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LATIN AMERICAN AND CARIBBEAN FORESTRY COMMISSION

THIRTIETH SESSION

Tegucigalpa - Honduras, 25 -29 September 2017

Association of small forest producers and microenterprise development

Secretariat note

I. Introduction

1. There are more than 2.1 billion poor people in the world and another 900 million living in extreme poverty. Many of them live in rural areas and are small landowners who depend on land management (agriculture, forestry, fish farming) for food and income.
2. About 90% of the world's 570 million farms are owned by the families who manage them. Most are small properties. Many of these small family farmers face food insecurity and have limited access to markets and institutional services. Although their resources are limited, they cultivate their lands and produce food for a significant proportion of the world's population.
3. Strong producer organizations, supported by favourable legal, economic and social policies and frameworks, can provide a wide range of services to small producers ranging from access to and management of natural resources, information, technology, market access and financing, as well as participation in policy development. These producer organizations can be key actors in strategic development processes to promote food security and rural development.
4. Experiences documented and disseminated by FAO, through the Forest and Farm Facility (FFF) and other work related to small and medium size enterprises (SMEs), show that by working together in producer organizations and cooperatives, forest and agricultural producers can take collective action and benefit from economies of scale. Producer organizations can help small producers to improve competitiveness through joint actions, such as the purchase of wholesale inputs, collective trading, credit negotiations and contracts, as well as facilitating policy advocacy. Depending on the local context and the structure of the market and access to basic goods, different organizational models can be adopted to support the integration of small producers, particularly young people and women.
5. The Community of Latin American and Caribbean States (CELAC) Ministerial Declaration on Family Farming emphasizes the importance of promoting cooperative action as an important element to strengthen family farming. In this sense, it values the creation and strengthening of the institutional structure`s for dialogue and consensus and the articulation of public policies for family farming, and

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reiterates its commitment to the Sustainable Development Goals (SDGs), stressing the role of family farming in the achievement of the 2030 Agenda. The Declaration also refers to the importance of family farming for food and nutrition security, rural poverty eradication and sustainable development of rural areas.

II. Advances in small forest producer organizations and micro-enterprise development in countries of the region

6. In Latin America, small and medium-sized forest and farm enterprises are a key but still weak component of the economies of the countries of the region. Their contribution to production and generation of jobs is unequivocal.

7. Small and medium-sized forest and farm enterprises form a very heterogeneous group, ranging from self-employment in micro enterprises regarded as informal sector to highly efficient innovative companies with export capacity. With the implementation of appropriate policies, forest and farm SMEs could be key agents of rural development and increase agricultural productivity. Some advances in countries where the FAO Forest and Farm Facility (FFF) has been working in recent years are presented below:

8. **Guatemala** has made progress in terms of microenterprises for the agroforestry production and the production chain. SMEs have benefitted from: the knowledge and application of market analysis and development tools; a partnership structure for planning, harvesting, processing and marketing; and the implementation of a National Forest Service protocol to provide them with technical, financial and organizational services, together with the Ministry of Economy.

9. In general, the partnership structure is made of public limited companies, cooperatives, and groups of producers with government incentives supporting productive linkages of forest products¹. SMEs are engaged in the production, processing and trading coffee², plantations, sustainable use of non-wood products through forest community concessions³, and agroforestry activities linked with tourism⁴.

10. The aforementioned experiences gave rise to the design and implementation of the Agroforestry Business Rural School (ERNA, acronym in Spanish), to teach organizational, technical and entrepreneurial skills to young people and leaders of community agroforestry organizations. The curriculum is composed of three modules: a) production, transformation and trading partnership; b) agroforestry production; and, c) microenterprise development focused on market analysis and development and value chains.

11. **Nicaragua** has established policies to empower small and medium-sized rural producers, aiming at family and community development through a cooperative model. The government has facilitated agricultural enterprises for rural families to undertake agricultural and other livelihood activities and increase production, productivity and income. One of the pillars of the productive strategy is the generation of partnership opportunities to strengthen small producers' organizations. The government has developed a policy to provide small and medium-sized producers with access to loans and inputs, as well as knowledge, technology and technical assistance to develop their capacities, obtain higher yields and improve their production. Hence, there are organizations that bring together cooperatives like PRODECOOP which includes 38 cooperatives with a total of 2,300 members.

12. Organizations of Mayangnas women have been empowered by the government with support of FAO and FFF to develop their organizational, administrative, and internal governance capacities, legal status and internal regulations. They are provided with new techniques to improve the design and quality

¹ Foresters of the South of Peten, Chachaklum, S.A.

² Cooperatives federación of Las Verapaces.

³ Chain of nuez de ramón in the Mayan Biosphere Reserve.

⁴ Agritourism based on the coffee production, processing and trading cycle in Cooperative Chicoj, FEDECOVERA

of their manufacturing, and new alternatives to diversify their products in the local and national market. The productive centres of mestizo women, which are parts of family farming, have also been given tools to increase administrative and basic accounting capabilities, an essential factor to achieve organizational transparency and good governance.

13. **Bolivia** has made progress in promoting culturally appropriate organizational systems oriented to community well-being whose main livelihoods are linked to forests areas. The whole structure of the agri-food chain (production and/or collection, processing, marketing and consumption) has been strengthened as well as an integral and sustainable forest management. Cocoa and coffee producers have especially benefitted from these organizations, both at the subnational and national level.

14. The government has developed programmes to support organizations of producers and provides about USD 30 million to each programme. In addition, organizational capacities have been built to mobilize resources and manage projects in at least 20 important peasants', indigenous and native people's organizations.

III. FAO's support to forest smallholder organizations and micro-enterprise development in the region

15. Over the last few years, countries of the region have made a great effort to support smallholder organizations. Producer organizations are strategic partners of FAO to achieve its mandate and strategic objectives.

16. Overall support to the region has been provided by the FFF through the exchange of experiences on partnering in sustainable use of forests and farms. International exchanges have taken place in Bolivia, Guatemala, Mexico and Nicaragua. In that sense, the knowledge and experiences of producers' organizations in Mexico, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Belize, Colombia, Peru and Bolivia have been facilitated and mobilized.

17. Capacity-building has been promoted for small community-based enterprises, producers and technicians of the forest services and the economy ministries as well as civil society organizations, through training of trainers in *Market Analysis and Development (AyDM)*. These workshops have been attended by technicians from Mexico, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Belize, Colombia, Peru, Bolivia, Brazil. The learning experience has been transferred to producers in Guatemala, Nicaragua and Bolivia as FFF partner countries.

18. FAO, together with CATIE, produced a paper 'Community-based forest enterprise development: Practical Guide for community forest promoters in the American Tropics', in response to the demand from the countries of the region to strengthen community-based forest processes.

19. FAO is developing a policy note on 'Small-scale forest enterprises: Developing their potential for sustainable livelihoods and poverty alleviation', following up on the meeting 'Creating a favourable environment to trade wood from community forest enterprises' held in November 2014 in Chile.

20. The Forest Connect Latin American Network was established in November 2016, made up of institutions and individuals interested in sharing experiences on forest management and locally controlled enterprises. The organizations "Somos del Sur" and "Reforestamos México" facilitate the process.

IV. Importance of forest and agriculture smallholders for reaching the Sustainable Development Goals

21. Small producers are more and more organized to have better access to markets, improve their participation in the political dialogue and have access to technology and services. Together they represent a significant number and are key players in the rural economy and thus in sustainable development. It is therefore key to strengthen their organizations to achieve the SDGs, build livelihoods resilient to climate change, reduce deforestation and forest degradation, and restore degraded landscapes.

22. Smallholder organizations are important because it would be difficult to reach the most marginalized and excluded people without them. Agriculture and forestry are related in one way or another to all 17 SDGs and small producers control a significant proportion of forest and agricultural resources, so that producer organizations are an important component of sustainable development.

23. Producer organizations are related to several SDGs. These can be grouped into five thematic areas: (i) improving lives and economic well-being: Goal 1 (no poverty), 2 (zero hunger), 3 (good health and well-being), 7 (affordable and clean energy), ii) strengthening environmental management: Goal 13 (climate action), 15 (life on land); (iii) developing social cohesion: Goal 5 (gender equality), 16 (peace, justice and strong institutions); (iv) strengthening human capacities: Goal 4 (quality education), 8 (decent work and economic growth), 10 (reduced inequities); and (v) establishing inclusive partnerships: Goal 17 (partnerships for the goals).

V. Recommendations for further action in this area and opportunities for FAO cooperation in the region

24. Governments of the region should consider recognizing and legitimizing the varied structures and forms of organization of forest and agricultural producers that have a great capacity to develop innovative productive partnerships but may not yet have any legal recognition. Public policies that recognize the diversity and complexity of the challenges faced by family farmers need to be promoted as key to ending hunger and achieving efficient and inclusive forest, agricultural and food systems.

25. Knowledge on productive, organizational, political advocacy, commercialization and trading aspects related to forestry and agricultural production needs to be more widely shared, through exchanges of experiences, within and between countries, favouring the participation of community-based producer groups, particularly groups of indigenous women and young women.

26. Better coordination among economic actors and increased efficiency of institutions needs to be targeted towards supporting the productivity and competitiveness of SMEs in the region.

VI. Matters for consideration by the Commission

27. The Commission may wish to:

- Urge governments to support the development of producers' partnerships as a strategy to: (a) reduce vulnerability to climate change and increase the resilience of producer organizations; and, b) access to technical services financing and markets.
- Urge governments and the private sector to develop and implement adequate financial mechanisms for small producers to increase? Forest cover, mitigate the effects of climate change, improve food and nutritional security, ensure ecosystem function of forests and add value to forest products through the promotion of microenterprises.
- Support, including joint resource mobilization, the implementation of the second phase of the FFF in Latin America and the Caribbean in 2018.