



Associations of Small & Medium Forest Enterprises (SMFEs)

Duncan Macqueen - IIED

Sharon Ousman - Guyana

Sushil Saigal - India



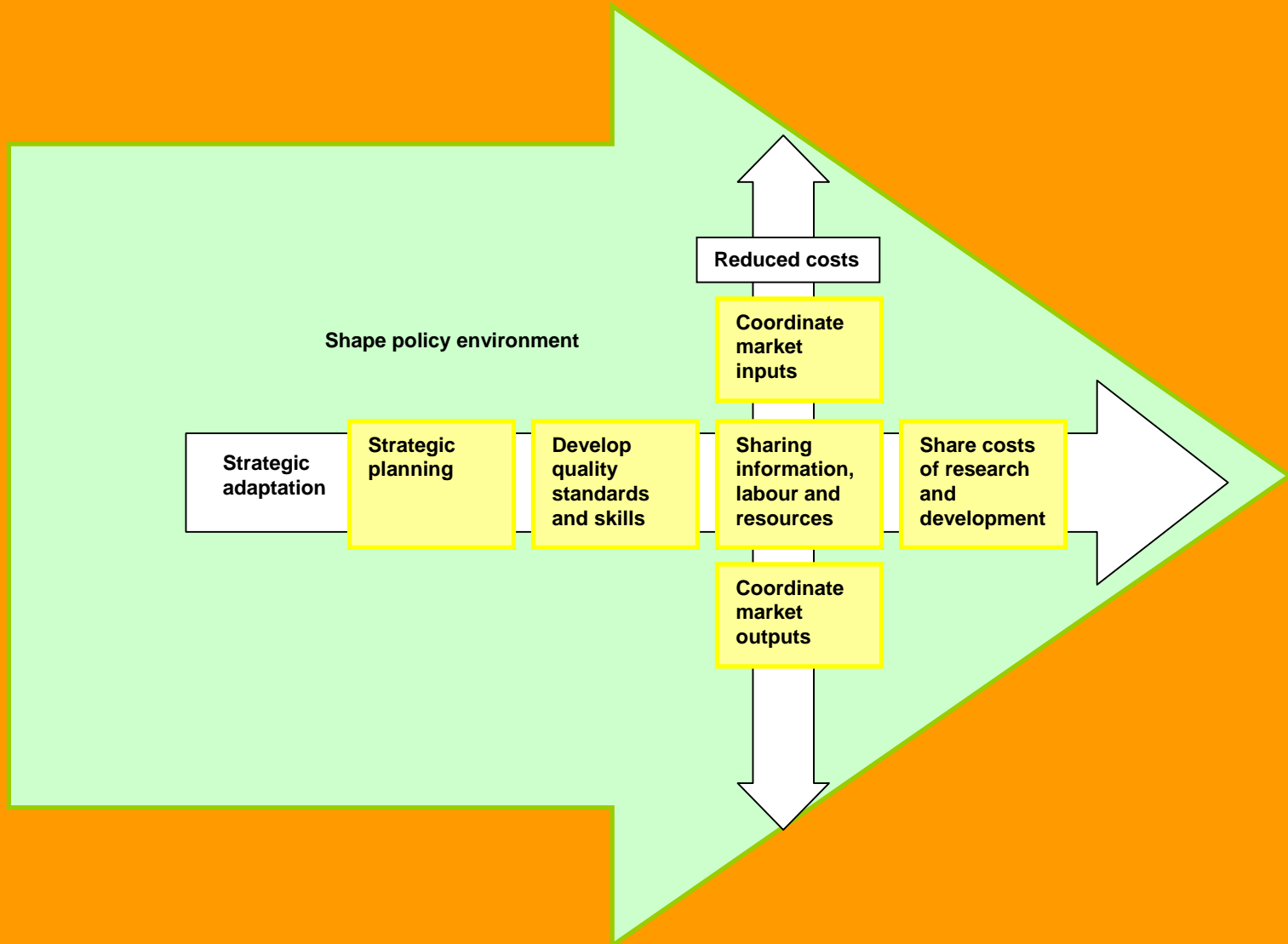
Country team leaders on 'Stronger by Association' – a project coordinated by IIED and funded by DFID.

What are SMFE associations?

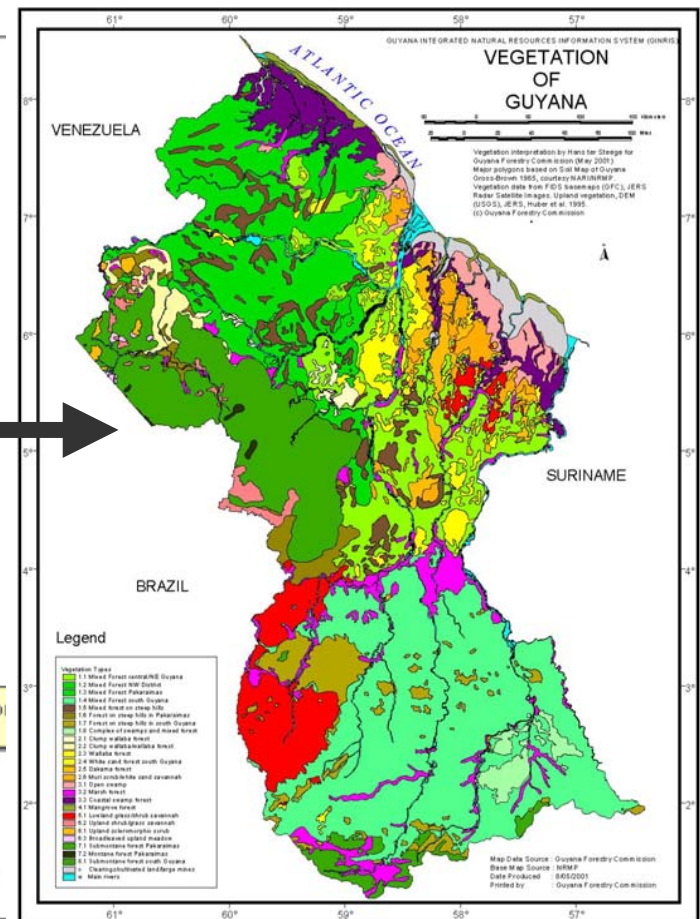
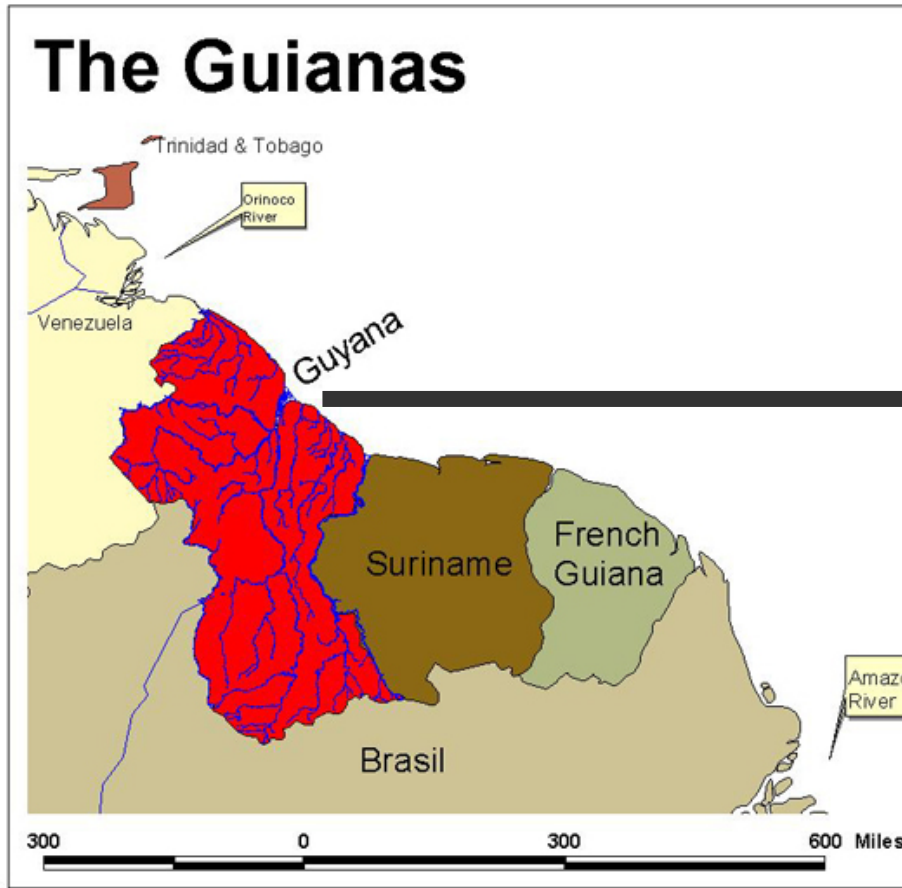
- **Groups** (informal, associations, cooperatives, non-profit companies etc) **based on forest products and services that band together about a common purpose**
- Local membership institutions that comprise private sector alternatives
 - Social and environmental objectives often challenge profit motives.
 - Democratic decision-making often challenges autocratic companies – i.e. control stays local
 - Benefits accrue locally – including significant non-financial benefits



What can SME associations do?

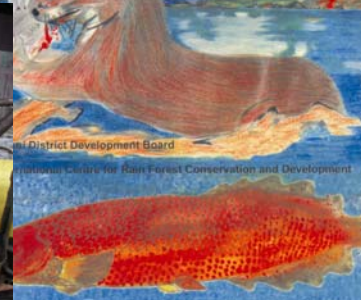


Guyana and the Guiana Shield



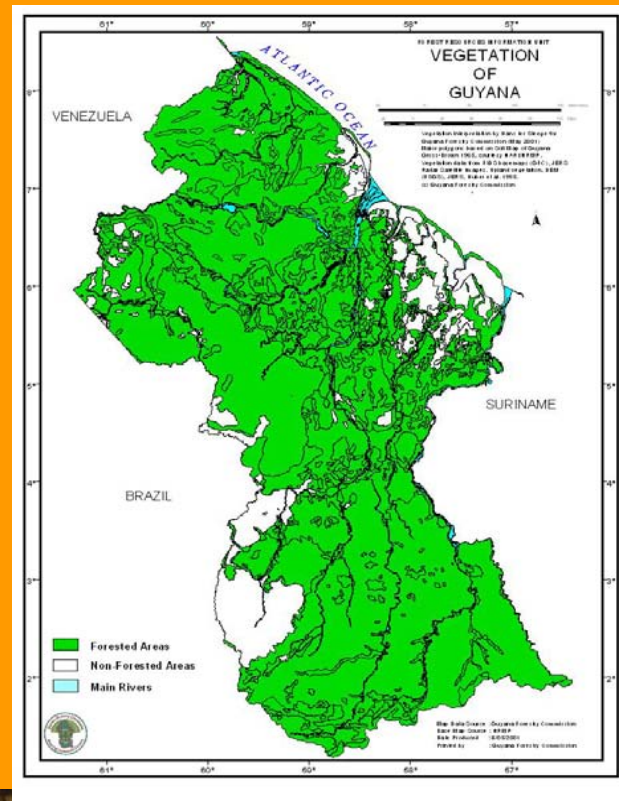
Guyanese Case Studies (14)

- Timber – community logging
- Non-timber forest products: handicraft, crabwood oil, sewing
- Community-based tourism
- Agro-processing – local fruit cheeses
- Knowledge-based products/cultural
- Gender focussed – women's development
- Community development and natural resources management



Guyana

- Forests cover 75% of Guyana (same size as UK).
- Population 718,000
 - including 60,000 Amerindians (fastest growth) Arawak, Carib, Warrau, Makushi, Wapishiana, Wai-wai, Akawaio, Arecuna and Patamona)
- SMFEs make up 75% of forest employment
- More than 90% of SMFEs Guyanese owned



Why do they form?

Type 1 – Association as enterprise

- Provide new employment opportunities for members
- Increase income for those members

Type 2 – Association as umbrella for multiple enterprises

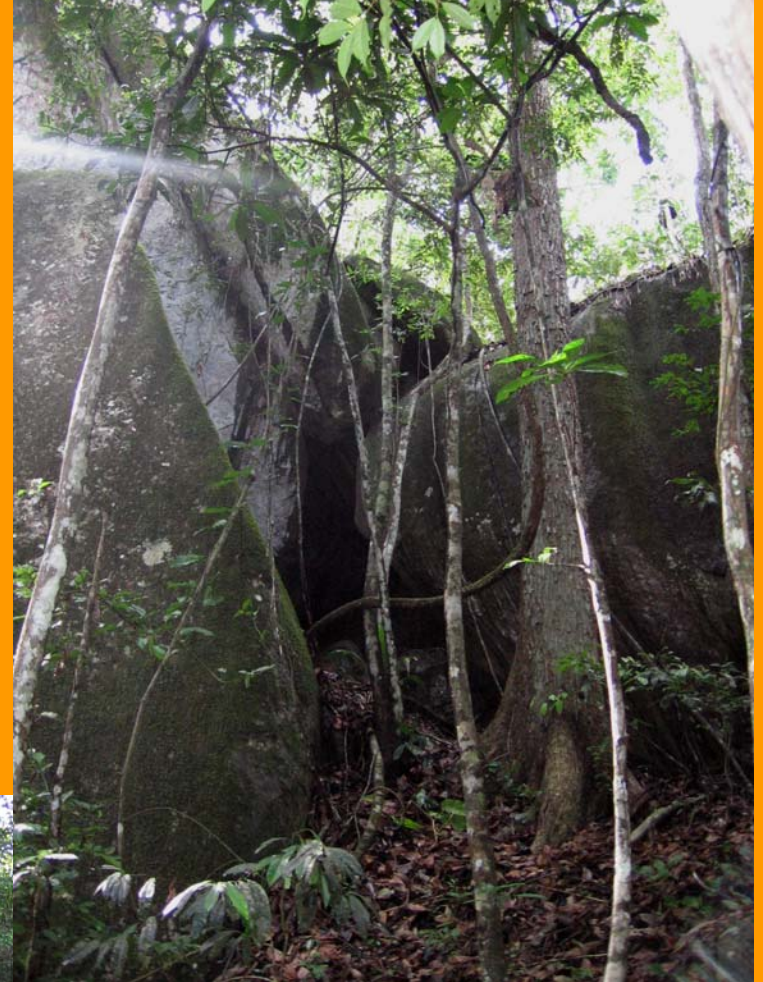
- Fight for access to lands or forest resources
- Negotiate better prices for products in the marketplace
- Access training for example, on handicraft making
- Represent the members interests in policy discussions

Type 3- Association as cultural champion

- Work for the revival of indigenous culture
- Secure community interests, decision-making powers and ensure community development
- Conduct research into biodiversity, ethnobotany, Makushi culture

Examples: Why do they form?

- **Guyanese examples:**
 - **Adapting to new opportunities...** (e.g. Surama tourism enterprise – income and culture)
 - **...or lobbying for resource access** (e.g. Upper Berbice Forest Producers Association – concession land and sustainable management of forest resources)
 - **few other existing livelihood opportunities**



Decision Making

- Guyanese examples:
 - Often democratic... (e.g. North Rupununi District Development Board)
 - ...including leadership, participatory rules and record keeping (e.g. Kamuni Women's Handicraft and Sewing Development Association)
 - Can be problematic to identify members to supply orders/leadership controlled



What costs / benefits are shared?

- **Guyanese examples:**
 - **Membership fees and time to participate in meetings...** (e.g. Amerindian Handicraft Association)
 - **...income and broader benefits such as cultural empowerment** (e.g. Makushi Research Unit)
 - **'voluntary' community work/'matriman**
 - **Community development**
 - **Assistance: sickness, emergencies, loans etc.**
 - **empowerment of women**

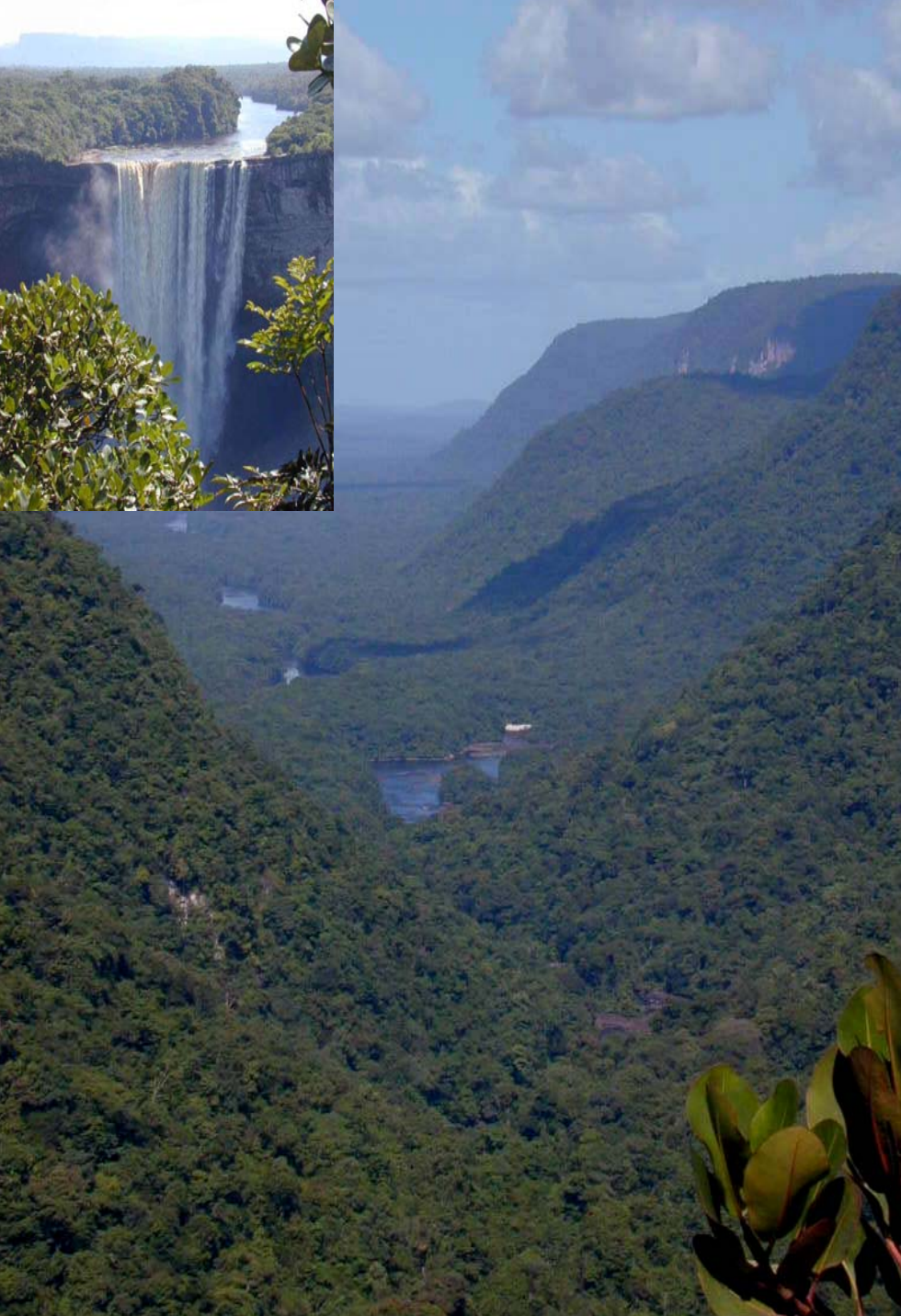


What support is needed?

- Guyanese examples:
 - Start-up finance and administrative support... (e.g. Orealla 'Fruit Cheese' Women's Association)
 - ...further specific technical / market inputs (e.g. Waini/Wakahena Crabwood Seed Collectors and Oil Producers)
 - Direct support to strengthen associations



Indian case studies



Some conclusions

- SMFE associations are integral to the 'private sector of the poor' – cutting costs, adapting to new opportunities and shaping policies
- SMFE associations behave differently from profit-driven models – especially corporations
- Formation, decision-making, resultant costs and benefits are often profoundly owned by members
- Mutual aid is one key to survival, but support from trusted intermediaries is also needed
- 'Trusted intermediaries' are often NGOs – rarely benefiting from direct budgetary support

Priorities for national plans in light of World Summit and Paris Declaration

- Aid effectiveness involves accurate measures to address local problems
- Identifying local problems is best done by embedded local associations – i.e. the local income generators
- Solving local problems requires a mix of macro-policy incentives and specific local technical interventions – delivered by ‘trusted intermediaries’
- Getting the mix right requires local rather than central institutional sovereignty over decisions – working with locally trusted intermediaries is key!
- Don’t confuse simple (harmonised) aid procedures with simple (poorly differentiated) aid delivery

A close-up photograph of a bright red flower, likely a species of Passiflora, featuring long, narrow petals and several long, curved stamens with yellowish tips. The flower is surrounded by green leaves and branches.

Thank You