DIAGNOSTIC STUDY: SMALL AND MEDIUM FOREST ENTERPRISES IN BURKINA FASO

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EXECUTIVE SUMMARY

This study is intended to increase understanding of the nature and the activity of small and medium forest enterprises (SMFEs) and their associations in the sub-sector of non-wood forest products (NWFP) in Burkina Faso. The diagnostic study is undertaken as part of the international initiative of the UN Food and Agriculture Organization (FAO) and the International Institute for Environment and Development (IIED), Forest Connect. Forest Connect was conceived as a result of the observation that SMFEs, which are potentially important actors in the fight against poverty, often find themselves blocked by their "isolation"; an isolation that means that SMFEs have little influence on forest policy, have difficulties in accessing markets, and have difficulties accessing adapted services as service providers show little interest in them.

This diagnostic study should help fill a gap in knowledge about NWFPs in Burkina Faso, thus helping to sensitise decision makers, and business and financial service providers to the potential of this sector.

The study consisted of surveys of 169 SMFEs and SMFE associations in six regions, as well as interviews with ministries and support structures involved with SMFEs.

<u>Typology of SMFEs</u>

The diagnostic study proposes the following typology to characterise SMFEs operating in the NWFP sector:

1. Subsistence-oriented SMFEs: enterprises for which activity related to NWFPs is a subsistence activity, i.e. an extension of household activities
2. Profit-oriented SMFEs: i.e. enterprises that, from a given activity related to NWFPs have created lucrative businesses. This category includes:
    a. Producers-collectors
    b. Traditional processors using small-scale means
    c. Semi-industrial processors using semi-industrial means
    d. National traders
    e. Exporters

Each type of SMFE is characterized by a number of features (number of employees, turnover, means of production, degree of formality, level of education of entrepreneurs, type of supply and sale markets...).

<u>Impact of policies on SMFEs</u>

National forest policy in Burkina Faso is based on the code of the environment, the Forest code and other laws relating to rural development. The review of policies, laws and environmental and forest regulations shows a number of shortcomings:

- SMFEs and NWFPs have so far been ignored by planners and legislators in Burkina Faso;
- The current legislation tends to consider firewood as a solution to energy problems faced by the country, favouring a low price for firewood which leads to a greater deforestation;

- Regulatory frameworks have been designed primarily to mitigate the environmental impact of large scale forest exploitation, instead of promoting development of community forest management operations and creating added value.

Nevertheless, the current decentralisation process presents a real opportunity for local communities to define how to manage their forest resources. In addition, draft regulations governing the exploitation of NWFPs are being developed.

These developments require that actors (local communities and SMFEs) are well informed about these issues, and can seize these opportunities. The survey shows for example that half of producers collectors interviewed do not know the Forest Code or the Code of the Environment.

Markets and finance

Poor access to finance is one of the bottlenecks most often cited for SME development. SMFEs operating in the NWFP sector are particularly subject to this obstacle, as the exploitation of NWFPs has for a long time been regarded, and to some extent continues to be, as a non-economic activity and therefore of little interest for financial structures. Industrial processors and to a lesser extent exporters are the most oriented toward credit. The other categories tend to believe that their business is not profitable enough to ensure loan repayment.

Much of NWFP market is informal. Consequently, SMFEs have some difficulties, especially those of a certain size, in acquiring a regular supply of raw materials in sufficient quantity and at a good price. However, we observe in recent years a progression towards a better structuring, especially for export chains (cashew, shea, etc.). Nevertheless, this structuring still needs to be strengthened, considering sharp fluctuation of NWFP prices, which significantly weakens SMFEs.

40% of surveyed SMFEs face supply difficulties, mainly due to the seasonality of the activity and difficulties in accessing finance to enable them to build sufficient stocks. Environmental degradation is also often cited as a problem: tree depletion requires covering longer distances to collect products. In the case of medicinal plants, some plants have become completely unavailable.

39% of surveyed SMFEs have some difficulties in selling their products, however in most cases, only a specific portion of SMFEs are concerned by marketing difficulties. We can thus infer that these sales difficulties are not widespread and can be resolved on a case by case basis, finding appropriate solutions, through better information for actors in markets. Sales problems are sometimes linked to quality problems - the market exists, but the product quality is not that desired by the client (case of cashew nuts for instance).

Organisation of actors

60% of surveyed actors are members of an association. Their main motivations for joining these organisations are: defending interests of their profession (64%), networking with partners (61%), selling their products (60%), and accessing training (56%). On the whole, the appreciation of SMFEs joining an association of services provided by their structure is mixed. They appreciate some services, but sometimes reveal a lack of confidence in their association, as well as a lack of organisation.

There is no association devoted solely to SMFEs, but rather associations of SMFEs related to specific NWFPs such as shea, cashew, honey and medicinal plants, which have varying degrees of structuring.

Perspectives

The perspectives for SMFEs in the NWFP sector are centres around three main proposals:

- Create a policy and legislative environment favourable to SMFEs
- Develop NWFP market chains based on market vision
- Reinforce professional organisations and concertation between actors

ACRONYMS AND ABBREVIATIONS

ACA: African Cashew Alliance
AGEREF: Association Inter villageoise de Gestion des Ressources Naturelles et de la Faune
AIEPO: Association des Importateurs et Exportateurs des produits oléagineux
ARSA: Projet d'amélioration des revenus et de sécurité alimentaire
BIC: bénéfices industriels et commerciaux *(Industrial and commercial profits)*
BRS: Banque Régionale de Solidarité
BSIC: Banque Sahélienne pour l'investissement et le commerce
CCIA: Chambre de Commerce et d'Industrie et d'Artisanat
CEAS: Centre Ecologique Albert Schweitzer
CIFOR: Centre for International Forestry Research
CILSS: Comité Inter Etat de Lutte contre la Sécheresse au Sahel
CNRST: Centre National de Recherche Scientifique et Technique
COB: Comité des Oléagineux du Burkina
CPF: Confédération Paysanne du Faso
CRA: Chambre Régionale d'Agriculture
DRA: Direction Régionale d'Agriculture
DYFAB: Projet Dynamisation des Filières Agricoles au Burkina
FAARF: Fonds d'Appui aux Activités Rémunératrices de Femmes
FAO: Food and Agriculture Organization of the United Nations
FEPAB: Fédération des Professionnels Agricoles du Burkina
FENAFER/B: Fédération Nationale des Femmes Rurales du Burkina
FENOP: Fédération Nationale des Organisations Paysannes
FIAB: Fédération des Industries Agro alimentaires du Burkina
IMF: International Monetary Fund
IBICA: Impôt sur les bénéfices industriels, commerciaux et agricoles *(tax on industrial, commercial and agricultural income)*
IMFPIC: Impôt minimum forfaitaire sur les professions industrielles et commerciales *(Minimum flat tax on industrial and commercial occupations)*
IRSAT: Institut de recherches en sciences appliquées et technologies
IUCN: International Union for the Conservation of Nature
IUTS: impôt unique sur les traitements et salaires *(single tax on wages and salaries)*
MECV: Ministère de l'Environnement et du Cadre de Vie
MFI: Micro finance institution
OCADES: Organisation catholique pour le développement et la solidarité
OHADA: Organization for Harmonization of Business Law in Africa
ONAC: Office National du Commerce
PADAB: Programme d'Appui au Développement de l'Agriculture du Burkina
PAGEN: Projet de Partenariat pour l'Amélioration de la Gestion des Ecosystèmes Naturels
PAGREN: Projet d'Appui à la Gestion Participative des Ressources Naturelles
PAMER: Projet d'appui aux micro entreprises rurales
PAPME: Projet d'appui aux petites et moyennes entreprises
PDA/GTZ: Programme de développement agricole/GTZ
NWFP: non wood forest product
PHAVA: Projet Pharmacopée Valorisée
PICOFA: Programme d'investissement communautaire en fertilité agricole
SAP: Structural adjustment programme
SME: Small and medium enterprise
SMFE: Small and medium forest enterprise

PNGT: Projet national de gestion des terroirs
PNK: Projet national karité
PROGEREF: Projet de gestion durable des ressources forestières
RAF: Réorganisation Agraire et Foncière
Ltd: Limited Liability Company
SNV: Netherlands Development Organisation
SOCAG: Société Coopérative des apiculteurs du Gulmu
TFK: Table filière karité
TPA: taxe patronale et d'apprentissage (Employer and learning tax)
UNABF: Union Nationale des Apiculteurs du Burkina Faso

GLOSSARY OF SCIENTIFIC NAMES

This report uses English names or local name for trees and non wood forest products. You can find corresponding scientific names in this glossary.

Common name	**Scientific name**
Bangui/palm wine	*Product derived from Borassus flabellifer*
Baobab	*Adansonia digitata*
Bombax	*Bombax costatum*
Cashew	*Anacardium occidentalis*
Dawadawa	*Parkia biglobosa*
Grape tree	*Lannea microcarpa*
Gum acacia	*Acacia Senegal*
Liana	*Saba senegalensis*
Local lentils or zamené	*Product derived from Acacia macrostachya*
Neem	*Azadirachta indica*
Oil palm	*Elaeis guineensis*
Paradise tree	*Moringa oleifera*
Sahel soap tree	*Balanites aegyptiaca*
Shea	*Vitellaria paradoxa*
Soumbala	*Product derived from Parkia biglobosa*
Tamarind	*Tamarindus indica*
Vitex	*Vitex doniana*
Wild hazel	*Sclerocarya birrea*
Wine palm	*Borassus flabellifer*
Ximenia	*Ximenia americana*
Ziziphus	*Ziziphus mauritiana*

Prices in this document are indicated in CFA. 1 Euro equals 656 CFA and 1 US dollar equals 420 CFA.

This document has been translated into English from the original French version.

1 INTRODUCTION

1.1 Background

This diagnostic study on small and medium forest enterprises in Burkina Faso is undertaken under the framework of the Forest Connect project. Forest connect is an international initiative of the UN Food and Agriculture Organization (FAO) and the International Institute for Environment and Development (IIED) which aims at contributing to the reduction of poverty by connecting small and medium forest enterprises (SMFEs) to service providers, markets and national forest policies. The Forest Connect project implemented by Tree Aid in Burkina Faso[1] will develop a toolkit to facilitate support for SMFEs. The current diagnostic study is a first step towards the development of this toolkit; it will also meet help to fill the gap in knowledge about the organisation and performances of SMFEs.

In recent years, development actors are increasingly aware of the important role that the forestry sector can play in the fight against poverty, especially through the development of small and medium enterprises. According to the World Bank, at a global level, roughly 90% of the poorest populations rely on forests for subsistence and income generation (CATIE et al 2006). SMFEs create added value through wood and non wood forestry products (NWFP) and represent a promising niche that reduce these populations' poverty whilst conserving the natural resource base through sustainable forestry management. It has however been observed that often SMFEs are blocked by an "isolation" that prevents these enterprises from having any influence on forest policies; that blocks them from accessing lucrative markets and that keeps service providers little interested in serving SMFEs. The Forest Connect project was conceived to counter this isolation.

In Burkina Faso, the contribution of the forestry sector to the national economy was estimated at 5.2% of GDP in 1990, but this contribution is highly underestimated since several activities linked to NWFPs activities are not considered (Ouedraogo 2001). If in Burkina Faso, a Sahel country, the potential of the forestry sector is considered weak, this may be due to the fact that most analyses focus on the wood sector. In Burkina Faso, the NWFP sector is confronted with prejudices and shortcomings. Various shortfalls exist including lack of statistics on NWFPs, ignorance of SMFEs exploiting NWFPs, little knowledge of NWFP markets at national, regional and sub-regional levels and even at international level… Nonetheless NWFPs sold in markets represent a precious source of incomes and jobs and on a global level, the commercial value of NWFPs is increasingly emphasised over their socio-ecological importance.

Considering this context and the expertise that Tree Aid, the Forest Connect implementing partner in Burkina Faso, has accumulated in the NWFP sector, this diagnostic study will focus on SMFEs operating in the NWFP sector. In helping to fill some of the gaps in knowledge about the NWFP sector in Burkina Faso, this study should facilitate sensitisation of decision makers and financial and business development services providers to the potential of the sector

[1] The other countries participating in the Forest Connect Initiative are China, Ethiopia, Ghana, Guatemala, Guyana, Laos, Mali, Mozambique and Nepal.

1.2 NWFPs

According to the FAO definition a non wood forest product is “any product biological in origin (processed or not processed) other than wood and any service, provided by forests and other systems having similar functions”. Even though the definition of NWFP is controversial, there is a consensus developing, since the United Nations conference on the environment and development organised in 1992, on the socio-economic importance and prospects for NWFPs and their impacts on socio-economic development, especially in poor countries such as Burkina Faso

Box 1

What is a non wood forest product?

NWFP are products picked or gathered, of plant or animal origin, originating from forests, savannah zones and agro-forestry systems (domestic gardening, community orchards, and household farming). They include leaves, barks, flowers, fruits, roots, sap, gum, herbs, which consumed raw (fresh or dried) or processed constitute essential ingredients of food, medical and cosmetic products that meet people’s everyday needs. Honey is a product derived from forest and is thus considered as an NWFP.

NWFPs were really brought to the limelight at the 1992 Rio Earth Summit, during which remarkable progress was noted indicating a developing awareness of the connection between the environment, communities and development. Before this summit, NWFPs were neglected by foresters and the international community which considered them as low value products, consumed as substitutes exclusively during periods of hunger, complementary products to agricultural activities, self-consumption products, products of only domestic interest, product intended for “weak” and poor populations and products of secondary importance in terms of food.

Some of the NWFPs most recognised for their economic value in Burkina Faso include shea products, Arabic gum, cashew, honey and *soumbala (*a spice made from dawadawa seed).

1.3 Methodology

This diagnostic study is limited to SMFEs operating in the NWFP sector, and more specifically to NWFPs derived from plants. Given the time and resources available for the study there was the need to limit the scope of the study by focusing on a specific range of forest products. The study is based on a review of the literature and on surveys of existing SMFEs as well as other stakeholders intervening in the NWFP sector. The surveys were carried out in March 2008.

The Forestry Department of the Ministry of Environment (MECV), in the framework of the project “Amélioration des Revenus et de Sécurité Alimentaire” (ARSA) has recently prepared a bibliography on NWFPs in Burkina Faso. Listing more than 40 works, this bibliography mostly includes studies and thesis reports specific to some geographic areas. Except for the report on the state and perspectives of the commercialisation of NWFPs in Burkina Faso (MECV/PNUD 2007) and to a lesser extent the study on the contribution of the forestry sector to the national economy (MECV 2004), there is almost no study which undertakes an overall analysis of the NWFP sector in Burkina Faso. Also, among existing studies, many consider activities relating to

The tree species covered in this study are *Vitellaria paradoxa* (shea), *Parkia biglobosa* (dawadawa), *Anacardium occidentalis* (cashew), *Acacia senegal* (gum acacia), *Moringa oleifera* (paradise tree), *Tamarindus india* (tamarind tree), *Acacia macrostachya, Adansonia digital* (baobab), *Balanites aegyptiaca* (Sahel soap tree), *Ziziphus mauritania* (jujube tree), *Saba senegalensis* (liana), *Azadirachta indica* (neem), *Sclerocarya birrea* (wild hazel), *Detarium microcarpum*, *Lannea microcarpa* (grape tree), *Borassus flabellifer* (wine palm) and honey.

NWFPs as subsistence activities and therefore do not conduct any deep analysis on the organizational aspects of actors in this sector.

For data collection on SMFEs, six regions were selected. These regions, according to the study conducted by MECV/PNUD (2007), allow an overview of most of NWFPs of plant origin exploited in Burkina Faso. An emphasis was put on NWFPs presenting a certain level of economic potential, and the SMFEs surveyed also have a certain economic weight, though micro enterprises are not excluded. Data from the Chamber of Commerce were used to identify enterprises to include in the survey. This list was completed in the field phase during interviews with the regional chambers of agriculture and the regional and provincial services of the Ministry of Environment.

Table 1: Selection of the surveyed regions and products

Region	**NWFP**	
East	Honey	Tamarind
	Baobab fruit	Balanites
Centre – East	Shea Dawadawa	Baobab
Hauts-Bassins	Cashew Shea Baobab Eucalyptus	Medical plants Dawadawa Neem
Cascades	Cashew Palm wine (Bangui)	Medical plants Mango
North	Gum Arabic Baobab and other leaves	Liana (weda)
Centre	Key actors of the main NWFP sectors (processors, traders and professional structures): shea , cashew, dawadawa, tamarind, etc.	

Data collection was based on individual or group questionnaires and semi-directed interviews targeting different categories of actors: producers/gatherers, processors, traders and support structures operating in the NWFP sector. SMFE associations were also included in the survey. Table 2 shows the actors we met, by profession and region.

A total of 169 actors were surveyed in the course of this study within the six regions selected. Among identified actors, some are individual enterprises; others are associations. Moreover, support structures operating directly (direct support to SMFEs) or indirectly (support to SMEs or to micro enterprises in general) in the SMFE sector were met in Ouagadougou, Bobo-Dioulasso, Fada N'Gourma, Tenkodogo and Ouahigouya for the purposed of this study (see the list in the appendix).

Table 2: Distribution of the survey sample per category of actor*s and per region*

Target / region	**Cascades**	**Centre**	**Centre East**	**East**	**Hauts Bassins**	**North**	**Total**
Subsistence-oriented actors	6		1	2	1	3	13
Producers/ collectors	7		6	13	12	7	45
Traditional processors	1	13	14	4	6	1	26
Industrial processors	8			1	4	1	27
National traders	9	5	7	6	5		27
Exporters	1			1	4		11
Processor-collectors						2	2
Processor-traders				1		1	2
SMFE associations	4	2	0	2	4	4	16
total	**36**	**20**	**28**	**30**	**36**	**19**	**169**

Source: survey results

1.4 Limits of the study

Some limiting factors of this study to note are:

- The multiplicity and diversity of NWFP chains. Some NWFP market chains are relatively well organized and have been covered by many past studies (e.g. the shea and honey chains), whereas others remain almost unexplored, characterized by a multiplicity of actors that are not well organised (e.g. balanites and dawadawa chains). Some research on basic data was thus necessary in order to develop an appropriate detailed questionnaire. The time devoted to the field surveys (five days) was also not enough to cover the initial target of 300 interviewees. Nonetheless the data that was collected in the end is pertinent and sufficient as a base for the analyses expected of this study.
- Considering the number of products, the diversity of market chains, regions and SMFEs, this survey cannot claim to be exhaustive nor representative of all SMFEs in Burkina Faso. It should also be noted that the study focused on enterprises showing some potential, putting less emphasis on micro-enterprises oriented towards subsistence or those exploiting NWFPs as a secondary activity. The study nonetheless reveals some main trends and allows for an analysis of the current situation and prospects of SMFEs and their associations.
- The quantification of the contribution of SMFEs to the local or national economy remains difficult due to lack of reliable data in this sector. Prospective studies in the scope of the ARSA project should soon help to fill this gap.

2 CURRENT STATUS OF SMFES

2.1 Definition of SMFEs

Small and medium forest enterprises (SMFEs) cover all activities, formal and informal, which generate income from the exploitation of wood and non wood forest products derived from plants or animals, from forest and savannah zones and from agro-forestry systems. This survey covers SMFEs which exploit NWFPs derived from plants only. In general, an enterprise is considered an SME when it has less than 100 employees, but this study included three larger forest enterprises including two which are associative with part time employees. Enterprises in the NWFP sector are generally of small size, but it seemed important to include a few of the rare large enterprises in the framework of this study because they play a major role in the market chain and are generally SMFE customers.

Box 2

Small and medium enterprises in Burkina Faso

In 2006, the number of SMEs in Burkina Faso was estimated at 30 333 enterprises, representing 80% of the total number of enterprises in the country. The majority of these enterprises are physical persons (85%); only 15% of them were registered as legal entities (Yeye 2006).

2.2 General status of NWFPs in Burkina Faso

Non wood forest products are of major importance in the daily life of people in Burkina Faso. They contribute to people's daily diets, cultural activities and healthcare. At least 200 trees and shrub species are a source of food and medicine in Burkina Faso (Bognounou; 2002).

For years, the NWFP sector has been characterized by a low level of organisation and a high level of self-consumption. A survey conducted in 2003 by MECV in the Gonsé Forest Reserve (Plateau Central region) revealed for example that more than 70% of NWFPs, especially leaves and roots, are used for local self-consumption (Ouedraogo L. 2003). The poor organisation of the sector gives it low visibility, and uncertainty about the importance of the contribution of NWFPs to national economy has discouraged concerted interventions for the promotion of the sector.

Quantification of the different NWFPs sold in the market is not easy to determine due to lack of organization in their exploitation and lack of follow-up in product sale. Product exploitation is often under the form of non organised collect.

2.3 Typology of SMFEs

The typology proposed to describe SMFEs operating in the plant-derived NWFP sector is as follows:

1. Subsistence-oriented SMFEs: enterprises for which the activity linked to NWFPs is a subsistence activity, i.e. just an extension of household activities.

2. Profit-oriented SMFEs: i.e. enterprises which, from the activity related to NWFPs have set up lucrative businesses. This category includes:
   - Producer-collectors
   - Traditional processors using small-scale means;
   - Industrial processors using semi-industrial means ;
   - Traders trading in the national market;
   - Exporters.

2.3.1 Subsistence-oriented SMFEs

As stated above for actors working in this category, the production, processing and sale of NWFPs is just an extension of household activities. More than 50% of production is consumed within households, and this activity is carried out without any business vision. Subsistence-oriented SMFEs make up only 8% of our sampling, but several studies [2] which highlight the NWFP sector's poor organisation and high rate of self-consumption suggest that this category of actors represents a large, if not the largest, category in the NWFP sector.

This category is essentially composed of producer-collectors and processors mainly located in rural areas, mostly in the regions of Cascades and the North and to a certain extent in the region of Centre-East and Hauts Bassins. Their education level is low (67% are illiterate and 17% can read only in local languages).

The sample of this category includes:
- some traditional healers - the largest group ;
- some producers of shea and neem butter and soap as well as *soumbala*;
- some producer-collectors of gums, jujube, baobab and neem leaves.

These enterprises are generally composed of an individual, operate in the informal sector and pay no taxes. The entrepreneur who is the only employee generally benefits from family support.

Means of production are traditional and supply and sale markets are essentially local. Their customers are mainly individuals and households. Most of them are unable to estimate their annual production; they most often produce on order and therefore have few problems finding buyers. The annual turnover is on average less than 50 000 FCFA.

2.3.2 Profit-oriented SMFEs

Contrary to subsistence-oriented SMFEs, the major part of production of this category of actors is sold in markets. Profit-oriented SMFEs have diverse levels of organization and often operate in the informal sector. The annual turnover of this activity is over 50 000 CFA.

Profit-oriented SMFEs represent around 90% of our sampling. This category will be presented following the division of roles in the sector.

[2] See for instance MECV 2004

2.3.2.1 Producer - collectors

They are mainly located in rural areas. For most, their main activity includes agriculture and livestock rearing. However, in the target sample, half of interviewed producers stated that production of NWFPs is their main activity.

The informal predominates in this category (71%). We also find, by order of importance, registered producer groups (12%), associations (7%) and in a very low proportion, individual enterprises with a legal status (3%). Producers do not pay any specific tax in relation with their business.

Most producers are illiterate. 12% of respondents went to primary school, and 12% to secondary school. Most people belonging to this last category are leaders of interviewed associations and producer groups.

Half of these producers are members of a professional association which generally helps to facilitate the sale of their production (for 60% of cases), to access training services (48% of cases) or to defend their professional interests (40% of cases). The production/collection activity, however, is carried out on an individual basis (usually a producer and his family).

Most producers have no paid employees. However, some enterprises have developed their activity and employ workers. Thus in our sample, 12% of interviewed people employ 1 to 5 persons, and 12% 6-10 persons. Producers/collectors who have paid employees are mainly exploitations specialising in cashew nuts, and to a certain extent in medicinal plants and honey.

This category of SMFEs are locally supplied but their produce is sold over the country. Their customers mainly include:

- processors and gross buyers in local towns;
- groups and cooperatives especially for tree nurseries;
- individuals or households living in the local area.

The average turnover of interviewed producers is estimated at 1.5 million FCFA per year. But this number needs to be qualified because our sample targeted some of the larger producer enterprises. Nonetheless, the level of turnover highlights the potential existing in these market chains. The most profitable market chains are cashew nuts, medicinal plants, palm wine and to a lesser extent honey.

Table 3: Production capacity and turnover of producer-collectors of some NWFPs

N°	**Product**	**Production capacity per SMFE per year**		**Turnover per SMFE per year (FCFA)**	
		Minima	Maxima	Minima	Maxima
1	Bangui (palm wine)	35,000 litres	60,000 litres	2,100,000	4,500,000
2	Plants	2,000 plants	7,000 plants	500,000	4,800,000
3	Cashew nuts	3,000 kg	24,000 kg	300,000	3,750,000
4	Dawadawa seeds	700 Kg	700 kg	210,000	210,000
5	Shea nuts	600 kg	24,000 kg	40,500	200,000
6	Tamarind fruits	200 kg	500 kg	24,000	84,000

Source: survey results

Table 3 shows the range of performances achieved by producers in terms of production capacities and turnovers for different products. It should be noted that the highest performances in terms of turnover are most often achieved by producer groups or associations.

2.3.2.2 Traditional processors

With a production that is entirely sold, processors in this category are located in rural areas as well as in urban centres. These processors are women in majority (65% of respondents). The education level is relatively higher than for producer-collectors: only 32% are illiterate and 14% literate in local languages, 55% attended school including 28% who reached secondary school level.

The informal sector (without any legal status) is once again predominant (72% of sample) followed by enterprises registered as producer groups (*groupements*) or associations (18%) and finally some registered individual enterprises (10%). SMFEs of this category employ a personnel of 1 (the entrepreneur himself) to 30 people. The average number is 9 people per enterprise. A large part of employees are paid by piece-work but there are also permanent employees paid on a monthly basis.

Most of respondents (71%) run their activity throughout the year regardless of the type of NWFP used. Their suppliers are national whilst their markets are local (in the region where each processor lives), national (big urban centres) and sub-regional (neighbouring countries). The majority does not face any difficulty selling their products. In order of importance, their clientele is primarily composed of:

- Individuals or households retailers;
- Gross sellers and retailers
- Cooperatives and producer groups.

Traditional processors do not pay any tax specifically linked to their NWFP processing activity; however some of them who sell in markets have to pay market taxes which vary from 500 to 600 FCFA per month.

Table 4: Production capacity and turnover of traditional processors of NWFPs

N°	**Products**	**Production capacity per SMFE per year**		**Turnover per SMFE per year (FCFA)**	
		Minima	Maxima	Minima	Maxima
1	Cashew nuts	3,000 Kg	51,000 kg	450,000	8,160,000
2	Soaps and other cosmetic goods made up of shea butter	3,243 units	233,514 units	600,000	4,320,000
3	Tamarind juice, bissap and baobab pulp	7,040 litres	15,000 litres	1,408,000	3,000,000
4	*Soumbala*	75 kg	1680 kg	150,000	3,360,000
5	Purified mead	3,520 litres	11,520 litres	528,000	1,267,200
6	Traditional healing products (bottles, powder, etc.)	-	-	1,000,000	1,000,000
7	Shea butter	550 kg	600 kg	660,000	720,000
8	Baobab biscuits	60kg	400 kg	90,000	810,000

Source: survey results

2.3.2.3 Semi-industrial Processors

SMFEs in this category are mostly located in urban centres (Ouagadougou, Fada N'Gourma, Banfora, Bobo-Dioulasso and Ouahigouya) but also in some rural areas where units are set up such as Beregadougou. These entrepreneurs are in majority well educated (have some high school education as a minimum) and NWFP processing is their main activity.

Limited liability companies represent an important portion of this category (24%), as well as *groupements* (28%) and associations (12%). There are also some informal enterprises (20%) and economic interest groups (8%). Activities are carried out on a regular basis throughout the year.

The number of employees of SMFEs varies from 1 (the entrepreneur himself) to 450 persons. Three enterprises have more than 100 employees, but most of these employees are part time workers. Most often employees are paid according to their output (according to the quantity of processed raw material). Salaries of permanent employees are higher than those of temporary staff. This category of actors has a relatively low number of jobs attributed to relatives, which is evidence that the sector is getting more and more professional. The average number of employees per enterprise is 70 evidence of the job-creation potential of the NWFP sector.

Rural areas in the country remain the preferred supply zones for the SMFEs, except for some of them who are obliged to rely on foreign countries for some NWFPs which are ingredients of their product. This is the case of traditional practitioners using Yohimbe which only grows in equatorial areas.

Almost 70% of enterprises belonging to this category export their products outside the country. The sub-region and Asian and European countries are the final destination of the products. Customers include (in order of importance):

- Big foreign export firms positioned at international level as indispensable intermediaries. Fair trade and organic markets constitute niches for several actors oriented towards export (especially shea and cashew products) ;
- Distributors and local traders
- Households and individuals.

Taxes and duties paid by these enterprises are the following:

- Tax on industrial, commercial and agricultural income (IBICA - *Impôt sur les bénéfices industriels, commerciaux et agricoles*). Traders, industrials, craftsmen, livestock breeders, firms independent of their activity, forest enterprises, and mining operators must pay this tax on profits made in a fiscal year. Actors interviewed pay from 30,000 FCA to 350,000 CFA for these taxes ;
- Minimum flat tax on industrial and commercial occupations (IMPFIC - *Impôt minimum forfaitaire sur les professions industrielles et commerciales*). This tax is paid by tax payers who also have to pay the tax on industrial and commercial profits (BIC). SMFEs surveyed pay from 41,000 CFA to 450,000 CFA per month for this tax.
- Single tax on wages and salaries (IUTS - *Impôt unique sur les traitements et salaires*). IUTS is deducted from all wages paid to salaried employees living in Burkina Faso. It covers all wages, salaries, compensations and remuneration paid by both public and private sector, including in-kind advantages except for remunerations paid by the state, local community (provinces, districts, and communes) and non-profit public institutions. Surveyed SMFEs pay from 125,000 CFA to 235,900 CFA per month for this tax.

- Employer and learning tax (TPA - *Taxe patronale et d'apprentissage*). TPA concerns all employers. Interviewed actors pay from 5,000 CFA to 10,000 CFA for this tax.
- Trade tax (*patente*): all individuals or legal entities operating a for-profit business and not expressly exempted pay this tax. Interviewed actors pay from 20,000 CFA to 600,000 CFA for this tax.

Some actors are currently exempted from taxes thanks to an official exemption as per the investment code. Enterprises registered as *groupements* and associations are also exempted from taxes, as part of government policy to promote job creation and income generation in rural areas.

Table 5: Production capacity and turnover of Semi-industrial processors of some NWFPs

N°	Products	Production capacity per SMFE per year		Turnover per SMFE per year (FCFA)	
		Minima	Maxima	Minima	Maxima
01	Cashew paste	31,000 kg	40,000kg	49,600,000	64,000,000
02	Traditional healing products (bottles, powder, boxes, etc)	100,000 boxes	100,000 boxes	40,000,000	40,000,000
03	Shea butter	20,000 kg	300,000 kg	3,000,000	45,000,000
04	Cashew nuts	15,000kg	60,000kg	4,500,000	18,000,000
05	Baobab juice, tamarind and liana	10,000 litres	48,000 litres	3,000,000	14,400,000
06	Soaps and other cosmetic products made form shea butter	12,000 units	26,000 units	3,600,000	7,800,000

2.3.2.4 National Traders

Located in rural as well as in urban areas, this category includes small-scale sellers in markets, shops and supermarkets (the latter being more specialized in processed NWFPs). They most often operate in the informal sector (without any legal status); however some *groupements* and limited liability companies are also found in cities. Most of them use few employees (1-5 employees). For a non negligible part of this category their NWFP activity is seasonal.

Their supply zones are essentially local. For those living in rural areas, producers are their main suppliers, whilst those living in cities are supplied by processors and middlemen.

Sales markets are essentially local with only a few traders managing to reach to wider national market. Households and individuals constitute their main customers, and to a lesser extent processors.

Table 6: Production capacity and turnover of national traders for some NWFPs

Product	Production capacity per SMFE per year		Turnover per SMFE per year (FCFA)	
	Minima	maxima	Minima	maxima
Dawadawa seeds	3,600 sacks	6,000 sacks	122 millions	24 millions
Dawadawa seed powder	135 kg	135 kg	22,500	22,500
Cashew paste	30,000 kg	30,000 kg	48 millions	45 millions
Shea nuts	11,500 kg	70,000 kg	2,4 millions	14,7 millions
Cashew nuts	10,000 kg	20,000 litres	3 millions	6 millions
Bangui/palm wine	10,000 kg	3,000 kg	1 millions	2 millions
Tamarind fruits	1,500 kg	5,000 kg	130,000	387,500
Baobab leaves	180 kg	250 kg	61,250	87,500
Dry laves of neem	150 kg	150 kg	75,000	75,000

Source: survey results

2.3.2.5 Exporters

They are found in big urban centres like Ouagadougou, Bobo-Dioulasso and Banfora. This category of actors is dominated once again by informal sector enterprises (55%) but some limited liability companies are also found in this category (18%), as well as individual enterprises (15%) and associations (9%).

These enterprises employ 1-20 persons. Their staff includes permanent employees mostly composed of office agents, contractual agents mainly used for handling and product collection.

They are mainly supplied within the country by producers, local middlemen and processors. Most of their production is intended for export to countries in the sub-region, Europe and Asia.

In terms of taxes, this category of actors pays:
- Tax on industrial and commercial profit (BIC - *bénéfices industriels et commerciaux*) which can reach 500,000 CFA per year for some of the SMFEs surveyed;
- IMFPIC, which varies from 46,000 CFA to 450,000 CFA per month for the interviewed actors;
- IUTS, which varies from 32,000 to 100,000 CFA per month for the SMFEs surveyed;
- VAT which sometimes reaches 232,000 CFA for some of the SMFEs surveyed;
- The trade tax which varies from 30,000 to 160,000 CFA per year for SMFEs surveyed.

Table 7: Production capacity and turnover of exporters of some NWFPs

Product	Production capacity per SMFE per year	Turnover per SMFE per year (FCFA)
Cashew nuts	500 tons	150,000,000
Baobab fruit, tamarind fruit, shea nuts	250 tons	112,500,000
Cashew nuts	500 tons	100,000,000
Shea nuts	150 tons	45,000,000
Processed honey – soap and body cream	150,000 litres	16,500,000
Baobab fruit and tamarind	200 tons	34,000,000
Tamarind fruits	100 tons	14,000,000

Source: survey results

2.4 Economic and social role of SMFEs

The survey revealed several important economic and social roles that SMFEs play:
- They create jobs, particularly in the processing sector. The 57 processors surveyed employ a combined total of 1539 persons, or an average of 27 employees per enterprise;
- They play a non negligible role in generating rural incomes during periods of the year when sources of income are weak. Some activities generate large turnovers; on average, producer-collectors have a turnover of 1 300,000 CFA;
- Processing activities generate some of the highest turnovers. The average turnover is 25 million FCFA per enterprise. Processors in the shea and cashew sectors have the highest turnovers. However, medicinal plants, palm wine, honey, fresh, concentrated or instant-powdered juice also have significant turnovers;
- Exports of forest products make a significant contribution to the balance of payments. Shea is by far the forest product that brings in the most in foreign currency earnings but some

products such as wood carvings or basketwork are also significant and regularly contribute to export revenues.

- The limited sample of subsistence-oriented SMFEs which has been included in this study suggests that *a priori* this category of enterprise creates few jobs or incomes and do not contribute significantly to tax revenues. However, these enterprises play an important role in supplying village households with NWFPs.

The survey results enable a characterisation of socio-economic and environmental roles for each category of actors (see table 8). As mentioned above, processors, and above all the semi-industrial processors have the most important economic impact through job creation and income generation. Exporting enterprises also generate significant income, but create fewer jobs.

Table 8: Socio-economic and environmental roles of SMFEs operating in the NWFP sector

Categories of SMFEs	Impacts on poverty reduction	Impacts on environment
Subsistence-oriented SMFEs	**Average**: No job creation, weak contribution to tax revenues, low income generation for the entrepreneur, but satisfy demand at local household level	**Weak**: useful tree parts are leaves, barks, and fruits. The quantities collected are not sufficient to have an influence on natural resources. Moreover, actors claim to master cutting techniques which enable plants to regenerate
Profit-oriented producers/collectors	**Average:** good job creation potential (the number varies from 1 and 20 per enterprises). The annual turnovers are relatively high per enterprise and vary from 24,000 to 4,800,000 CFA. Weak contribution to tax revenues.	**Strong:** large quantities are collected and the non respect or non mastery of gathering techniques causes a negative impact on natural resources. These practices result in the depletion of some species (case mentioned by traditional healers). Local producers complain, mostly about some people coming from the central part of the country and who do not follow the rules ("they even cut big branches").
Profit-oriented traditional processors	**Average**: women in majority. Good job creation potential (1-30/enterprise). The annual turnovers are relatively high from 90,000 CFA to 8,160,000 CFA Weak contribution to taxes	**Average**: Indirectly demand from this category of actors is at the root of bad practices observed at the producer level. No initiative is carried out by these actors, who make the most important profits, to fund forest conservation or reforestation activities.
Semi-industrial processors	**Strong**: strong job creation potential (1-450 people/enterprise). Around 70% export their products to foreign countries Source of foreign revenue for the country. The annual turnovers are substantial, from 90,000 to 55,500,000 CFA. Important contribution to tax revenues	
Exporters	**Strong**: Good job creation potential, (1-20 people). Source of foreign revenue for the country. The annual turnovers are very substantial, from 14,000,000 to 150,000,000 CFA. Important contribution to tax revenues	
National traders	**Average**: most employ few staff (1 – 5 employees); Annual turnovers vary from 22,500 to 204,000,000 CFA. Weak contribution to tax revenues.	

Source: survey results

The economic exploitation of NWFPs puts a real pressure on natural resources. Denis Ouedraogo (2005) and Souleymane Traoré (2007) note that the competition for NWFPs is getting tougher and tougher as actors become aware of the financial profitability of some products. Ouedraogo who studied the forests of Dinderesso and Kou notes that the natural resources which are more subject to unsustainable use (harvesting unripe fruits, bad collection practices) are dawadawa, shea, tamarind and *Saba senegalensis*. Céa Benjamin (2006) notes a growing scarcity of some species in the Mare aux Hippopotames partly due to the practices of traditional healers.

The survey found that the most important pressure on natural resources is caused by profit-oriented producer-collectors; however, the other categories of actors oriented toward profit cause an indirect ecologic pressure because the demand expressed by these actors are the causes of the bad practices noted at producer level.

To conclude, the NWFP sector is dynamic and creates jobs but remains fragile because of low margins earned by enterprises and strong market fluctuations (prices and availability of raw material, price of processed products, etc.). This explains why most of actors stay in the informal sector.

3 IMPACTS OF POLICIES ON SMFES

3.1 Legislation and statutory regulations

3.1.1 Forestry, tenure and environment policies

In the domain of legislation and regulation, one must underline that the legislative framework has evolved in a positive manner in terms of forestry sector management. The concept of pure and integral conservation of natural resources supported by coercive laws, decrees and regulations (e.g. order n°68-059/PRES/AGRE-EL on animal conservation and hunting practice in Upper Volta and its decree n°68-314/PRES/AGRE-EL/EF) has evolved into a concept that simultaneously takes into account the needs of populations, "owners of the resources", the necessity to financially and economically value these resources and the imperative to guarantee their sustainability for future generations. In this way, many laws and regulations were adopted stressing the effective participation of populations at the grass roots level in the development of policies and strategies for sustainable management of renewable natural resources. The legislation and statutory regulations which are the most important in this domain include:

- The constitution of Burkina Faso. It guarantees "natural resource ownership by the people and the possibility of using them to improve their living conditions (article 14)".

- The law n°014/96/ADP dated May 23, 1996, related to agricultural and land reform and its decree n°97-054/PRES/PM/MEF dated February 6, 1997 on the conditions and application modalities of this law. This law defines major principles for the use of state land and aims at defining and promoting in future land regulations adapted to the local socio-economic contexts and that give land access rights to different categories of producers.

- The law n°005/97/ADP dated January 1997 related to the environment code in Burkina Faso, which outlines the major principles for maintaining ecological equilibriums, conserving and enhancing the value of natural resources and the improvement of people's living conditions.

- The law n°006/97/ADP dated January 31, 1997 related to the forest code. This regulation favours the appropriation and community management of forestry resources through an adaptation of forest regulations to socio-economic and socio-ecologic contexts. The status of natural protected areas is defined under this law to allow for responsible participation of populations in strategies for natural resource management, conservation and value adding.

- The law n°040/98/AN dated August 3, 1998 related to the orientation of decentralization and the law n°013/2001/AN dated July 2, 2001 related to the organisation of local administration in Burkina Faso which take into account the management of natural resources in the ongoing decentralisation process.

- The law n°034/2002/AN related to the guidance law on pastoral activity which sets the principles and clauses for sustainable, peaceful and integrated development of forestry and pastoral activities. This legislation makes provision for a transfer of authority from the state to local communities with respect to forest management.

- The law n°023/97/II/AN related to the mining code in 1997. This law requires that an environmental impact study or a notice of environmental impact be undertaken for the execution of works which need the use of materials classified by the law as quarry substances and which can negatively affect the environment. Carrying out the study or notice of environmental impact requires describing the initial state of the environment, hence the biophysical milieu. This conditionality helps to take into account particular measures for protecting flora, especially protected plant species, in securing licences for mining prospecting. Most of protected plants species are multi-purpose species that provide NWFPs. Species protected by the order n° 2004- 019/MECV cannot be cut down, uprooted, mutilated or incinerated unless authorisation is given by relevant offices in charge of forests.

- Burkina Faso has also signed and/or ratified several international conventions whose implementation will contribute to sustainable management of forest, water and wildlife resources and to the fight against poverty.

- In addition to these laws and their related decrees and the international conventions, there are the penal code and the penal procedure code which together contribute to settle litigious issues on forest, wildlife and water resources.

3.1.2 Economic policies

Economic reforms have resulted in better management of public funds, liberalisation of the national economy through the disengagement of the state in favour of the private sector and a larger opening to foreign countries.

Burkina Faso in 1991 launched a vast programme of economic reforms backed by Bretton Woods institutions (International Monetary Fund and World Bank), and the whole international community. The country implemented three successive triennial structural adjustment programmes (SAP) and agricultural and transport sector programmes, supported by agreements on the Reinforced Structural Adjustment Facility of the IMF and structural and sector adjustment loans from the World Bank with the objective of building the foundations of a liberal economy based on market principles and where the private sector would become the driving force behind economic growth.

To achieve these objectives, some measures were adopted:

- Reform of the agricultural sector, particularly through the redefinition of the role of the state and the adoption of a strategic guidance document, a strategic operational plan for the development of the agricultural sector (plant production) and an action plan and investment programme in the livestock sector (PAPISE) in Burkina Faso.
- Promotion of the private sector through liberalisation of the economy, the opening up of new sectors of the economy (telecommunication, energy, air transport, mining sector), improvement of business legislation, laws and taxation (simplification of administrative procedures, and compliance with OHADA), adoption of an industrial development strategy, adoption of a craft industry development strategy.

- In the domain of business taxation, measures were taken to alleviate the fiscal burden of the formal sector.
- Adoption of measures aimed at reducing the costs of production factors, such as telephone, electricity, water and transport.
- Adoption of an investment code to promote productive investments which contribute to the economic and social development of Burkina Faso. Advantages linked to enterprise creation, investment and operation are given to enterprises which apply for them.

Due to the multidimensional nature of the private sector development issues, the government has opted for a global strategy which reconciles the requirements of the structural reforms and the readjustment of the economy to support business competitiveness. These major principles guiding economic policy are based on the search for economic growth and better income redistribution for sustainable social stability.

There are also several initiatives aiming more specifically at developing small (or micro) and medium enterprises in urban areas as well as in rural areas. The government adopted in 1997 an action plan for funding rural actors (*Plan d'actions pour le financement du monde rural* - PAFMR) to improve access to financial services for rural populations and hence stimulate job creation and income generation in rural areas. A national strategy on microfinance was elaborated in November 2005 to support the development and the strengthening of SMEs (Ministère des Finances et du Budget, 2005). Several funds have been created to increase SME access to finance: *Fonds d'Appui aux Activités Rémunératrices de Femmes* (FAARF*), Fonds d'Appui au Secteur Informel* (FASI*), Projet d'Appui aux Petites et Moyennes Entreprises* (PAPME*), Fonds d'Appui à la Formation Professionnelle et l'Apprentissage (*FAFPA*), Fonds d'Appui à la Promotion de l'Emploi (*FAPE*) and Fonds Burkinabé pour le Développement Economique et social.*

In terms of service provision to enterprises, there are three main public structures which provide market information services, advice services, etc. to SMEs: the Chambers of Commerce, the *Office National de Commerce Extérieur* (ONAC) and *Maison de l'Entreprise*. The last one was created with the support of the government but it has the status of an association of private law. Some projects such as Projet d'Appui aux Micro Entreprises Rurales (PAMER) and Projet d'appui aux filières agro-sylvo-pastorales (PAFASP) also provide services to SMFEs. PAFASP, which selected the mango market chain in the forestry sector provides support through investments and facilitates access to bank loans through the establishing of guarantee funds.

Box 3

Maison de l'Entreprise in Burkina Faso

Created in 2002, Maison de l'Entreprise, an association of individual and corporate enterprises has the following missions:

- Setting up, in accordance with the existing supply of services, a service to listen to business concerns and direct businesses towards private sector support programmes, including those funded by donors;
- Implementation of private sector support programmes;
- Facilitation between administrations, private sector support structures and service providers in the domain of market information, advice services, training and enterprises creation procedures.

In 2006, Maison de l'Entreprise had 401 active members, including 341 private enterprises and 120 professional associations (www.lefaso.net, February 2006).

3.2 Impact of policies on SMFEs

In Burkina Faso, the current policies on rural development and land management are part of a global framework for reference and streamlined planning, which is the Poverty Reduction Strategic Paper. They have been implemented in this context in compliance with the guiding principles of the rural development strategy.

3.2.1 Forest policies and NWFPs

The national forestry policy adopted in Burkina Faso is governed by the fundamental law and the different planning frameworks for socio-economic development. Its legal basis includes among others the investment code, the forestry code and other laws related rural development.

An analysis of existing environment and forest policies, legislation, and regulations shows how both SMFEs and NWFPs have been ignored by planners and legislators in their attempts to plan and regulate the development process in the country. The study on "Valorisation des Produits Forestiers Non Ligneux au Burkina Faso" undertaken by the ARSA Project (MECV/PNUD 2007) notes that wood continues to overshadow NWFPs when the expression "forest product" is used in the definition of policies and there is no regulation of the exploitation of NWFPs in the same way as wood, wildlife and fishing. Apart from hunting reserve concessions involved in wildlife management since 1996 and the two mini-sawmills of Banfora which are regularly followed by forestry offices, no clause refers to SMFEs nor NWFPs. These last products are considered by legislators as gathering products and as such with no economic value.

Though this seems to be in contradiction with the importance that has always been given to the market chains of shea and more recently Arabic gum and cashew nuts, one tends to think that planners and legislators have chosen to focus on firewood as a solution to the energy problems faced by the country. However, with the current decentralisation process and the liberal economy option taken by the country, it makes sense to think that tendencies will be reversed and forest products in general and non wood forest products in particular will likely become the economic basis of young rural communes that are being set up.

3.2.2 The decentralisation of forest resource management through the natural forest management programme

Forest policies under the pressure of ecologic problems (drought in the 70s) have rapidly evolved contrary to legislation which still has the marks of the colonial period. Thus, after centralised management until the end of the 70s, the current forest policy is based on a participatory option and is implemented in the framework of a programme approach which aims at rationalising resource use.

The natural forest management programme, one of the three selected by the forest policy aims at managing and using forest resources in order to allow the current generations to derive a maximum of profits from these resources while ensuring their sustainability for the satisfaction of the needs and aspirations of future generations. The identified strategic objectives include:

- adding value to natural forests to ensure their protection and the preservation of the natural environment ;
- satisfying people's needs for forest products, especially firewood for urban consumption;

- contributing to the achievement of socio-ecologic balances to ensure a continuous and sustainable development.

However, political, institutional and legal provisions are sometimes in contradiction with these objectives. For example, the low price of forest products (firewood more specifically) as well as the tax system and regulation with few incentives have long ignored the organised private sector operating in the forestry businesses.

3.2.3 Managing forests for firewood production and the development of NWFPs

In Burkina Faso, like in many Sahel countries, the major environmental problem is soil degradation. Given that there is a causal relationship between deforestation and soil erosion, it is not sure that the exploitation of forests for firewood purposes is the best use of forests.

This hypothesis is important because it gives us a dynamic vision of the role of wood in general and firewood in particular in the energy strategy of the country. Though the economic situation seems difficult, it seems to us that a strategy which considers firewood as a definitive solution to energy issues is not an option as sustainable as the natural forest management programme claims it to be. This strategy has negative impacts on the availability of NWFPs, already visible near cities.

The ideal strategy would certainly be to implement a transitional energy policy helping to control the demand for firewood especially in urban areas. This policy should encourage consumers to look for other energy sources different from wood. Natural forest management is then considered as a safety valve enabling the allocation of the necessary time for this transition.

3.2.4 Forest taxation and regulation

Generally speaking, the legal and political environment in Burkina Faso is not favourable for the development of SMFEs. The forest sector remains one of the most regulated sectors. The regulation framework has been designed to mainly lessen the environmental impact of large scale forest exploitation, instead of promoting the development of community forest management operations and the creation of added value. Regulation governing forest product exploitation and marketing (e.g. licenses) is fairly complex and foresters still operate under a logic of repression.

a) The case of wood forest products

It is important to first analyse the case of wood forest products, particularly firewood, because the exploitation of these products has an important impact on the availability of NWFP resources. Notwithstanding regulation in favour of the wood sector, in the current conditions, forest exploitation to supply cities with wood products (firewood particularly) could be described as anarchic. Neither the number of exploiters, nor the zones of exploitation, nor the quantities collected are known or regulated in a satisfactory manner. This uncontrolled exploitation is most often based on an economic logic whose sole objective is short term profit maximisation. This results in the degradation of the forests which are near cities and easier to access. This degradation is rapid especially since the forest populations have little motivation to protect the resources of their land, given that according to regulation, they are not the legal owners.

This situation results from an obsolete forest regulation and tax system which is not based on the characteristics of the resource. Anyone with a wood cutting license or any other authorisation legally obtained can go anywhere and collect wood or non wood forest products. The amount of the paid tax which is a lump sum does not reflect at all the economic value of the trees.

Almost the whole quantity of firewood consumed in towns is uncontrolled, due essentially to lack of human and material resources in the forest administration. The effectiveness of forest control, i.e. the relation between quantities submitted to forest control at the entrance of cities and the total quantities smuggled in, is very low. The discrepancy in the total revenue generated is even more important. This comparison enables us to note that the efficiency of control systems is around 100% in the managed exploitation zones, whereas this percentage at national level is less than 20%. This means that the contribution of managed areas to tax income is (largely) more than proportional to their importance in the supply to cities. If we consider that uncontrolled exploitation which predominates in the supply to cities is based on a logic very little concerned about sustainable use of resources, we come to the conclusion that the control system is not only inefficient but also unfair. It lacks horizontal equity between actors of the same category; even worse, in relative terms, it tends to penalise some of the actors (in managed areas) who strive to set up a sustainable resource management system.

Thus, one notes that despite good intentions, the reform adopted in 1985 did not succeed in setting up efficient mechanisms helping to reverse the predatory tendencies in the domain of wood resource exploitation for the provision of firewood to towns.

b) Case of non wood forest products

Except for the order n°2004-019/MECV dated July 2, 2004 on the determination of the list of forest species (23 species) benefiting from particular protection measures in Burkina Faso, there is no specific regulation in this country for NWFP trade (for export) or for the importation of these products from the west African sub-regional countries or elsewhere. So, the strong pressure on forest resources is not without consequence on NWFPs. The survey of actors in the NWFP sector unanimously revealed that forest resources are more and more difficult to find. Producer-collectors are obliged to cover increasingly greater distances to find some NWFPs. The main causes of the depletion of NWFPs are not only natural, but above all man-made, particularly the anarchic exploitation allowed by a legal gap. The focus on commercial gain and the poverty that prevails in rural areas exacerbate the situation. The competition for access to forest resources including access to NWFPs is increasingly tougher with the growth in human population and livestock. The interviews conducted in the field showed various types of aggressions (gathering of unripe fruits, bad collection practices of NWFPs, etc.) particularly for multi-purpose species such as shea, dawadawa, tamarind and liana.

In addition to this, the development of the NWFP sector is not without risk to the protection of exploited species, especially NWFPs spontaneous in origin. There is an important risk that lucrative markets incite producers to increase their pressure on the forest. In this situation of legal vacuum, the risk is especially high for trees and shrubs which provide food and industrial products. This concerns for instance products which are used in industrial processing (such as Arabic gum, shea nuts, dawadawa, moringa seeds, etc.) and which provide derived components used in essential oil, flavour, perfume, cosmetic and food industries. The exploitation must be rational and sustainable so that the parts used (fruits, grains, nuts, leaves, flowers, roots) do not disturb the growth of the trees and the regeneration of the exploited species.

In order to rationalise the exploitation of NWFPs, draft regulation is being developed in the framework of the ongoing decentralisation process in Burkina Faso. First of all, there is a joint draft order on the development and validation procedures of local conventions on forest resource management. The by-law or local convention for natural resources management is a set of norms and regulation determining the use of natural resources in a given area and also sanctions defined in case of abuse. It is part of *Plan de Gestion des Terroirs* (land management plan). In other terms natural resource management conventions or bylaws are rules, terms and conditions adopted by consensus between the population on one hand and the technical partners and the decentralized political and administrative authorities on the other hand. This development of local conventions will be based on the following three major principles:

- the scarcity of resources;
- the collective nature of the resource;
- and the great economic value of the resource.

The second but just as important joint decree will deal with the fixation of taxes and royalties for forest products (wood and non wood) from the commercial and industrial exploitation of public and community forests in Burkina Faso.

The clauses of this decree stipulate that medicinal plants and non wood forest products are products derived from trees and shrubs, except timber, service wood and firewood; these products are specifically barks, leaves, flowers, fruits, gums and roots. Thus, any person wanting to set up a medicinal plant and NWFP business should purchase a license from the forest office. Likewise any person wanting to start a medicinal plant and NWFP export business should purchase an export licence granted from forestry office.

The amount of taxes (1000 FCFA to 150,000 FCFA) that will be collected from license payment varies according to the type of NWFP, exploitation duration (monthly, annual), product destination (national market, export), tree part concerned (leaves, fibre, resin) and the type of business (retailer, wholesaler etc.). However, only if there is evidence that gathered products derive from planted trees can NWFP exploitation be given administrative permission.

3.2.5 Land Policy

Forest legislation in Burkina Faso has suffered a lot from the colonial heritage which through its failure led to a dual land tenure system. The first component of this system is a regulation regime which is the result of an ensemble of legal arsenal developed by the colonial administration between 1906 an 1956. The second component is the traditional regime based on the collective ownership rule enforced by traditional authorities. This system which encourages very centralized resource management systems is the reflection of a political system also centralized which allows little for initiatives from civil society in general, and grass-roots communities in particular.

With the current decentralization process, a new rural land code taking into account local realities is being developed. The decentralization of institutions in charge of natural resources management should be part of the global perspective on a wider democratisation of national political life. To sum up, it will be necessary to create conditions for a democratic, decentralised

Box 4

Trees for Change: project for local governance of forest resources

This project was launched by the NGO Tree Aid in 2007 to create a favourable political environment and stable institutional framework which can ensure sustainability and equity in forest management decentralization and privatization in Burkina Faso dry lands. This objective will be reached through capacity building on forest resource management at the commune level, representation of disadvantaged forest users in political debates at local and national levels and the negotiation and implementation of equitable community forest management plans and forest concession partnerships. The project is implemented in eight communes located in four regions which are also developing viable forest enterprises through the Market Analysis and Development approach of the FAO (see box 5).

and participative management of natural resources. The key principle is that grass-roots initiatives have a crucial role to play in national capacity building for sustainable management of natural resources. This principle should be taken into account by the new land code, and local resource management institutions should have authority to really decide on the rules and terms and conditions for a co-management of the natural resources of their lands. At least, the following points should be clearly addressed by the code:

- establishment of rules for access to resources ;
- introduction and recognition of resource management systems based on local knowledge and practices provided they are compatible with the principles of sustainable management of resources ;
- political and institutional capacity strengthening for organisational structures of grass-roots communities and explicit recognition of their property rights on resources ;
- development of a contractual framework in which will be negotiated agreements for resource co-management between local organisations and external negotiating partners (the state, NGO, private sector, etc.).

This code will have the advantage of being more likely to mobilise local energies for investments necessary for the conservation of resources. However this potential should not be a source of illusion. Indeed, the current debate on decentralisation tends to present it as a key part of the solutions to the economic and financial crises encountered by the state. This is not quite true. The benefits of decentralisation will be really visible only in the medium and long terms. In the meantime, one has to meet the costs for the establishment of this new political and institutional framework. In the current socio-economic context, most rural areas will need financial assistance to meet these initial costs.

3.2.6 Decentralisation, an opportunity for the development of SMFEs

As stated above, SMFEs are likely to effectively contribute to the development of young rural communes. With the lack of mining resources, the main resources available for local communities seem to be forest resources provided they are managed on an equitable and sustainable basis. One must remember that before the monetisation of the economy, local populations guaranteed their survival partly through these resources.

Given that each rural commune is attached to an urban commune whose demand for forest products will be increasingly important because of the difficult access to imported manufactured products, SMFEs, as concessionaries of rural communes with regard to forest product production, processing and distribution should have a key place in the national economy in the next years.

3.2.7 Coordination of interventions in the NWFP sector

Several ministries involved

Several ministries are involved in the NWFP sector. The Ministry of Environment (MECV), the Ministry of Agriculture and Fishery (MAHRH), the Ministry of Animal Resources (MRA), the Ministry of Trade, Enterprise and Craft Industry Promotion (MCPEA), the Ministry of Women's Promotion (MPF) and the Ministry of Secondary and Higher Education and Scientific Research (MESSRS)[3].

Government support to the NWFPs sector thus passes through the ministries listed above. Its intervention domains specifically include: technical supervision, organisational support, and support to marketing and research and development. For example, the current policy of priority local species promotion and participatory management implemented by the MECV and its partners is an asset for sustainable management of resources. In terms of research and development, there are national research structures (*Institut de Recherches en Sciences Appliquées et Technologies*) and NGOs (*Centre Ecologique Albert Schweizer*) which make equipment for the post-harvest processing of NWFPs (hammer mill, roaster mechanized mill, dryer, shea butter presses, equipment for shelling dawadawa seeds, atomiser). In addition, the policy for the promotion of SMEs undertaken in the recent years through Maison de l'Entreprise is favourable to the development of the sector.

However, the multitude of interventions in the domain of NWFPs and SMFEs through sector approaches without coordinated actions is not favourable to the development of the sector and even tends to confuse actors in the field. For example, producers (gatherers, traders, processors, nursery attendants etc.) who are supposed to be stakeholders in the regional chambers of agriculture (CRA) are wondering whether they will lose the institutional support of the MECV if they become members of these chambers, whereas, by agriculture, one should also understand forests and wildlife. CRAs are therefore supposed to be the best discussion framework on inter-sector issues to promote harmonization of interventions of the different actors in rural areas. Moreover, the lack of coordinated connections between research and development agencies in order to promote research outcomes in this domain leads to duplicating and often waste of resources and energy. For example, although positive results for the vegetative multiplication of shea (layering, grafting) have been available at *Institut d'Environnement et de Recherche Agricole* (INERA) for 10 years, the *Projet Karité* has just started experimentations in the domain[4].

Interventions of development partners

The NWFP sector has benefited from funding systems and advice services from:
- Fonds d'Appui aux Activités Rémunératrices de Femmes (FAARF)
- Projet d'appui aux micros entreprises rurales (PAMER)
- Projet d'appui aux petites et moyennes entreprises (PAPME)
- Projet National Karité (PNK)

[3] One can also add the Ministry of Health which regulates traditional healers, important actors in the NWFP sector.
[4] Source – personal discussion with the Coordinator of *Projet Dynamisation des Filières Agricoles au Burkina Faso* (DYFAB), a project operating in the shea, banana and milk market chains.

- Projet Acacia du Projet National de Gestion de Terroirs (PNGT)
- Projet de Partenariat pour l'Amélioration de la Gestion des Ecosystèmes Naturels (PAGEN)
- PROGEREF,
- Programme d'appui au développement de l'agriculture du Burkina (PADAB)
- PICOFA
- Projet d'Appui aux Filières Agro Sylvo Pastorales (PAFASP)
- Projet de gestion des forêts de Dindéresso et de Kou.

The UNDP, FAO and the World Bank have also provided and continue to provide financial support to the sector. The International Union for the Conservation of Nature (IUCN) is currently engaged in the promotion of NWFPs, and so are Tree Aid and the Centre for International Forestry Research (CIFOR). The *Comité Inter Etat de Lutte contre la Sécheresse au Sahel* (CILSS*)* also supports programmes that contribute to the fight against food insecurity

Box 5

The market analysis and development approach

The FAO has developed the Market Analysis and Development (MA&D) methodology to support local populations to create lucrative enterprises while preserving forest resources. Successfully tested in Asia and in the Gambia, this approach is being implemented by the NGOs Tree Aid, IUCN and CIFOR in Burkina Faso with the participation of the ministries of environment, of women's promotion, and of secondary and higher education and scientific research. Village entrepreneurs are helped through MA&D to develop business plans for viable enterprises which include a plan for sustainably managing forest resources. The estimation of the sustainability of local ecosystems is an integral part of the identification of potential enterprises. Detailed information on MA&D is available on the FAO website at www.fao.org/forestry/site/25491/fr

Lack of an institutional framework

Lack of adequate institutional framework to coordinate support to the NWFP sector and to ensure promotion and dissemination of information on these products seems to be a major shortcoming in the development of the sector. The situation does not enable the implementation of a coherent policy for the promotion of NWFPs and even for SMFEs at the institutional and legal level. According to actors in the NWFP market chains, the state's role should be to create incentives whilst private sector actors carry out initiatives to develop the sector through their associations such as *Fédération des Industries Agroalimentaires du Burkina* (FIAB).

In any case, it is very important to set up an inter-ministerial institutional framework to support the political and legal environment favourable to the promotion of SMFEs. This structure which could integrate SMFE associations such as FIAB could deal with relations and negotiations with donors, as well as promoting forest resources and ensuring their marketing to export markets in the framework of ACP-EEC exchanges. It could also be in charge of:

- import, export and trade of NWFPs of any kind;
- addressing identified problems in the sector, especially regulations, sensitisation of forestry agents and other administrations on NWFPs and their trade;
- dealing with the problem of individual itinerant traders;
- putting in place price regulation;
- infrastructure for the conservation of PFNL;
- the sustainability of the sector.

SMFEs are specific or particular structures (operating in a sector subject to climatic hazards), which should therefore benefit from specific regulations promoting adapted investments. One notes that most SMFEs, regardless of their size are under-equipped and that NWFP processing strategies are still dominated by traditional methods which do not result in optimum final products. This is for example the case of the processing of shea butter, *soumbala* and also the production of palm wine and various types of drinks (liana, baobab fruit, tamarind juices, etc.) Nevertheless, there are some SMFEs which are more modern, managed with dynamic methods, in a logic of production and not a logic of survival. In addition, the typology of SMFEs shows that a number of them are integrated in a market economy and their development requires appropriate measures which are not governed by a code of investments only (see chapter 6).

Box 6

Private operators get organised through FIAB

The *Fédération des Industries Agroalimentaires* aims at being a framework for concertation and promotion of agro-processing professionals. Thus, among its 71 members (including 25 organisations and 46 individual enterprises) there are SMEs which process NWFPs like shea butter, honey and medicinal plants. FIAB's mission is to support the development and the promotion of the agro-food sector in Burkina Faso and to contribute to strengthen its members' capacities in management and finance.

3.3 SMFE knowledge and perception of policy

If opportunities for SMFEs in terms of economic opportunities and the availability of natural resources are to an extent determined by policies, it is important to know to what extent these policies are mastered by SMFEs. Are SMFEs able to influence policies to create an environment favourable to the promotion of their sector?

Around half of the interviewed SMFE actors say they know the forest code or the environment code, whilst half have no knowledge of either code. Most of those who are familiar with the codes have a negative opinion of them (see table 10). Semi-industrial processors and exporters are most often plantation owners and because of their relative high level of education, they are inclined to be most informed about regulations in force in order to derive the maximum profit. Globally speaking, there is an important work that needs to be carried out to raise actors' awareness on regulations, and above all to help them understand the key issues and their importance for the sustainability of forest resources.

The tax system is better known by the actors: 66% say they know the regulation on taxes and custom duties; however, they would like to have an even better understanding of the tax system. Opportunities such as the code of investments and the entire mechanism for facilitating procedures and reducing the costs of doing business are not known by actors. Table 9 summarizes the knowledge level of SMFEs per category of the different policies, whereas table 10 presents SMFE perception of constraints and opportunities presented by these policies.

Table 9: SMFEs knowledge of the different policies

SMFE category	Forest code	Land reorganisation	Environment code	Economic policies (Tax code , code of investments, and customs regulations
Subsistence-oriented SMFEs	Weak	Average	Weak	Weak
Producer-collectors	Average	Average	Average	Weak
Traditional processors	Weak	Weak	Weak	Average
Semi-industrial processors	Average	Average	Average	Average (most do not know the procedures to benefit from the code of investments)
National traders	Weak	Weak	Weak	Weak
Exporters	Average	Average	Weak	Average

The effective implementation of laws and regulations remains a problem to be resolved. Indeed, regulations are not sufficiently disseminated, known, understood and accepted by the main actors in the forestry sector, especially in rural areas. In addition, the level of decentralization of renewable natural resource management is still limited. The bulk of rules for the management of natural resources are made at central level.

Concerning the capacity of SMFEs to influence policies, in general, a significant proportion of interviewed actors (75%) think they do not have any influence on policies, either through ignorance or impotence - table 11. The policies, according to some, are developed to benefit the state. Only the leaders of organizations and associations believe that, through good organization, and with the support of development partners, market chain actors can influence policies.

This view is highly variable depending on the category of SMFEs. The least confident of their ability to influence policy are the traditional processors (90% feel powerless), and traders (80%), and to a lesser extent the producer-collectors (74%) and exporters (70%). Industrial processors feel most able to influence policy; this is probably related to their higher education level, as well as their experience in their professional organizations.

Tableau 10: SMFEs perception of constraints and opportunities presented by policies [None = absence of constraint or opportunity]

SMFE category	Forest code		Land reform		Environment code		Economic policies	
	Constraints	*Opportunities*	*Constraints*	*Opportunities*	*Constraints*	*Opportunities*	*Constraints*	*Opportunities*
Subsistence-oriented SMFEs	Taxes to pay disproportionate to the size of our activity	Conservation of species	None	None	None	Conservation of species	None	None
Producer-collectors	Tree cutting license given to foreigners : source of conflicts; Taxes	1 : Reforestation and planting : enable regeneration ; 2 : Harvesting methods and maintenance preserve natural resources	None	None	Difficult access to protected areas for harvesting	Preserve some species threatened with extinction	None	None
Traditional processors	None	None	None	None	None	None	None	None
Semi-industrial processors	None	None	None	None	None	Obliged to respect international norms in order to export our products at lucrative prices	1 : High fiscal pressure 2 : High customs duties for importing conditioning products and technical equipment	Registration on the code of investments brings advantageous exemptions
Exporters	None	None	None	None	None	None	1 : High fiscal Pressure and high customs duties[5]	Registration on the code of investments brings advantageous exemptions
National traders	None	None	None	None	None	None	Goods seizure due to non payment of trading license	None

[5] Exporters pay fees to transporters which include custom duties.

Table 11: SMFE Capacity to influence policies

SMFE Category	Capacities	
	Level	**Justification**
Subsistence-oriented SMFEs	Weak	Lack of organisation of the sector which does not allow the organisation of consultations for the formulation of policies, and weak lobbying capacity
Producer-collectors	Weak	Lack of organisation of the sector which does not allow the organisation of consultations for the formulation of policies, and weak lobbying capacity
Traditional processors	Weak	There is no existing framework for us
Semi-industrial processors	Average	Through our organisations such as FIAB and MEBF we can contribute to the elaboration of different tax regulations
Exporters	Average	Through our organisations such as FIAB and MEBF we can contribute to the elaboration of different tax and customs regulations
National traders	Weak	Lack of organisation of the sector which does not allow the organisation of consultations for the formulation of policies, and weak lobbying capacity

4 MARKETS AND FINANCE

4.1 SMFE Financing

A weak access to financing is one of the most cited bottlenecks to SME development. PAPME, an SME development project in Burkina Faso, identified the following as main obstacles for SMEs to access financing: lack of own capital, insufficient guarantees, high interest rates, liquidity constraints and inadequate information (Yeye 2006). SMFEs operating in the NWFP sector face particular difficulties in accessing funds because the exploitation of NWFPs has long been, and in some ways continues to be considered as a non economic activity and therefore one of little interest for financial institutions.

Interviews with SMFEs show indeed a poor access to loan financing for all categories of SMFEs except for semi industrial processors, and, to a lesser extent, exporters. For the other categories, financing of their activity is largely done with personal savings. Apart from personal savings, there are four categories of actors that provide financing for SMFEs:

- The classical banking system such as the *Banque Régionale de la Solidarité* (BRS) and *Banque Sahélienne pour l'Investissement et le Commerce* (BSIC) ;
- The microfinance system with actors such as the FAARF and *Caisse Populaire* notably;
- Projects/programmes such as PAPME, PAMER etc.
- The informal lending system through usurers.

Table 12 : SMFE financing

SMFE category	Experiences in credit	Financial institutions involved	Level of access to credit	Constraints
Subsistence-oriented SMFEs	weak	FAARF	weak	No interest of actors in credit/ lack of entrepreneurial vision
Producer-collectors	weak	Caisse Populaire	weak	1 Weak interest in credit as NWFP supplies cost almost no money 2 : Ignorance of the possibility of getting loans for NWFP activities, and no information on procedures ; 3 : Lack guarantee required by MFIs
Traditional processors	weak	FAARF Caisse Populaire	weak	1 : Poor interest in credit because they do not see any need considering the size of their activity ; 2: Ignorance of the possibility of getting loans for NWFP activities, and no information on procedures
Semi industrial processors	strong	BRS Caisse populaire BSIC	average	1 : long time needed to secure a credit, high administrative costs, high interest rate 2 : Lack guarantees required by banks
Exporters	average	BSIC	average	1 : long time needed to get a credit, high administrative costs, high interest rate
National traders	weak	Usurers	weak	1 : mistrust of actors vis-à-vis credit 2 : short loan periods offered by MFIs

Source: survey results

It is interesting to note that some categories of SMFEs have very little interest in loan financing. Subsistence-oriented SMFEs, producer-collectors and small scale processors have little experience in the credit domain maybe because they are not esteemed by the financial sector, but also because they do not really seek loan financing. Free supply of NWFPs, lack of an entrepreneurial vision, fear of credit and ignorance of the utility of credit are elements that cause lack of interest of actors in loan financing.

Table 13: SMFE access to loan financing

	% of SMFEs that have applied for a loan from a financial institution	% of SMFEs that secured a loan from a financial institution
Producers	20%	15%
Traditional processors	10%	12%
Industrial processors	67%	63%
National traders	20%	16%
Exporters	36%	30%

Source : survey results

The reasons given by interviewed SMFEs to explain their poor access to credit include:

- Do not need loan (19 cases), either because a donor project supports them financially or they have got enough internal funds to operate
- reluctance of SMFEs to apply for loans (7 cases)
- fear that profit margins are too low to permit the reimbursement of a loan (6 cases)
- reimbursement terms are not favourable (5 cases)
- difficulties in providing a guarantee (5 cases)
- difficulty in providing relevant documents (6 cases)
- ignorance of potential partners (4 cases)
- activity not taken seriously by the financial institution (3 cases).

Most of the time, no application was submitted to a financial institution. In only four cases was an application submitted and unsuccessful. The financial partners most often cited by surveyed actors are: Caisse Populaire, BRS, BSIC and PAPME.

4.2 Access to markets

A large part of NWFP market chains is informal. This results in difficulty for SMFEs, particularly the large ones, in getting regular provisions of raw material in sufficient quantity and at a good price. However, we observe in the recent years a shift towards a better organisation, particularly for export chains (cashew and shea in particular), but this structuring still needs to be reinforced considering price fluctuation which seriously weaken SMFEs.

4.2.1 Access to markets, market structuring, level of informality

NWFP production for urban and export markets is subject to risks such as market instability (e.g. case of shea nuts in 1986 and cashew nuts from 2003 to 2006), discriminatory trade practices (honey produced in Burkina has until now no export permission to Europe) and import of cheaper product substitutes.

Table 14: Access of SMFEs to markets

SMFE categories	Market	Organization of the market	Level of informality	Information sources
Subsistence-oriented SMFEs	Local	Informal	high	households/individuals
Producer-collectors	Local, national	Informal	average	Local markets; Groups and organisations; National intermediaries; By word of mouth
Traditional processors	Local, national	Informal	average	Local and urban markets; Groups and organisations; National intermediaries; By word of mouth
Semi-industrial processors	National Sub-region Europe ; Asia	Formal	weak	ONAC/Trade Point; international intermediaries; Internet
Exporters	National Sub-region Europe; Asia	Formal	weak	ONAC/Trade Point ; international intermediaries; Internet
National traders	Local, national	Informal	average	Local and urban markets; Groups and associations ; National Intermediaries ; By word of mouth

Supply constraints:

40% of SMFEs declare facing supply constraints. But this differs from one category of SMFE to another; we note that in our sample, it is processors that face the most important supply difficulties. This shows that there may be opportunities for grass-roots producers if they are linked to industrial processors and if they are able to provide products as per their requirements.

Table 15: Supply constraints faced by SMFEs

		Products facing supply constraints (x cases out of y)											
SMFE category	Proportion faced with supply constraints	Shea nuts	Shea butter	Cashew nuts	Tamarind	Medicinal plants	Honey	Bangui	Baobab fruit	Soumbala	Dawadawa seed	Neem	Baobab leaves
Producers	50%	6/7		4/10	4/8	2/4	6/11	1/4	-	-	1/4	1/4	
Traditional processors	50%	4/6		2/4	2/4	2/4	1/1	-	2/4	2/6	-	-	
Industrial processors	65%	4/6		6/7	2/6	2/2	-	2/2	2/6	-	-	-	
National traders	34%	-	2/2	2/6	1/4		-	2/5			1/3		1/1
Exporters	50%	1/2			1/3	3/3			1/3				
Total frequency		15	2	14	10	9	7	5	5	2	2	1	1

All market chains are affected. Supply difficulties are most frequently cited with respect to shea nuts, cashew nuts, tamarind, medicinal plants and honey. These difficulties are mostly due to the seasonality of activities and difficulties accessing financing which means that actors cannot build sufficient stocks of raw material. With some market chains (shea, honey, medicinal plants), climatic hazards lead to a fluctuation of raw material availability from one season to another. Environment degradation is also cited as a difficulty; tree depletion leads to covering long distances to collect products. In the case of medicinal plants, some plants can no longer be found.

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<u>Sales constraints:</u>

Globally, around 39% of surveyed SMFEs face difficulties in selling their products. Traditional processors face less sales constraints than the others as they mainly sell to individuals, and thus adjust more easily their production to demand.

Table 16: Sales constraints for SMFEs

		Products facing sales constraints (x cases out of y)										
SMFE category	Proportion of facing sales constraints	Shea nuts	Shea butter	Cashew nuts	Tamarind	Medicinal Plants	Honey	Bangui	Baobab fruit	Plants	Liana	Neem
Producers	42%	-	-	7/10	1/4	3/5	3/10	-	-	3/3	2/2	-
Traditional processors	25%	-	-	-	1/2 jus	4/5	1/2 Mead	-	½ biscuit		-	-
Industrial processors	42%	-	1/4 butter 3/3 soap	2/7	4/4 jus	-	1/1 Mead	-	-	-	-	-
National traders	42%	-	1/2	2/6	2/4	-	1/1	4/5	-	-	-	1/1 leaves
Exporters	27%	1/2	-	½	-	1/1	-	-	-	-	-	-
Total frequency		1	5	12	8	8	6	4	1	3	2	1

It is difficult for such a sample size to make an analysis per type of product. This would require more in depth studies on specific product chains. However, the following elements can be noted:

- Some product chains face difficulties only at some levels of the chain: for example, producers do not face sales constraints for shea nuts, difficulties are noted at processing level and in shea butter marketing.
- Among all products, medicinal plants and their substitutes seem to face more sales difficulties at all levels of the market chain;
- In many cases, sales difficulties affect only a minor proportion of SMFEs. We can therefore conclude that sales difficulties are not generalised, and can be resolved case by case, by finding appropriate solutions through better information of actors in markets;

- Sales problems are sometimes linked to quality problems. The market exists but the product offered is not always of sufficient quality.

4.2.2 Sources of market information

The SMFE sector is characterised by inadequate information on prices, quality and safety standards, packaging and handling requirements as well as appropriate production levels. The processing chain is also characterised by inadequate information on the sources capable of providing raw material on a sustainable basis from natural and/or domestic sources; thus 65% of industrial processors surveyed declare facing supply constraints.

Actors often have the impression that information insufficiency is willingly maintained by national and foreign intermediaries and wholesalers. This is the case of the cashew nut market chain (Traoré A., 2007). Indian companies are important buyers, who during the campaign come and buy cashew nuts (fixing the prices and assessing the quality of nuts themselves) directly in villages. This way of operating is to the detriment of Burkinabè processors. This is also the case of the shea market chain during the 2007 campaign when big buyers coming from abroad “broke” the market by going directly to villages to collect products.

This behaviour contributes to further disorganise market chains which are already weak. The current trading regulations do not close the market but a better organisation of the market chain and more information for actors could help to better resist to competition.

4.3 Access to services

SMFE access to services is very important because as stated above, actors need substantial capacity building at a technical level (for a more rational exploitation of forest resources) and at a commercial level (to improve the organisation of the market chain and to enable SMFEs to access more important markets).

Among surveyed actors, around 55% of SMFEs have never benefited from training. The training most frequently provided is technical training and to a lesser extent, management training. Training in marketing is rarer. Processors have the highest access to training services (65%), whilst only 41% of traders and 33% of producers have received training.

Table 17: SMFE access to services and expressed needs

	% of SMFEs which have already benefited from training	Needs expressed by SMFEs
Technical training	41%	79%
Training in management	24%	71%
Knowledge of markets	15	77%
Enterprise organisation	12%	53%
Relation with customers	19%	71%
Relation with the financial sector	16%	68%
Administrative procedures	12%	53%

SMFE demand for training services is still focused primarily on technical and management training, but there is also some demand for training on other business aspects (knowledge of markets, customer relations) and on relations with the financial sector. This shows how actors are aware of the necessary openness to the market.

Some of these services are already provided by some donor and support structures (see table 18). However this type of support is concentrated in limited geographic areas or on specific market chains, hence the unmet needs remain great. Some market chains benefit from a great number of support structures. This is particularly the case of shea (IRSAT, DYFAB, PNK, UNDP, SNV, etc.), and to a lesser extent the cashew nut market chain (PAMER, SNV, Maison de l'Entreprise Bobo, PDA/GTZ, etc.).

Box 7

Some support structures

PAMER, a project to support the development of rural micro-enterprise, has three components: (i) capacity building, (ii) technical support, (iii) facilitation of access to credit. It supports all actors engaged in processing, trading, craft industry and service provision. It supports all market chains, including NWFPs such as cashew nut, honey, shea, *soumbala*, and mango. PAMER operates in the South-West, Boucle du Mouhoun, The East and the Central-East of Burkina.

PAGREN, *Projet d'Appui à la Gestion Participative des Ressources Naturelles*, operates in the Hauts-Bassins region. The project concerns the reserved forests of Dinderesso, Kou, Kua and Kuinima. It specifically aims at promoting and facilitating a sustainable and participative management of natural resources. Its activities include the realisation of forest and flora inventory, carrying out ethno-botanic and agro-stologic surveys, structuring women groups exploiting forest resources to help them develop NWFP gathering and processing (particularly cashew nuts), promoting concertation and collaboration between actors of the cashew nut market chain.

Projet Pharmacopée Valorisée, (PHAVA) aims at improving supply for local pharmacopoeia through the professionalization and integration of traditional healers. It covers three main axes: (i) ethics and organization of actors, (ii) public health and quality of traditional services, and (iii) best practices in the production of medicine and natural resource management. It mainly operates in the Cascades and Hauts Bassins regions.

Table 18: types of existing support and needs for services per type of actor

<table>
<tr><th>SMFE category</th><th>Types of existing support</th><th>Impact of support on SMFE performance</th><th>Needs for services expressed by SMFEs</th><th>Partners cited by SMFEs as having funded services</th></tr>
<tr><td>Subsistence-oriented SMFEs</td><td rowspan="2">Technical training
Training in management</td><td rowspan="2">Improvement in product quality
Improvement in organization and management</td><td rowspan="2">Technical training
Training in management</td><td rowspan="6">Regional services of Environment ministry
Regional services of Agriculture ministry
Regional chambers of agriculture
Ministry of Health
Centre National de Recherche Scientifique et Technique
Chambre de Commerce et d’Industrie
Office National du Commerce
Maison de l’Entreprise du Burkina
PAMER
PAGREN
FIAB
Confédération Paysanne du Faso
Organisation Catholique pour le développement et la Solidarité
Afrique verte
Centre Ecologique Albert Schweitzer
Iles de paix
Association des tradi-praticiens de Sindou
Association Flaso
Association Wuti Were
Centre Apicole Selingtaaba
Groupement India
Association Wouol
Association des Tradipraticiens des Hauts Bassins
Gebana (private company)
Pharmacie Comoé (private company)</td></tr>
<tr><td>National traders</td></tr>
<tr><td>Producer-collectors</td><td rowspan="3">Technical training
Training in management
Market knowledge
Enterprise organisation
Customer relations</td><td rowspan="3">Improvement in product quality
Improvement in organization and management
Access to new markets
Capacity building</td><td rowspan="3">Technical training
Training in management market knowledge ;
Enterprise organization;
Customer relations
Facilitating access to credit</td></tr>
<tr><td>Traditional processors</td></tr>
<tr><td>Exporters</td></tr>
<tr><td>Semi -industrial processors</td><td>Technical training
Training in management
Market knowledge;
Enterprise organization;
Customer relations
Facilitating access to credit</td><td>Improvement in product quality
Improvement in organization and management
Access to new markets
Capacity building
Job creation
Packaging quality improvement
Development of other by-products
Adding value to waste products</td><td>Technical training
Training in management market knowledge;
Enterprise organization;
Customer relations
Facilitating access to credit
Advice services on packaging
Specialized advice services</td></tr>
</table>

5 ENTERPRISE LINKS AND ASSOCIATIONS

Duncan Macqueen (2004) defines SME associations as any group, formal or informal, of SMEs at the firm level having a shared objective. SME associations can play an important role in the strengthening of SME capacities and status by helping them to better coordinate amongst themselves, by improving the flow of information, by strengthening their voice in political debates, etc.

60% of surveyed actors are members of associations; among them, 44% are members of a national association, and 15% of a regional association. This number is probably distorted by the sampling method which targeted the most recognised actors in their activity. However it indicates a level of interest of the market chain actors in associations.

The different categories of SMFEs do not have the same level of adherence. Thus, semi industrial processors are more likely to be part of organisations (76%), followed by traditional processors and producers (50%). A past study has noted that at the producer level the rarity of the resource has rendered collect so competitive so that actors have not yet found any advantages in coming together to overcome resource management and regeneration constraints, as well as product marketing constraints (MECV/ UNDP, 2007). Finally exporters (36%) and national traders (26%) are less inclined to be members of an association.

The main motivations for joining an association includes the defence of the profession's interests (64%), establishing contacts with partners (61%), product marketing (60%), and access to training (56%).

Overall, SMFEs who are members of an association have a mitigated judgement of the services provided by their association. They are generally satisfied by services provided in the domain of defence of professional interests (which represents their main motivation for adherence), and product marketing; on the other hand there are reservations concerning the services provided in terms of relations with potential partners and access to training (which also represent important motivation criteria).

Table 19: Associations' capacity to provide advantages to members

	Absolutely	A little	Not at all
Defence of professional interests	50%	35%	15%
Product marketing facilitation	46%	35%	16%
Access to training	39%	27%	34%
Supply facilitation	35%	17%	47%
Relations with potential partners	32%	40%	28%
Product processing	24%	15%	61%
On average	37%	29%	33%

5.1 SMFE Associations

Two main findings are of note:

- *No mention was made of the existence of a federation devoted solely to SMFEs.* One could qualify this observation by citing organisations set up by projects such as the Forest Management Groups set up under of natural forest management projects and the AGEREFs (*Association inter-villageoise de Gestion des Ressources Naturelles et de la Faune*) set up under PAGEN. But these organizations are actually channels for awareness-raising and increasing the participation and empowerment of those living near forests or protected areas in the management of these entities. They are not *a priori* associations of entities using forest resources to generate income, even if they do have some income-generating activities (particular case of Union Yanta initiated by PAGREN Bobo which regroups nearly 600 women that exploit the reserved forest of Dindéresso and process shea butter and cashew). In addition, these organizations are actually devoted to natural resources in general and not specifically to forest products.

SMFEs are usually affiliated with other actors, other sectors, and other market chains in associations embracing a wide range of activities (although the foundation often rests on agro-food resources) like the *Comité des Oléagineux du Burkina, Fédération des Industries Agro alimentaires du Burkina, Confédération Paysanne du Faso, Fédération Nationale des Organisations Paysannes, Fédération des Professionnels Agricoles du Burkina, Fédération Nationale des Femmes Rurales du Burkina, Fédération des Groupements Naam, Association des Transformateurs de céréales du Burkina, Réseau des Transformatrices du Burkina, Association des Femmes Chefs d'entreprises*, etc. Some SMFEs are also found within associations devoted to a given NWFP as described below

- *There are SMFEs associations related to specific NWFPs* such as shea, cashew, honey and medicinal plants. The standard of these associations focusing on a specific NWFP is a very heterogeneous, varying from one NWFP to another. Indeed, if for the shea sector, for instance, the level of federation is well organised with associations of producers (e.g. *Cooperative de Productrices de Beurre de karité*), processors and retailers/traders (e.g. *Association des Importateurs et Exportateurs des Produits Oléagineux*) and an inter-professional organisation, the *Table Filière Karité* (Sicarex, 2006), for dawadawa there is no known association except for producer groups that collect and sell dawadawa seeds and/or produce *soumbala* for sale in villages. Regarding the SMFEs based on Wine palm products, there are virtually no associations. It would seem that only NWFPs which have a certain market value (with growth markets), that have aroused the interest of policy makers and/or which require collective work (in other terms, are very labour intensive) give rise to associations.

Broadly speaking, the existing associations mentioned above are formal. They are regulated by the law N/014/99/AN on the regulation of cooperatives and *groupements* in Burkina Faso, for groups and unions and by the law 10 n° 10/92/ADP on the freedom of association for associations.

5.2 Strengths and weaknesses of existing associations

The information collected from surveyed SMFE associations highlights the following strengths and weaknesses:

Table 20: SWOT Analysis of existing associations

Strengths		**Weaknesses**
Large membership (in terms of numbers)		Leadership and generational (especially for medicinal plant SMFEs)
Grouping of supply		Non respect of commitments made by members
Mobilisation of technical support (capacity		Sometimes a core group having priority access

building, marketing support, etc) for the benefit of members	to support activities from partners.
Negotiation of collective markets	Heavy dependence on external support (poor self-funding capacity)
Support for accessing funding through donor support programmes (NGO, projects) in collaboration with financial institutions.	Problems of governance (general assemblies not held, no replacement of leaders, poor information flow …)
Support for accessing market information	Illiteracy of members
Better understanding of policy (this applies mainly at the management level, often restricted only to the executive body)	Multiplicity of associations with similar objectives and membership
Harmonisation of production techniques (homogenisation of products)	
Opportunities	**Threats**
Decentralisation of forest resource management	Unbridled competition between individual SMFEs
Government support for structuring some NWFP sectors, e.g. traditional medicine	Informality of some SMFEs and NWFP sectors
	SMFE suspicion of the goals of associating

Effectiveness with respect to (i) the organisation of production, (ii) the organisation of marketing (iii) market analysis, varies from one organisation to another. This diversity depends on the size of the organisation, its geographical influence, the type(s) of NWFP it promotes, the institutional support it receives from partners, but also and one could argue most importantly on its democratic base and its governance. The necessary measures to enable associations to effectively fulfil these three main functions include among others:

- Capacity building for leaders and members (production techniques, marketing, market knowledge) ;
- Support for structuring and organisational management ;
- Considerable institutional support for the organisation (equipment, wages of technicians, funding for meetings, etc).

Of course, the various aspects of this support should be adjusted according to the NWFP because, as mentioned above, different product chains are not at the same level of organization:

- Shea: Actors in this sector are well organised. However, in the current context of the shea sector, associations exist but are not strong. Concertation between actors is weak and therefore there are few effects on the organisation of the shea market.
- Cashew: SMFEs are not sufficiently organised and there is not enough concertation between actors. The recent establishment of a national committee of the African Cashew Alliance (ACA) in March 2007 is a first step towards a solution. But ACA/Burkina Faso itself deserves to be supported to expand its membership (several important SMFEs are not members) and to move towards a genuine inter-professional organisation for the promotion of cashew.
- Honey: regional federations like SOCAG (*Société Coopérative des apiculteurs du Gulmu*) and *Union Nationale des Apiculteurs du Burkina Faso* (UNABF) exist but their actions are still quite confined to production areas.
- Medicinal plants: SMFEs have long been individual, working in the informal sector and mostly oriented towards subsistence, with the exception of certain strong SMFEs such as Phytofla. But more and more, thanks to interventions of some support structures like Projet Pharmacopée Valorisée (PHAVA) and through the promotion of traditional healing by the state, associations are increasingly being established.

- NWFPs like dawadawa, baobab, neem, jujube etc.: SMFEs that exploit them are often processing units which use them as ingredients in the preparation of some products such as juices, soumbala, etc. These processing units are affiliated with federations such as FIAB, *Association des Transformateurs de Céréales du Burkina*, etc. But SMFEs that are responsible for the harvest, the collection and for these NWFP, with the exception of some female producer groups, are individuals who work in the informal sector. They are not often involved in SMFE associations.

5.3 The support given to SMFE associations

Existing SMFE associations are mainly supported by the state and by support structures (projects, NGOs…)

The state support, through its local services (offices for agriculture, environment, health etc.) is related to:

- information and awareness raising on laws and policies to facilitate their adoption and respect ;
- support for the respect and the application of regulations;
- officially registering organisations;
- involving more and more associations in the formulation and adoption of policies
- support for the structuring of SMFE associations. For instance, the Ministry of Health in recent years, undertook the identification of traditional healers (SMFEs exploiting medicinal plants) nationwide, grouping them for better collaboration with health districts.

The support provided by support structures (projects mainly) concerns:

- technical and organizational capacity strengthening;
- Institutional development;
- Support for access to funding for members;
- Support for marketing (market information, intermediation in the negotiation of contracts, grants for participation in trade fairs, etc.).
- Advocacy support to defend their interests to the government.
- Information and awareness raising on laws and policies;
- Support for increased productivity and protection of tree species.

5.4 The need for SMFE associations

In general, stakeholders and support structures find a federation of SMFEs necessary. However, this should not be in the form of an association regrouping all SMFEs but several associations that would bring together SMFEs in a particular sector or product chain. This need is linked to the following reasons:

- The federation of SMFEs facilitates the organization of the market chains and support interventions for a given NWFP;
- Associations facilitate the support provided by technical services (such as the technical services of the Ministry of Environment) and by support structures;
- Associations promote dialogue between stakeholders on issues of common interest;

- At some levels (this applies to the associations that are engaged in income generating activities), associations facilitate the grouping of supply and demand; this has the advantage of reducing operating costs and being able to meet important orders (especially in the case of shea);

When SMFEs were questioned on the relevance of an umbrella organisation for NWFPs, most judge it useful to set up associations for specific NWFPs. The reasons given are as follows:

- associations increase the exploitation of the huge existing potential (case of palm wine for example);
- associations facilitate the promotion and marketing of products (with agreements on prices)
- associations facilitate access to technical and financial support ;
- associations help to better organise the stakeholders for consultations on common constraints (NWFPs) and cross-cutting constraints (SMFEs) and to better defend their interests;
- associations facilitate a collective commitment to preserve the environment and the responsible use of NWFPs.

However, if a majority SMFEs recognizes the merits of being part of an association, in analysing the reasons why some SMFEs are not affiliated to any association, a certain disinterest for association is revealed. The SMFEs concerned argue that lack of time, lack of information (on existing associations and on the principles of organisation) and lack of financial means are the factors hindering their federation. In reality, it seems that there is a certain mistrust of associations due to:

- Some people think these organisations have political aims, saying for instance that "I'm not interested in politics and associations promote politics";
- Group work is constraining with often divergent interests;
- Affiliation to associations promotes unfair competition… (some leaders monopolise information, they have access to partnerships or markets to the detriment of the association).

In the end, it is quite understandably an ambivalent feeling that prevails among SMFEs which could be summarized as: "yes there is advantage to organize and coordinate, but this should not be detrimental to the interests of individual SMFEs. There is a need for education and support initiatives on consultation and collaboration between SMFEs with a view to boost the exploitation of NWFPs in order to make it competitive and sustainable and thus ensure the profitability of each operating SMFE.

6 PERSPECTIVES

According to stakeholders in the NWFP sector, the priorities for improving the perspectives of the sector are:

- finding new markets (65% of respondents)
- skill enhancement (50%)
- organisational strengthening and improvement of the management of their activity (48%)

But there must be first a political and legislative environment in place that is favourable to SMFEs. Given the constraints and opportunities in the sector, interventions should focus on three main areas:

6.1 Create a legislative and policy environment favourable to SMFEs

6.1.1 Reform of the System of Forest Regulation, Taxation and Control

The reform of forest regulation, taxation and control is a prerequisite for the establishment of an effective strategy in terms of domestic energy and exploitation of NWFPs. The regulation must first concern wood products, since trees and shrubs are the sources of NWFPs of plant origin.

This reform that must be in line with energy, economic and environmental policies of the government should be based on three key principles:

- Ensure that forest resource management contributes significantly to the fight against desertification ;
- Act on the selling price of fuel wood in cities, through an increase in taxes, to change the relative prices of alternative fuels in a way that promotes the substitution of these fuels for wood;
- Involve the private sector in the management, the exploitation and promotion of forest resources.

Despite the strategic status of forest products in general and fuel wood in particular as consumer products, and the considerable financial stakes that their trade creates, the activities of forest product market chains have until now evolved in the context of an informal sector. To modernise these market chains, the state has an extremely important tool which is forest taxation.

As a tool for environmental policy, taxation should be adapted to different modes of exploitation of forests. In the current situation characterised by two main modes of exploitation (managed and not managed) this differentiated tax system should include two rates. The lowest rate would be applied to controlled zones, the aim being to encourage wood wholesalers to get their supplies preferably from these areas. Eventually this aims to eliminate the uncontrolled exploitation whose environmental impact is more harmful.

As an economic tool, taxation should encourage private investors by helping them acquire at special prices equipment needed for the management and exploitation of forest resources.

The energy component of the forest tax regime implies an absolute increase in the level of taxes. The impact of this increase on the level of consumer prices should downgrade firewood compared to other fuels and thus promote the substitution. This development in taxation, however, will not be effective unless:

- The regulation allows delimiting the exploitation zones and specifying if possible the number of outlets and the conditions for primary sale of wood in rural areas.
- Control of forests is reinforced so that this creates the psychological conditions necessary for a radical change in the behaviour of the stakeholders of the sector at the urban and rural levels. The control should especially be reinforced at the entrance of cities, focusing on main roads without neglecting the secondary ones and the number of mobile brigades must be increased for a better geographical coverage of exploitation sites.

Finally, in order to effectively involve the communes in the management of the forest resources, reform is necessary to share authority over forest resources between local and central government, as well as between the populations.

Strengthening the role of local governments in the management of natural resources can be extremely effective if appropriate structures are put in place. The decentralisation of the control of forest exploitation and tax collection will facilitate the transfer of responsibility for the benefit of rural people and give to technical structures of local authorities the means to ensure the control of the forest in particular and the sustainable management of natural resources in general. The systematic allocation of a portion of tax revenues to the budget of local authorities is therefore a prerequisite for the establishment of an effective control system at local level. Clear contracts between local management structures and the forest administration should support this option.

6.1.2 A favourable tax environment for the development of SMFEs

Reform of the forest regulation, taxation and control must be based on a code of investment in the rural development sector including the forestry sub-sector that is conducive to SMFEs and more widely to agro-food enterprises. Burkina Faso has an investment code which does not exclude SMFEs, but which is not specifically tailored to their needs. It is then important for the country to have a powerful tool that facilitates the development of this sector which is vital for its economy but which suffers from specific constraints and does not particularly attract investors.

This draft code of investment in the development sector which is still under consideration in Burkina Faso will be based on three important principles:

- Attracting both domestic and foreign capital, explicitly confirming the general guarantees that the legislation in Burkina Faso provides to any investor.
- Focusing on simplicity, both in the criteria for eligibility for the various schemes and in determining the content of these schemes and their implementation.
- Integrating the code in the ongoing decentralization process in Burkina Faso, emphasizing the local management of bonding schemes and investments control.

To ensure this, three sets of incentives are proposed in the code, corresponding to preferential, specific and special regimes:

- the preferential regime: consisting in the abolition of all tariffs and taxes on equipment and materials, aims to support the equipment and modernization of SMEs
- the specific regime: through a digressive abolition over a long period of the domestic taxes, aims to facilitate the creation of competitive enterprises with entrepreneurship

dynamics, and to help them to build sufficient self-funding capacity to cope with various risks that undermine the profitability of investments;
- the special regime: is applied to export and basic processing firms; it is a continuation of the specific regime, giving tax advantages.

Similarly, taxes should be reduced for SMFEs as well as all agro-food enterprises based on the processing of local products, in order to effectively support this sector. This measure is part of the demands of the professional associations in the sector.

6.2 Developing NWFP market chains based on market vision

Only if NWFP actors increase their knowledge of the market chains and their ability to access markets can the development of SMFEs be effective. It is absolutely necessary to act at all levels:
- At marketing and processing level, to advance the product chains through an increase in demand.
- At production level, to help producers and local authorities to find technical solutions to the exploitation of forest resources to manage them on a sustainable basis.

Actions must be streamlined to ensure a balanced growth between supply and demand.

6.2.1 Strengthening various links in the value chain

There is a need to act on the various parts of the value chain to, on one hand, build the capacity and skills of the various professionals and, on the other hand, strengthen their access to market information. In this vein the following actions could be envisaged:

At production level:
- Improving environmentally friendly production techniques.
  With some market chains, important increases in yield can be achieved through technical support. That is the case of Burkina's cashew which is considered of poor quality because the technical process is not followed well and trees are getting old.

At processing level :
- Giving advice on the selection of adapted processing equipment;
- Encouraging innovation, and disseminating these ideas through exchange forums (e.g. stabilisation of palm wine);
- Developing marketing services for enterprises to improve the packaging and the presentation of products.

Broadly speaking to all stakeholders:
- Strengthening product promotion: organise sales campaigns, help SMFEs to participate in trade fairs or exhibitions, support the production and distribution of leaflets, posters, and TV and radio commercials and support the production of free samples.
- Improve the flow of market information: this aims at setting up an information system on some strategic markets in Burkina (price, quality and volumes), as well as export markets (regular checking of websites with market information, building relations with organic or fair trade structures, participation in international trade shows, etc)[6]

[6] *Office National du Commerce Extérieur* plays this role currently, but information is only available for a few NWFP market chains, especially shea, honey and Arabic gum.

- Linking NWFP supply with demand: inform SMFEs of sale opportunities for their products in larger quantities and facilitate the organisation of SMFEs to satisfy this demand.
- Supporting access to funding, particularly :
    - For the processors, to enable them to buy NWFPs at a favourable period and stock them to process them over the year, to satisfy more important orders, or to buy equipment.
    - For the traders, to allow them to fund their purchases: lack of sufficient funding does not allow collectors to withstand foreign competition. National traders are not always able to pay cash upfront for the stock bought from collectors, while their European or Indian counterparts have no problem paying cash upfront because of their greater financial resources. In this context, foreign buyers can easily set the purchase price.
- It will be necessary to support the growth of these enterprises and depending on their needs, orient them to financial institutions: either through intermediaries or by developing guarantee mechanisms. The NWFP sector is not well known and thus actors have difficulty accessing loans. In the case of support through the provision of a guarantee, it will be necessary to closely monitor beneficiary SMFEs.

6.2.2 Ensuring the sustainability of resources by involving local communities in the management of NWFP

As stated above, local authorities will in the future play a critical role in the management of forest resources. They will be able to contribute, through advice services, to the development of NWFPs. There is a need to reflect on the following actions:

- Encouraging rural communes to create small communal forests whose exploitation could be conceded to private operators.
- Generating collective revenues in the production zone that will be a significant contribution to the decentralisation policy and to local development. A focus should be maintained on incentives for local authorities (a share of the income from wood sale through decentralisation of tax collection) to give them the means of playing their advisory role for the rural populations.
- Creating enough income to ensure self-funding of the running costs of the mechanism put in place (forest control and management operations).

To ensure the sustainability of forest resources, it is necessary to sensitise all the stakeholders of the identified market chains to the importance of the stakes. The creation of a charter at the Chamber of Commerce could be envisaged, to ask SMFEs to integrate environmental and social concerns in their business strategies, especially tree planting or replenishment of NWFP resources. This would encourage enterprises to link profit with sustainable development. In this option, special attention should be paid to tree species considered rare or threatened with extinction, so that the next generations can also benefit from them.

6.2.3 Strengthening links with research

How can one reconcile the development of the NWFP market and the conservation of exploited species, especially NWFPs of spontaneous origin? The more the NWFP sector develops, the more pressure on species producing NWFP will be high. The solution lies in finding a balance between marketing and conservation of spontaneous tree species.

A first solution would be to decrease the use of spontaneous tree species by developing the markets of cultivated NWFPs. This requires finding very lucrative market opportunities to encourage farmers to fully devote themselves to cultivating tree species, which would prevent them completely or in part from relying on mercantile collecting of the products of wild species. These products could be complemented by easy-to-grow NWFPs that can be domesticated, such as species with rapid growth.

A second solution is to expand markets for NWFP from species that cannot be domesticated through direct conservation efforts. Market opportunities are selected according to their high value-added and for NWFP from trees mainly, according to their reproductive cycle. That is the case of big trees like kapok, dawadawa and shea trees.

In addition, more in-depth ethno-botanical studies must be undertaken on NWFP tree species to clarify a number of issues linked to the sustainable conservation of tree species. These studies should aim at:

- Developing vegetative propagation techniques to help reduce the reproductive cycle of tree species;
- Undertaking an inventory of the current production potential of tree species and establishing a database on the subject;
- Developing appropriate modes of exploitation of NWFPs by productive species to ensure their regeneration.

6.3 Strengthen SMFE associations and cooperation between stakeholders

SMFEs generally reason in terms of their market chain, and not in terms of the NWFP sector as a whole. Besides, the actors are rarely the same from one market chain to another, and are often of very different profiles. It is therefore necessary to think first in terms of market chains:

- For market chains that already have professional/inter-professional structures: support the development of these structures and create opportunities for concertation to help stakeholders to strengthen their relationship.
- For market chains that have none of these structures: if the market chain has an economic potential, experience sharing between stakeholders can be promoted and possibly, if considered useful, the establishment of an umbrella organisation can be supported. However, one must be careful to have a concerted approach between SMFE actors and their support structures, to avoid the multiplication of organizations, which would weaken the sector.

There is nonetheless the need to have concerted positions of all SMFEs on certain issues concerning the defence of their interests, and to be able to undertake concrete actions to defend common interests. This concertation could initially be organised on an informal basis, bringing together leaders of different professional and inter-professional organisations. If the SMFE actors consider it appropriate, a unified structure may be put in place to defend their interests. But partners providing support to SMFEs should avoid putting in place a structure created from the outside, which would have little chance of survival.

It would also be interesting at the local level, in one or two pilot regions, to support a stakeholder reflection on what kind of organization should be set up to protect their environment by developing NWFPs, sensitising the stakeholders on regulations and techniques; etc. An approach that promotes NWFPs is of particular interest for the local level.

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ANNEXES

LISTE OF STRUCTURES VISITED

Structures	Resource person
Centre National de Semences Forestières/Ouagadougou	Moussa TRAORE, Responsable de la Pépinière
Chambre de Commerce et de l'Industrie de Bobo-Dioulasso / Maison de l'Entreprise	Sylvanus TRAORE, Responsable de la Chambre
Chambre Régionale d'Agriculture (CRA) des Hauts-Bassins	Aboubacar GNAMOU, Secrétary General
Direction des Forêts (MECV)/Ouagadougou	Damas PODA ZOUBGA
Direction Provinciale de l'Environnement et du Cadre de Vie du Yatenga	Mr KABRE, Directeur Provincial
Direction Provinciale de l'Agriculture, de l'Hydraulique et des Ressources Halieutiques du Yatenga	Georges OUEDRAOGO, Conseiller FJA
Direction Provinciale de l'Environnement et du Cadre de Vie du Houet	Souleymane TRAORE et Léon BANWORO, Contrôleurs Eaux et Forêts
Direction Régionale de l'Environnement et du Cadre de Vie des Hauts-Bassins	Madame BIKIENGA Salimata, Responsable des Forêts
Direction Régionale de l'Environnement et du Cadre de Vie du Nord	Hamadé BARRY, Directeur Régional
Dynamisation des Filières Agro-Alimentaires du Burkina	Jean Baptiste ZOMA, Coordinator
FIAB	Mr Bayala, coordinateur
Pharmacie Régionale de la Direction Régionale de la Santé des Hauts-Bassins	Judicaël BAMBARA, Préparateur d'Etat en pharmacie
Projet d'Appui à la Gestion Participative des Ressources Naturelles dans la région des Hauts-Bassins BKF/012-PAGREN	Noula KOUNA, Chef du Volet Aménagement Forestier
Projet d'Appui aux Micro-Entreprises Rurales (PAMER)	Alain TRAORE, Cadre Technologue
Projet de Partenariat pour l'Amélioration de la Gestion des Ecosystèmes Naturels (PAGEN)	Amadé OUEDRAOGO, Chef de la Cellule d'Animation des Hauts-Bassins
Projet Pharmacopée Valorisée (PHAVA), Appui à la Médecine et à la pharmacopée traditionnelles	Marc OLIVIER, Coordinator
SNV/Ouagadougou	Jean Marc SIKA, Senior Adviser, Coordonnateur d'Equipe
SP/ CONEDD	BANSE Soumaïla
Table filière karité	Mr Zieba, President