased with the results.

### 4. Benefits of the alliance

The Forest Connect Guyana team at Iwokrama made use of the Forest Connect website, and indeed linked their own country-specific website to that site. For the NRDDB, however, there is no connectivity access in most of the North Rupununi communities. A limited and limiting bandwidth and exorbitant costs to service providers are prohibitive factors. We anticipate, however, that will change significantly in the near future. A fibre optic cable is being laid alongside the road connecting Guyana to Brazil. The NRDDB successfully lobbied the government to allow the pathway to reach the compound at Bina Hill, which serves as the activity hub and registered offices of the NRDDB, and is the location of the Youth Learning Centre. Additionally, we expect to benefit from the One Laptop Per Family initiative when the hinterland phase begins and have applied to serve as a hub for this initiative. So we see the link with Forest Connect as readying us for these new connectivity and networking developments.

Both facilitation hubs for Forest Connect within Guyana (first Iwokrama and then NRDDB) have participated in international learning events to help design and then test and enrich the toolkit for facilitators of SMFE support. More specifically, the team in Guyana has incorporated some of the module guidance into the curriculum of the Bina Hill Institute, directly supporting the work of staff to ensure that enterprise skills are spread among the indigenous youth of Guyana. Modules 10, 14, and 15 of the toolkit were introduced into the curriculum of the Youth Learning Centre. Aspects of module 10 and 14 are being integrated into the Tourism and Business Studies curriculum, whose main objectives are to
develop basic business planning and management skills in the context of community development, and to foster awareness of the principles of ecotourism. Module 15 is being integrated into the Forestry course, whose objective is to provide a basic understanding of practical forestry, and aspects of sustainable forest management and its related practices. This course is also geared to provide students with practical forestry skills such as chainsaw milling and reduced-impact logging.

The Forest Connect Guyana team has played an active role in the international learning events coordinated by IIED and FAO – even winning the award for best presentation, as voted by their peers in the second international meeting. NRDDB staff found the meeting held from February 16-18, 2011 in Ethiopia very helpful. It provided an opportunity for participants to not only share their experiences about the Forest Connect programmes in their countries, but also highlighted how SMFEs can be integrated into or be based on local culture. The field trip to the Chilimo Forest Reserve was very informative; of particular interest were the talks and demonstrations on participatory forest management.

5. Future vision and sustainability

Our vision is that our people, our families and our communities will move out of the cycle of poverty, enjoy basic rights and have their basic needs well met. Further, that the Makushi and other indigenous cultures grow in strength and value, and that the right to culture and native languages be recognised and supported at all levels in our society. To do this, we envisage a Cultural Institute being set up through the NRDDDB, which will serve as a hub for the learning, teaching and transfer of culture; for documenting it and preserving it; and for growing it, through vibrant small enterprises that are part of a Local Knowledge Industry.

We see our community forests thriving and standing tall and green. We see our own experts in SFM managing and producing good products from these forests. We see out traditional forest farms also being sustained by young and old farmers and families and monitored by our own local MRV experts.

We see fruit trees and other small trees and big plants flourishing on our savannah lands and adding to the value of the Low Carbon Development Strategy and our benefits from it. We see trees being planted everywhere by our school children and youth, and a great line of trees bordering the road that passes through our village lands – our own “green belt” that signals the Village Zone of the road and that this is a community conservation zone that we own and manage.

We see our unique North Rupununi wetlands granted International Ramsar status and National Protected Areas status as a Community Conservation Area that will be managed by the NRDDB.

We see SMFEs being vibrant, with young entrepreneurs loving and keeping our forests in order to use their gifts for developing good businesses, such as eco-tourism, heritage and education tourism, nature adventures, films, research, forestry and fisheries, medicines and natural products, and landscape values.

In terms of the sustainability of this initiative, NRDDB has used various strategies to access finance to sustain and maintain its activities. With or without Forest Connect, this will continue. It has been a long and winding road and a hard and rocky one too. The great achievement is that with or without money in hand, the NRDDB has survived and has grown. This is the best testament to its value and importance as a development mechanism for the North Rupununi.

Most of our funding is gained through projects and writing of proposals to various funders and agencies. We have benefited from Iwokrama, the Government of Guyana, CIDA, DFiD, CI, WWF, Pro-Natura UK, EU,
The subventions we receive from the government through the Ministry of Amerindian Affairs are very important, since these help to pay essential staff, cover basic overheads and operations, and also most importantly, help to support salaries for the teachers and the subsistence costs for students at the Youth Learning Centre. We earn some monies from our services and hospitality programme, through catering and basic accommodation for guests and visitors and for hosting conferences, programmes and workshops; and some income derives from transport services and a minor amount from the small shop. We are not yet realising any significant profits from the small businesses that we have fostered, since most of these are still in the start-up stage or are very small in scale.

We have been very successful in building local capacities, however, and many of the youth that we have trained are now employable and holding jobs that are conservation-based; some are also employed by NRDDB-BHI and in projects and programmes of the NRDDB and partners.
References


