

# The Field Facilitator Guidelines: Assessing the existing situation

## MODULE 1



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# Table of contents

Symbols used in the FFGs. . . . .	iii
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<b>PHASE 1: ASSESS THE EXISTING SITUATION . . . . .</b>	<b>1</b>
---	----------

## **STEP 1:**

The facilitator and the community identify potential entrepreneurs. . . . .	3
Organize your training session on “Identifying potential entrepreneurs”. . . . .	6

## **STEP 2:**

The potential entrepreneurs assess their capacities to become entrepreneurs . . . . .	9
Organize your training session on “Assessing the capacities of participants to become entrepreneurs”. . . . .	11

## **STEP 3:**

Potential entrepreneurs list local resources and products . . . . .	13
Organize your training session on “Listing available local resources and products”. . . . .	14

## **STEP 4:**

Potential entrepreneurs identify main constraints of the market system. . . . .	16
Organize your training session on “Identifying the main constraints in the market system”. . . . .	17

## **STEP 5:**

Potential entrepreneurs short-list products for their enterprises . . . . .	19
Organize your training session on “Short-listing potential products”. . . . .	20

## **STEP 6:**

Potential entrepreneurs understand the benefits of group work. . . . .	22
Organize your training session on “Understanding the benefits of group work”. . . . .	23

<b>CONCLUDING PHASE 1 . . . . .</b>	<b>25</b>
-------------------------------------	-----------

## **TOOLS TO FACILITATE THE TRAINING SESSIONS**

Tool 1 – The project objectives and related criteria. . . . .	28
Tool 2 – Checklist of skills and attitudes of a good entrepreneur . . . . .	29
Tool 3 – Checklist of the conditions that existing groups need to fulfil to be considered as potential entrepreneurs. . . . .	30
Tool 4 – Format and example of wealth rankings of the potential entrepreneurs . . . . .	31

Tool 5 – Aggregated results of wealth ranking by number of households (HH) in the group of potential entrepreneurs . . . . .	32
Tool 6 – Examples of elements to include in the reference list on potential resources and products . . . . .	33
Tool 7 – List of existing resources and products . . . . .	34
Tool 8 – Example of resource map . . . . .	35
Tool 9 – List of potential criteria for eliminating products during Phase 1, the information needed to assess the criteria and the possible sources of that information . . . . .	36
Tool 10 – Example of forms for recording data collected from informants . . . . .	40
Tool 11 – Example 1: determining products for elimination . . . . .	41
Tool 12 – Example 2: determining products for elimination . . . . .	42
Tool 13 – The experience of participants in belonging to groups . . . . .	43
Tool 14 – Exercise: the benefits of group-based enterprises . . . . .	44
Tool 15 – Institutional analysis. . . . .	45
Tool 16 – Reviewing the outputs of Phase 1 . . . . .	46

## Symbols used in the FFGs:



Key information the trainer should understand in depth before facilitating the training session



Detailed instructions on organizing a training session



Learning objectives of a workshop



Training material necessary for the session  
(to be prepared and adapted from the training tools)



Training tools available from the tool section of the FFG  
and needed for the session



Facilitation tips



Useful information or advice



Reference to the Field Facilitator Guidelines



Reference to the MA&D manual



Field form for use by entrepreneurs and explained by the facilitator during the workshop or meetings



Tools used by the facilitator during the workshop or meetings



Theoretical information on topics dealt with during the workshops or meetings



Activity to promote gender balance

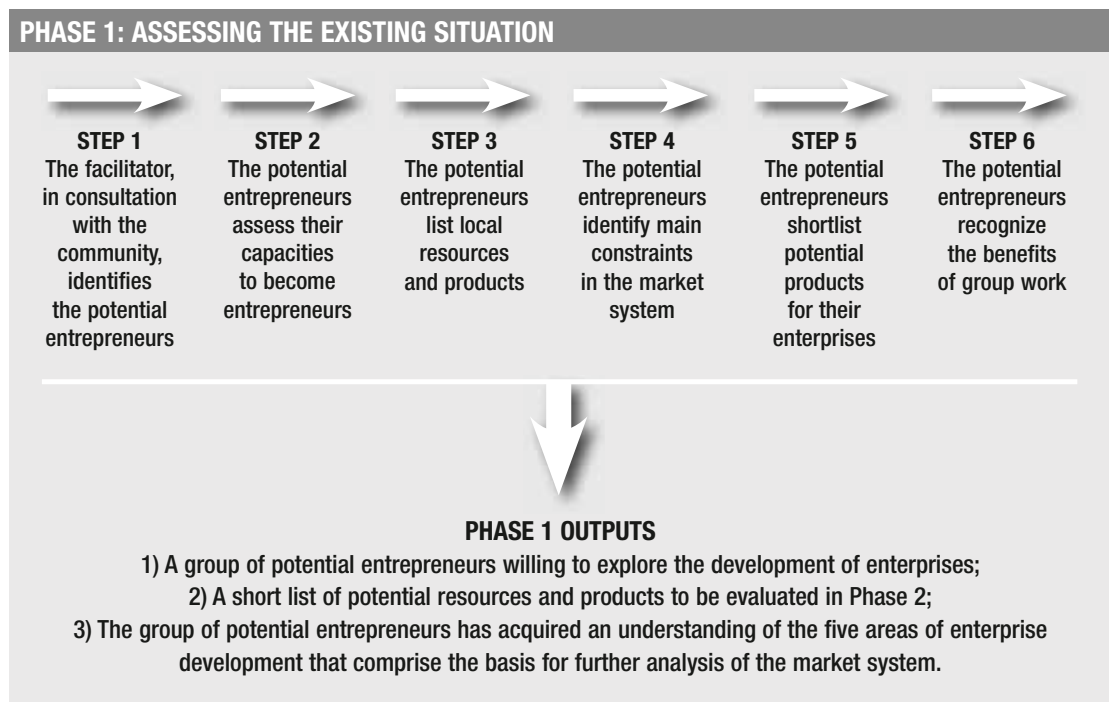
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## PHASE 1: ASSESS THE EXISTING SITUATION

### Introduction

Phases 1 and 2 are diagnostic phases and serve to identify opportunities and motivate community members. The goal of Phase 3 is to develop the enterprises, while Phase 4 serves to support the establishment of the enterprises.

The primary objective of Phase 1 is to assess the existing situation in order to identify potential entrepreneurs and to short-list potential resources and products that will be further evaluated in the next phase. During Phase 1, facilitators learn about the livelihoods strategies of the local community, identify a group of potential entrepreneurs within the community, obtain an overview of the available natural resources and products, describe the challenges and opportunities and create an initial short-list of a range of products. There are six steps in this phase.



Phase 1 is an exploratory phase during which, as a facilitator, you will need to understand the context and circumstances of the existing situation. This involves answering the following questions:

- Who are the potential entrepreneurs and what are their expectations?
- What resources and products are available?
- What are the opportunities and constraints within the existing value chains and market system?



Phase 1 will give you some first indications of the possibilities and the potential scale of future enterprises, taking into account factors such as available financing, market demand and potential investors.

The MA&D approach builds on existing markets by taking into consideration products that are already traded and providing income to the potential entrepreneurs. The MA&D approach also assesses opportunities for adding value to existing products or introducing new products. Potential entrepreneurs will analyse their experiences in producing, processing and trading natural resources by considering the following questions:

- What products do they collect from the forest?
- At what time of the year do they collect these products?
- What level of income do they get from these products?
- Where do they sell the products?
- Do they receive any support from the local extension office?

Your goal as a facilitator will be to help villagers discover viable products that are suited to their economic expectations and that offer possibilities of expansion and long-term sustainable utilization. In order to ensure that the enterprises are viable, as well as to reduce risks, you will guide them in evaluating enterprise ideas, always taking into account the social, environmental, institutional, technological and marketing aspects of a product.

Phase 1 of the MA&D process can produce much of the same information acquired through the conducting of a baseline survey. Such a survey provides a picture of a situation at a given time. This information is especially important for monitoring and evaluation as it allows a project's impact to be measured. For this reason, a baseline survey is very important and resources should be set aside to ensure that it takes place. A baseline survey can either be conducted before the design of the enterprise development component of the project, or during the first phase of the MA&D process. The latter option is better for projects with a limited timeframe and resources. This will be further described later in this section.

A livelihoods analysis can be used to get a picture of the capabilities, assets and activities that furnish the means for people to meet their basic needs and support their well-being. This includes their relationship with the environmental, economic, political and cultural context. The analysis involves collecting data and evaluating current circumstances and the status of the home economy as well as social and environmental factors in order to measure future changes.

The information obtained by combining the data collected during Steps 2 to 4 of Phase 1, together with a livelihoods analysis, can provide all information required for a baseline survey. Examples of information to be gathered in Steps 2 to 4 of Phase 1 are listed in Tool 9. To add an assessment of community livelihood aspects, the facilitator will need to learn about the specific tools for livelihoods analysis and apply them to the sample of community members identified as a result of Step 1 of Phase 1 (see existing information available through websites such as that managed by Eldis: <http://www.eldis.org/go/topics/dossiers/livelihoods-connect/what-are-livelihoods-approaches/training-and-learning-materials>).

## STEP 1: The facilitator and the community identify potential entrepreneurs



As a facilitator who has been assigned to an intervention site, you will understand the objectives of the project. The first step will be to identify potential entrepreneurs among the population, and for this, you will need to clearly understand what you are looking for.

As a starting point, remember that:

- the project team may want you to focus on a specific part of the population for enterprise development activities;
- not all community members in your site will have the qualities or the desire to become entrepreneurs.

See the description below of the main stages of Step 1, Phase 1.

### 1. Check whether the project focuses on a specific population group

Refer to the project objectives in order to understand whether the project focuses on a particular group of the population (for example, women in remote areas, individuals living in the buffer zone of a protected area, the poor and disadvantaged groups of mountainous forested areas, etc.) and identify these individuals in your site.

There are several methods for identifying potential entrepreneurs, depending on the project objectives. Examples include:

- If the project focuses on one or several marginalized groups, you may want to use wealth ranking and a participatory rural appraisal (PRA) to identify individuals who would be categorized as being part of marginalized groups. Useful information can also be found in reports on the socio-economic situation of families in the community. This information may have already been gathered in surveys conducted by the

project, or may be available at local government offices. If you do not find this information in such sources of secondary data, you will need to interview resource persons, such as local leaders (at the village and community levels) and field project staff.

- Another option is to carry out an institutional analysis using a Venn diagram (see Tool 15). This tool can help identify potential entrepreneurs within and outside the village, and can also help potential entrepreneurs to clarify opportunities and constraints inherent in the enterprise development project.
- If the project focuses on individuals who work with wood and non-wood resources or products, reports available at local government offices or in the project documentation may be useful. Direct interviews with local leaders, representatives of the community and project field staff may also be useful.

## **2. Identify community members with entrepreneurial skills and attitudes**

Discuss the skills and attitudes required to be an entrepreneur and explain the MA&D approach to interested community members. With this information, community members will be able to determine whether or not they wish to participate in project activities.

A checklist of skills and attitudes of a good entrepreneur are presented in more detail in Tool 2.

Most of the time, individuals with entrepreneurial skills or attitudes are already involved in some sort of trade or other entrepreneurial activity. Try to identify community members who are already involved in the production, manufacturing, transport or marketing of natural resource products or who work in the subsectors that are focus of your project.

## **3. Introducing the MA&D approach**

Sometimes, entrepreneurial individuals may not agree with the type of approach adopted by the project or may perceive the project as simply being an opportunity for direct financial support. In this case, you will need to explain the differences between the traditional livelihoods development and the enterprise development approached to make fully understood the implications of the project before deciding to become involved. It is important that, before initiating the enterprise development process, the potential entrepreneurs understand the MA&D process clearly and, in particular, how it differs from a traditional livelihoods approach where they might expect to receive equipment such as bicycles, hives, wells, etc. Communities need to recognise that in an enterprise development project, they will be expected to take responsibility and invest their own human and financial resources in their enterprises. The wrong perception may undermine project activities and compromise the ability to meet the objectives.

See the MA&D Field Facilitator Guidelines Introduction Module, Tool 1 – The differences between the traditional livelihoods development approach and the enterprise development approach.

## **4. Promote gender balance**

When identifying entrepreneurs, it is critical to ensure that women and men both have opportunities to take part in the MA&D process. Invite the men in the community to consider how they could help to ensure greater opportunities for women to participate in enterprise activities. Also, women should be encouraged to actively participate in the meetings during Step 1. As the facilitator, you can help to ensure the participation of women by scheduling meetings at convenient times that will allow all interested individuals, including women, to participate. Another way to ensure that women's points of views are captured might be to separate groups by gender when conducting surveys and exercises during training workshops.

## **5. Selecting existing groups for the enterprise development approach**

If you are asked to support existing forest user groups (FUG) in enterprise development, it is important to realize that this will require that a number of conditions are fulfilled. The details of these conditions are presented in Tool 3. Always suggest that these groups nominate a number of individuals who will be responsible for implementing the approach, based on the agreed upon criteria for participation.





## **6. Conclusion of Step 1**

At the end of Step 1, you will have identified a group of potential entrepreneurs who meet the criteria imposed by the project. These entrepreneurs are probably already involved in the producing, manufacturing, transporting and marketing of natural resources. They demonstrate the necessary entrepreneurial skills and attitudes and they understand and accept the parameters of the MA&D approach.

This group will move on to Step 2. Membership in the group will probably change and evolve throughout the process. Sometimes, individuals who were initially interested drop out, while others join later because they become interested in the approach and/or are involved in the concerned subsector.



## Organize your training session on “Identifying potential entrepreneurs”

	<p>3-5 hours:</p> <ul style="list-style-type: none"> <li>• a short meeting with key local informants (1-2 hours)</li> <li>• an awareness raising meeting with the local community (2-3 hours)</li> </ul>
<p><b>Learning objectives</b></p> 	<p>At the end of the session the facilitator will:</p> <ul style="list-style-type: none"> <li>• understand how Phase 1 fits into the whole MA&amp;D process;</li> <li>• understand how to facilitate potential entrepreneur selection;</li> <li>• have identified a group of potential entrepreneurs from the selected project site(s).</li> </ul>
<p><b>Learning materials for the session</b></p> 	<ul style="list-style-type: none"> <li>• the MA&amp;D map reproduced on a flipchart, with Phase 1 highlighted;</li> <li>• copies of the MA&amp;D filter diagram for participants;</li> <li>• the definition of “an entrepreneur” written on a flipchart (see the glossary);</li> <li>• the project objectives listed on a flipchart (see Tool 1);</li> <li>• a blank table, drawn on a flipchart, to be filled in with the required skills and attitudes to be a good entrepreneur (see Tool 2);</li> <li>• a table, on a flipchart, to be filled in with the main differences between traditional livelihoods development and enterprise development approaches (presented in the Introduction Module, Tool 1 – The differences between the traditional livelihoods development approach and the enterprise development approach);</li> <li>• copies of a checklist of conditions that existing groups must fulfil in order to be considered as potential entrepreneurs for enterprise development (see Tool 3).</li> </ul>
<p><b>Training Tools</b></p> 	<ul style="list-style-type: none"> <li>• Introduction Module, Tool 1 – The differences between the traditional livelihoods development approach and the enterprise development approach;</li> <li>• Tool 1 – The project objectives and related criteria;</li> <li>• Tool 2 – Checklist of skills and attitudes of a good entrepreneur;</li> <li>• Tool 3 – Checklist of the conditions that existing groups need to fulfill to be considered as potential entrepreneurs;</li> <li>• Optional: Tool 1 of FFG 3 Preparing the Enterprise Development Plan – Buyers and Sellers Game.</li> </ul>

### Facilitating the session

1. Before going to the field, clarify project objectives with the project management team, in particular, the type of people the project intends to serve by including a component on enterprise development. Agree upon the criteria for targeting specific groups within the community.
2. If the project focuses on existing groups, arrange a meeting with these groups and facilitate a discussion to assess whether they meet the necessary requirements for becoming an enterprise group. For this, use the checklist of conditions for existing groups provided in Tool 3.

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If the group of potential entrepreneurs has not already been defined by the project, arrange a meeting with key informants (local leaders and representatives of the communities). During this meeting you will:

- Present the project and the concept and objectives of enterprise development, making reference to solving some of the difficulties identified by the communities during the initial formulation of the project.
- Get an indication from the key informants of who would meet the criteria to be part of the enterprise development component of the project, such as, “individuals working on timber and/or tree and forest products”, “disadvantaged peoples”, and “existing entrepreneurs”.
- Double check the information provided by local leaders about who would meet the criteria to be part of the project by interviewing some of the indicated households.
- Ask local leaders to organize a meeting with the individuals indicated as being possible participants in enterprise development activities as soon as possible.

3. Facilitate a first meeting with the potential entrepreneurs to raise their awareness about the objectives of enterprise development. During this meeting you will:

- Present the enterprise development component of the project.
- Introduce the concept of enterprise development. You may decide to use drama, music or another tool to present the project and get the attention of the community. An alternative is to play the Buyers and Sellers Game to introduce the topic (see FFG Module 3, Tool 1 – Preparing the Enterprise Development Plan).
- Present the definition of entrepreneur and discuss the characteristics required to engage in enterprise development:
  - In a plenary discussion, ask participants to list the skills and attitudes required to be a successful entrepreneur. (See checklist on Tool 2).
  - Alternatively, post a flipchart with the word “agree” on one side of the room and another flipchart with the words “don’t agree” on another. Ask participants to stand between the posters. Read a statement about the skills and attitudes of an entrepreneur and ask participants to choose where to stand, depending whether or not they agree with the statement. Ask both groups to explain their choices.
  - Stress that it is not the role of the facilitator to select the potential entrepreneurs. Participants should decide for themselves whether they have the appropriate skills and attitudes and want to participate.
- Facilitate a discussion about the opportunity for women to participate in enterprise activities.
  - Ask participants to consider the factors preventing women from engaging in and benefiting from enterprise development (time limitations, physical difficulties, limited household level control over income from sales, low literacy and/or calculation skills, etc).
  - Ask participants to suggest how these limitations might be overcome.
- Clarify the differences between traditional livelihoods development and the MA&D enterprise development approaches.
  - Split participants into small groups.
  - Ask each group to list the differences between traditional livelihoods development approaches and the MA&D enterprise development approach.
  - Ask the groups to present their findings to the larger group and fill in the checklist with those differences (see Tool 1 in the FFG Introduction Module).



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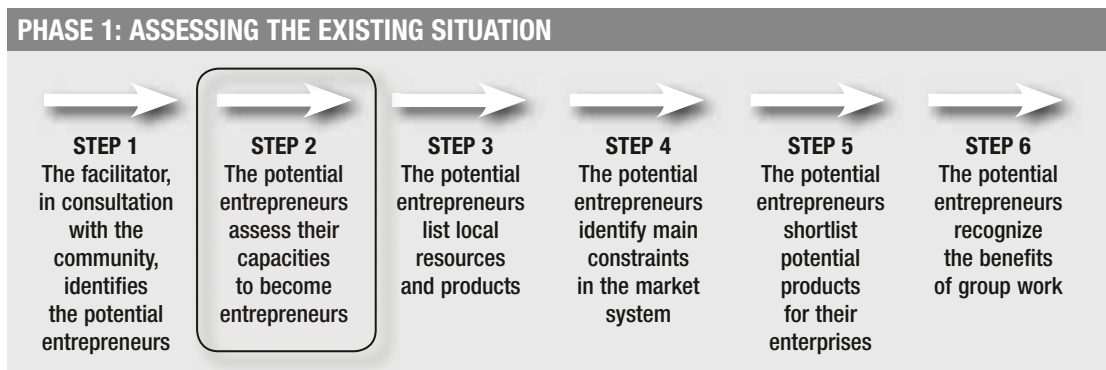
### Facilitation tips



- Schedule meetings at a convenient time so as to allow all individuals interested to participate.
- Ensure that all points of views are captured. Ask women and men to express their points of view separately before discussing them in the group.



## STEP 2: The potential entrepreneurs assess their capacities to become entrepreneurs



Potential entrepreneurs were identified in Step 1. Now you will need to assist them in assessing their capacities to actually become entrepreneurs.

Your objectives in Step 2 are:

- to understand the socio-economic profile of the potential entrepreneurs, including data on their livelihoods and the importance of tree and forest products in the household economy;
- to assist the group to:
  - understand and express why they want to start enterprise activities;
  - assess their time availability, experience, skills in production, processing and trading in tree and forest products, as well as their investment capacity.

In Step 2, you will identify social differences that may exist amongst potential entrepreneurs. You will also assist potential entrepreneurs to recognize their needs and capacities, leading to the creation of enterprises suited to their particularities.

### 1. Understanding the socio-economic profile of potential entrepreneurs

To meet the first objective of Step 2 (to understand the socio-economic profile of the potential entrepreneurs, including data on their livelihoods and the importance of tree and forest products in the household economy), you need to understand whether the potential entrepreneurs are heterogeneous in terms of their wealth ranking, gender balance and economic activities, and you need to identify the different subgroups within the group of potential entrepreneurs (such as women and the landless).

Social diversity should be taken into consideration in order for subgroups to be able to develop enterprise strategies matching their needs, conditions and capacities. For example, members of 'poor' subgroup may select



different products than a subgroup of ‘wealthier’ members. Nevertheless, the process used to select the products and enterprise strategy will be the same for all.

Wealth ranking can be used to develop a socio-economic profile of the potential entrepreneurs. (See Tool 4 – Format and example of wealth rankings.) Use this tool to get a broad understanding of the various socio-economic subgroups, such as those comprising women or landless individuals.

## **2. Assisting the group to assess their motivation and resources**

To achieve the second objective of Step 2 (assisting the potential entrepreneurs to assess their motivation to start enterprise activities, time availability, experience, skills in production, processing and trading in tree and forest products, as well as their investment capacity), you will:

- select informants from different wealth rankings;
- help these individuals to assess their livelihood needs, the reasons that they want to start enterprise activities, their time availability, their experience and skills in production, processing and trading in tree and forest products, as well as their investment capacity.

This step is critical to the success and sustainability of the enterprise, as it can help to minimize risks in the long term.





## **3. Selecting informants**

Using the results of the wealth ranking analysis, you can select informants from the different socio-economic subgroups. The number of informants you choose will depend on your time availability, the size of the group of potential entrepreneurs and whether local extension workers can assist in the process.

Remember that MA&D projects are focused on raising the economic standard of the overall group of potential entrepreneurs, including the poorest households. For that reason, the group of selected informants should represent all categories.



## Organize your training session on “Assessing the capacities of participants to become entrepreneurs”

	<p>Approximately 2 hours:</p> <ul style="list-style-type: none"> <li>this training session can be organised as the second part of the first (Phase 1) workshop.</li> </ul>
<p><b>Learning objectives</b></p> 	<p>At the end of the session:</p> <ul style="list-style-type: none"> <li>the facilitator will understand the socio-economic profile of the group of potential entrepreneurs;</li> <li>participants will have evaluated their motivations for starting enterprise activities, their time availability, their experience and skills, as well as their investment capacity.</li> </ul>
<p><b>Learning materials for the session</b></p> 	<ul style="list-style-type: none"> <li>wealth ranking form;</li> <li>the example of a filled in wealth ranking form.</li> </ul>
<p><b>Training Tools</b></p> 	<ul style="list-style-type: none"> <li>Tool 4 – Format and example of wealth rankings of the potential entrepreneurs;</li> <li>Tool 5 – Aggregated results of wealth ranking by number of households (HH) in the group of potential entrepreneurs;</li> <li>Tool 15 – Institutional analysis.</li> </ul>

### Facilitating the session

Wealth ranking is a tool that can be used to enhance understanding about the socio-economic profile of the potential entrepreneurs.

### In your office

1. Identify the different wealth groups among the potential entrepreneurs by reviewing secondary data (for example, a PRA survey), if available. If wealth ranking has not been done previously, ask key local informants to help you identify the different socio-economic strata, and the families belonging to each strata. Unlike most of the MA&D exercises, it is best not to involve participants in the wealth ranking for reasons of sensitivity. See wealth ranking tables in Tools 4 and 5.

- Select informants after analysing the results of the wealth ranking. As mentioned previously, the number of informants selected from each wealth group will depend on your time availability, the size of the group of potential entrepreneurs and whether local extension workers can help you. Members of each wealth category should be represented in the group of potential entrepreneurs.

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### ***During the training session***

2. Organize focus groups of 5-8 informants from the same socio-economic levels and facilitate discussions within each group. The aim is to assess the motivation, time availability, experience, skills and investment capacity of the group members.

Organize the discussions as follows:

- Ask participants to write on blank cards the reasons why they want to start an enterprise.
- Gather the cards and transfer the information to a flipchart.
- Organize an income mapping exercise to help participants gain an overview of their income, expenses and investment capacities.
- Summarise monthly income and expenses.
- Discuss the reasons for any income shortage and the need for increased income.
- Ask participants how they would use any extra income from the new enterprise activity:
  - Answers may be unrealistic but this exercise serves to initiate a thinking process.
- Participants can draw, write on blank cards or discuss their answers with others.
- Ask participants to draw a calendar which breaks down their activities by season:
  - Help them analyze their calendar, including its impact on their lives and how it would change with the introduction of new enterprise activities.
  - Discuss any constraints and major problems that could emerge at certain points in the year.
- Ask participants to draw a Venn diagram (see Tool 15) mapping all the formal or informal local groups and institutions they know, along with their respective importance. Ask them to highlight the groups with whom they have relations.
  - Facilitate a discussion about the local groups and institutions that have some relation to the concerned subsector of the project.
  - Help participants to reflect on whether or not they actually need a new approach to enterprise development.
  - The Venn diagram can also help in analyzing the strengths and weaknesses of existing institutions and their potential contributions to or constraints for enterprise development.

### ***In your office***

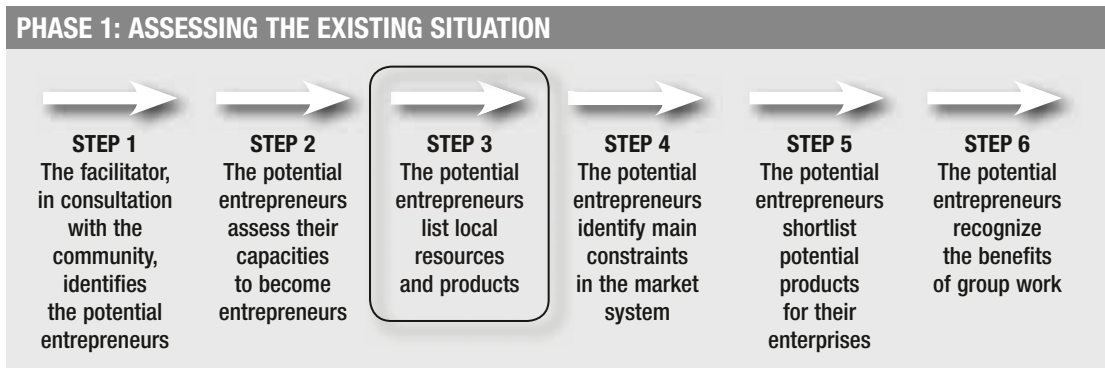
3. Review, complete and compile the results of the exercises conducted during the training session.

#### **Facilitation tips**



- Ensure that men, women and other subgroups are adequately represented and have sufficient space to contribute fully to the discussions.

## STEP 3: Potential entrepreneurs list local resources and products



The objective of Step 3 is to help potential entrepreneurs develop a list of the existing resources and products that could feature in enterprise development projects. The entrepreneurs may have strong pre-existing opinions about resources they would like to market and they will not see the need to list all possible resources. Explain that it is important to examine the market opportunities for all possible resources and products before eliminating them.







Some of the information needed for Step 3 can be obtained from secondary sources available in local technical, forest, agricultural and development offices. Most information will have been gathered through observation and direct interviews with local informants during Step 2 of the MA&D process. In Step 3, the focus should be exclusively on information related to tree and forest products. Necessary tools are basic PRA tools, such as resource mapping, trend lines, or seasonal calendars. The PRA tools used in the MA&D process are adapted to focus on marketing aspects and it is not usually necessary to go into the level of detail normally required when using PRA tools.



Ensure that men and women both have opportunities to express their opinions as they frequently will have different knowledge from one another about tree and forest products.



## Organize your training session on “Listing available local resources and products”

	<p>Approximately 2 hours:</p> <ul style="list-style-type: none"> <li>the training session on Step 3 can be held as the third section of the first workshop during Phase 1.</li> </ul>
<p><b>Learning objectives</b></p> 	<p>At the end of the session participants will have:</p> <ul style="list-style-type: none"> <li>listed potential resources and products;</li> <li>completed a broad estimate of the quantities of these resources and products that are currently available and sold.</li> </ul>
<p><b>Learning materials for the session</b></p> 	<ul style="list-style-type: none"> <li>the objectives of the project listed on a flipchart;</li> <li>copies of a checklist of potential local resources and products;</li> <li>copies of a hand out listing the main commercial tree and forest products in the area.</li> </ul>
<p><b>Training Tools</b></p> 	<ul style="list-style-type: none"> <li>Tool 6 – Example of elements to include in the reference list of potential resources and product;</li> <li>Tool 7 – List of existing resources and products;</li> <li>Tool 8 – Example of resource map.</li> </ul>

### Facilitating the session

#### *In your office*

1. Prepare a reference list of resources and products that exist in the area. The objective is to ensure that no important resource or product is neglected during the training session.

#### *During the training session*

2. Help the focus group (as identified in Step 2) to come up with their own list of existing resources and products.
  - Ensure that all products, resources and services (such as community-based eco-tourism) are listed.
  - Use the reference list of potential tree and forest products to ensure that no products or resources are left out. Note that:
    - Sometimes participants do not know the potential use or commercial value of certain resources, as they do not have access to market information.
    - Resources not currently utilized should be considered if they have been source of income in the past.
    - Resources harvested in other areas with similar ecosystems should be included in the inventory.
3. Ask the group to estimate the quantity of the resources available and try to gather information on current sales.
  - PRA tools such as resource mapping (Tool 8) or historic trend lines showing the availability and use of traditional resources and products can be used.

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- Discuss potential new products or technologies.
- Check with participants whether it is legal to trade these resources and products.

At this point, you could discuss some of the market opportunities and barriers of several of the resources or products identified during the initial survey, to ensure participants are fully briefed on and aware of all their choices.

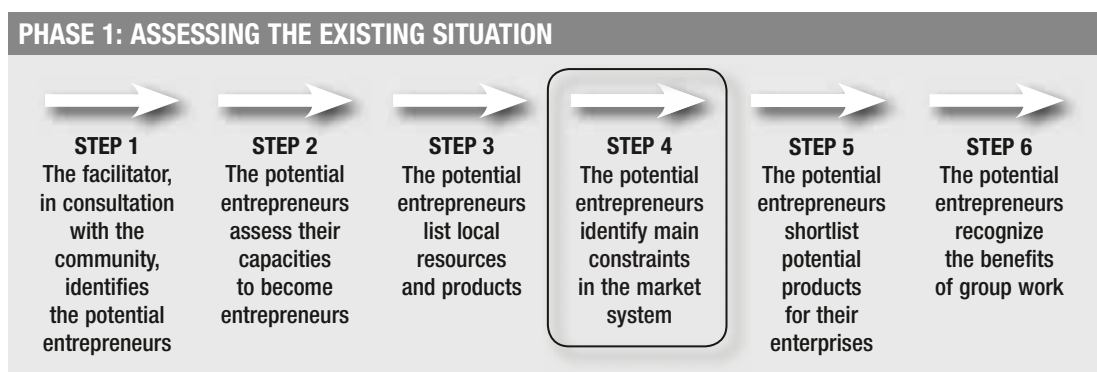
- Ask participants to draw a resource map of the species they currently trade most.
- In certain cases you will need to check the list compiled by the focus group with other knowledgeable local informants. An alternative is to ask an expert to assist the focus group in listing local resources.
- Once the list has been designed, discuss it with participants. See examples of lists in Tools 6 and 7.

#### **Facilitation tips**



- Making observations can be a useful way of stimulating the memory of participants, prompting them to 'pull out' knowledge that they might otherwise have forgotten or would not dare to say.

## STEP 4: Potential entrepreneurs identify main constraints of the market system



Now that the potential entrepreneurs have an idea of the resources and products that might form the basis of an enterprise, they need to study the market system in their area (Step 4) in order to decide which resources and products have the best prospects for the marketplace (Step 5).

The objective of Step 4 is to gather information that can help the entrepreneurs to short-list the resources and products having the best marketing potential. Even with limited information, major constraints can be identified, leading to the elimination of a product and saving time and financial resources.





The market system in which the potential entrepreneurs operate depends on an inter-related set of social, legal, environmental, technical and commercial factors. A useful method for systematically gathering and analyzing these factors is to run products through a filtering, or screening process, in which the product would be testing against each of the five areas of enterprise development. This screening methodology, based on field experience, permits the identification of products with the highest risk of failure.

At this stage, it will be useful to organize, at the district or province level, a workshop of all the stakeholders involved with the concerned products in order to fill in information gaps about the market environment, the economic context and the main actors at the local, district, provincial and national levels. The international dimensions of marketing products will be looked at in Phase 2.

Phase 1 is focused on obtaining a broad picture of the context in which enterprises will operate, and does not require collection of extensive and detailed information. In Phase 2, more detail will be necessary since it is during this phase that all information necessary for the preparation of an Enterprise Development Plan will be gathered.



## Organize your training session on “Identifying the main constraints in the market system”

	<p>Approximately 2.5 hours:</p> <ul style="list-style-type: none"> <li>the training session on Step 4 can be held as the fourth part of the first workshop during Phase1.</li> </ul> <p>Other activities will require:</p> <ul style="list-style-type: none"> <li>a half-day for a stakeholder meeting;</li> <li>a day for potential entrepreneurs to collect additional local information (optional);</li> <li>1.5 hours for a short meeting with the potential entrepreneurs to reconcile any differences between the broader stakeholder short-list and their own.</li> </ul>
<p><b>Learning objectives</b></p> 	<p>At the end of the session participants will:</p> <ul style="list-style-type: none"> <li>understand the importance of assessing products for the short-list using specific criteria;</li> <li>have assessed the key constraints of the market system in all five areas of enterprise development.</li> </ul>
<p><b>Learning materials for the session</b></p> 	<ul style="list-style-type: none"> <li>copies of the filter diagram;</li> <li>The results of the provincial survey done by the project team before the initiation of the MA&amp;D process;</li> <li>the list of resources and products on a flipchart;</li> <li>the list of possible criteria for short-listing resources and products on a flipchart and as a handout.</li> </ul>
<p><b>Training Tools</b></p> 	<ul style="list-style-type: none"> <li>Tool 9 – List of potential criteria for eliminating products during Phase 1, the information needed to assess the criteria and possible sources of that information;</li> <li>Tool 10 – Sample forms for recording data collected from informants.</li> </ul>

### Facilitating the session

- Once the list of existing resources and products (Step 3) has been established, ask participants to look at the MA&D filter and show how the filter is used in Step 4 to identify the resources or products that will not be suitable for enterprise development, using the criteria of the 5 areas of enterprise development.
- Looking at the constraints in the 5 areas of enterprise development:
  - Ask participants to look at the list established in Step 3, to choose one product from an area they know well and to think about why it will not be a successful product.
  - Ask them to indicate the reasons for failure under each of the 5 development areas of enterprise development.
  - Through this simple exercise, participants will come up with the constraints associated with the marketing of certain products.
  - Repeat the same procedure with a product they do not know.
  - Keep in mind that this exercise is not about finding solutions, but about identifying the potential constraints.

*Continued on next page*



**3. Criteria used for assessing products:**

- On a flipchart, list the criteria used to determine whether products have positive prospects for the market (use the checklist in Tool 9).
- The list of criteria is indicative and should be adapted according to the priorities of the potential entrepreneurs and the objectives of the project. The list is designed to cover a wide range of potential situations but not all criteria will be relevant to every situation.
- Share with participants the information you have concerning national and provincial markets. For example, you may be aware of a lack of market demand or low price for some products, policy restrictions on harvesting or trade, or negative experiences with credit or domestication, and this might determine whether a product is eliminated at this stage.

**4. The five areas of enterprise development:**

- Participants should be split into five groups.
- Each group will work on a specific area of enterprise development.
- Each group should read the specific criteria related to the area of enterprise development on which they will focus. Then, on different flipcharts they should list the information they already have that will help them to assess these criteria and the information that is still missing.
- Participants should address the following questions:
  - Can all remaining information be collected at the village level? If not, why not? Where else might the information be available?
  - Who could they talk to in the village to gather the information they need? Would everybody in the village have the same opinions? If not, why would the opinions differ? How could participants reconcile these differences?
  - Use the forms in Tool 10 to indicate any missing information.
  - After 45 minutes, each group should present their findings. Participants may conclude that they need more information in order to decide whether to short-list a product or not.

5. At this point, participants will start to prioritise the products (Step 5). If they feel that they need more information to guide their decision, explain that you will arrange to get the information for them and will share it with them during the next Phase 1 workshop.

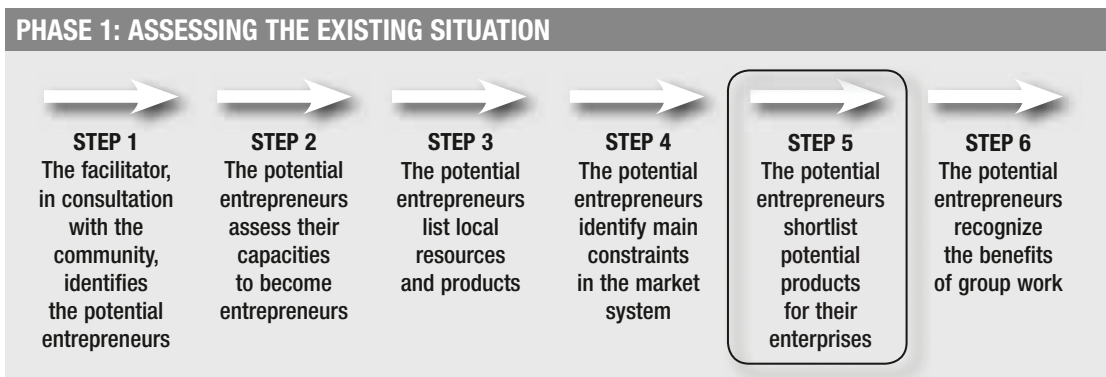
- It is suggested to hold a meeting with direct and indirect actors from the concerned sub-sectors to assess the strengths and weaknesses of the local resources and products, as well as to discuss the potential market opportunities. This information will be shared with participants at the end of Phase 1.

**Facilitation tips**



- Steps 1, 2, 3 and 4 can be covered during the same participant workshop.

## STEP 5: Potential entrepreneurs short-list products for their enterprises



Participants now have a clear idea of the resources and products available to them (Step 3). They recognise the constraints related to their circumstances and available products (Step 4). Now, they can eliminate the products that are obviously too risky for their enterprises.

The objective of Step 5 is to assist the potential entrepreneurs to narrow the range of products under consideration by eliminating those that are clearly not viable. Those products that can pass through the first ‘filter’ will be examined further in Phase 2.

Step 5 requires time to aggregate relevant data such as average prices, volume produced, volume sold, income levels, and other factors in each group, village and community. Based on the elimination criteria in Step 4, participants may choose to abandon a number of non-viable products. Potential entrepreneurs should also be able to assess the value of a product, not only in terms of its market value, but also in terms of its comparative advantage over other sources of income, such as agriculture. For example, entrepreneur groups often reject medicinal plants because they use them for their own consumption and find them difficult to develop compared to other sources of income, such as fish farming.





The product “short-list” is based on the situation at the time of the workshop. A resource that is not chosen for short-listing can be reconsidered for development at a later date.

In Step 5, the focus is on constraints rather than opportunities. The exercise should help potential entrepreneurs to reach their own conclusions about which products should be abandoned immediately, and the reasons why.

Products remaining on the short-list after this exercise will become the basis of the research conducted in Phase 2.



## Organize your training session on “Short-listing potential products”

	<p>1 day:</p> <p>This time will be used to aggregate:</p> <ul style="list-style-type: none"> <li>• the outcomes of previous workshops at the village level and the provincial meeting of resource persons;</li> <li>• the outcomes of local surveys conducted by the potential entrepreneurs;</li> <li>• the outcomes of the initial survey carried out before the MA&amp;D process began.</li> </ul> <p>2 hours to facilitate the elimination exercise. This exercise will be the first part of the second workshop for the potential entrepreneurs.</p>
<p><b>Learning objectives</b></p> 	<p>At the end of the session, participants will have:</p> <ul style="list-style-type: none"> <li>• analysed information gathered in Phase 1, Steps 2-4;</li> <li>• eliminated non-viable products and come up with a short list of products for further consideration on Phase 2.</li> </ul>
<p><b>Learning materials for the session</b></p> 	<ul style="list-style-type: none"> <li>• the resources and products selected in Step 3 listed on a flipchart;</li> <li>• the criteria for short-listing products as defined in Step 4 listed on a flipchart;</li> <li>• the data collected to assess these criteria: <ul style="list-style-type: none"> <li>– the outcomes from the previous village workshop and provincial meeting with the resource persons;</li> <li>– the outcomes from the local surveys conducted by the potential entrepreneurs;</li> <li>– the outcomes from the initial survey carried out before the MA&amp;D process began).</li> </ul> </li> </ul>
<p><b>Training Tools</b></p> 	<ul style="list-style-type: none"> <li>• Tool 11 – Example 1: determining products for elimination;</li> <li>• Tool 12 – Example 2: determining products for elimination.</li> </ul>

### Facilitating the session

#### *In your office or the field (depending on the context)*

1. Aggregate the information gathered from secondary research and from workshops or meetings using the forms provided in Step 4. Data can come from:

- the first Phase 1 workshop – the local survey conducted by the potential entrepreneurs;
- the initial survey done as part of the project;
- the provincial meeting of resources persons organized during Step 4.

When information is available for several products in each community, you will need to identify links between the outputs of the various worksheets and present them in an easy-to-read format. For example, this will mean combining several tables in a single chart. You should develop the format that fits your project best.

*Continued on next page*

***During the training session***

Organize a workshop with the potential entrepreneurs identified during the wealth ranking exercise:

- Post on the wall the list of resources and products prepared during Step 3.
- Post on the wall the list of criteria identified in Step 4.
- Facilitate a discussion on the list of criteria for eliminating non-viable products in order to refine it. Remove irrelevant criteria and add new ones that are stated as being relevant to the concerned subgroups.
- Check each resource or product against the list of criteria for elimination provided in Step 4 using the products elimination form in Tool 11 and 12. If the assessment is not straightforward or if participants cannot come to agreement, refer to the results in Step 4.
- Invite participants to reject products that do not match their local priorities.
- During this selection process, participants should discuss their points of view with one another.
- Encourage participants to recognise when they need more information before eliminating some of the products.
- Products remaining after this exercise will become the basis of the research conducted in Phase 2.
- Review the information that is still missing, discuss its importance and decide how to source the missing information during Phase 2.

**Facilitation tips**

- Participants in this workshop should include potential entrepreneurs from the different wealth rankings, including members of subgroups, such as women and the very poor.
- Choose a time for convening the workshop(s) when women can attend. Engage with local, social groups to encourage women to go to the workshop. During the workshop, ensure that women have the opportunity to voice their opinions.
- Involve potential entrepreneurs in aggregating the information, even if this slows down the process. This exercise will enable potential entrepreneurs to learn how to aggregate the information themselves.
- Adapt your tools and facilitation style according to the literacy levels of the participants.
- Be creative! The list of criteria is indicative and should be adapted to the group's priorities and objectives.



## STEP 6: Potential entrepreneurs understand the benefits of group work







The objective of Step 6 is to raise awareness about the benefits of working together. Once the potential entrepreneurs have decided on their business activities, they will still need support to establish their enterprises. Supporting entrepreneurs on an individual basis is not feasible within a project context, making it crucial for entrepreneurs to work within some kind of organizational structure, be it formal or informal.

Your role as a facilitator will be to demonstrate how group selling, group supply of raw material, group price setting, etc, can reinforce the position of the entrepreneurs in the market and lead to more successful enterprises. Step 6 will also initiate a reflection about the different grouping possibilities, a thinking process that will be intensified in Phases 2 and 3.

During the workshop, participants will be asked to think about the development of their enterprises, either individually or by organizing themselves into groups. They will also be asked to identify legal options for establishing their enterprises.



## Organize your training session on “Understanding the benefits of group work”

	<p>1.5 hours:</p> <ul style="list-style-type: none"> <li>This exercise will be the second part of the second workshop held during Phase 1 with the potential entrepreneurs.</li> </ul>
<p><b>Learning objectives</b></p> 	<p>At the end of the session participants will:</p> <ul style="list-style-type: none"> <li>be aware of the need for a strong market presence;</li> <li>have reflected about various “grouping” possibilities and the associated legal options;</li> <li>understand that support for enterprise development will primarily be provided to organized groups rather than to individuals.</li> </ul>
<p><b>Learning materials for the session</b></p> 	<ul style="list-style-type: none"> <li>a list of possible types or forms of legal status for small enterprises, prepared by the project team.</li> </ul>
<p><b>Training Tools</b></p> 	<ul style="list-style-type: none"> <li>Tool 13 – The experience of participants in belonging to groups;</li> <li>Tool 14 – Exercise: the benefits of group-based enterprise;</li> <li>Tool 15 – Institutional analysis;</li> <li>Tool 16 – Reviewing the outputs of Phase 1.</li> </ul>

### Facilitating the session

#### 1. Reflect on the development of individual or group based enterprises:

- Refer to Tool 13.
- Ask participants to describe their experience in working in or with organized groups.
- Ask participants to list the benefits of organizing themselves into groups.
- Prepare a table to compare the advantages of working in a group versus working individually.
- Ask participants to describe the ways in which they have traditionally formed groups, and the rules they set for their operation (size, responsibility, creation and formalization of groups, roles of their representatives, etc). This exercise will help participants to see the benefits of collaboration.

Note: If you live in a country that has a tradition of group work and solidarity, you may skip the previous exercise.

#### 2. Benefits of group based enterprises:

- Split participants into small groups.
- Ask the groups to list the advantages they would have in working together on enterprise development projects.
- Ask each group to present their results to the larger group.
- Summarise all information on a table.
- Discuss the different points and complete the list as necessary (refer to Tool 14).

*Continued on next page*

3. Reflect on the various potential types or forms of legal status:
- Organize a brainstorming session on the following topics:
    - Participants' experience in registering or belonging to a group;
    - The different types or forms of legal status available for enterprises in the country.
  - Distribute the list of possible types or forms of legal status for small enterprises in the country, as prepared by the project team during the preliminary activities.
4. Review the outputs of Phase 1, using Tool 16.



At this stage, participants may reveal key aspects of their socio-cultural context, such as specific social ties and areas of cohesion. As a result, they may indicate preferred forms of groupings that could serve as a foundation for later work in the MA&D process.

**Facilitation tips**



- Invite representatives of existing professional groups (cooperatives, producer federations, etc.) to explain the advantages of working as part of an enterprise group.
- When facilitating sessions within the communities respect the following principles:
  - Do not hide or ignore statements even if they are not relevant to the topic (on the other hand, do not allow lengthy discussions on such topics, just acknowledge them).
  - Maintain meeting attendance by applying suitable techniques, such as asking questions, using humour and jokes, telling stories, role playing and through the use of other innovative and engaging tools.
  - Ensure that project supervisors and local authorities are informed about emerging issues, and facilitate dialogues to address those issues.

## Concluding Phase 1

To conclude Phase 1 it will be necessary to:

- review the main outcomes, including the range of potential products and the need for further research about potential markets;
- identify potential entrepreneurs willing to continue into Phase 2;
- put together a team of representative entrepreneurs who are willing to participate in the Phase 2 surveys for the benefit of the whole group of potential entrepreneurs.

The team for Phase 2 should have representatives of the different subgroups and its members should actively participate in the production, trade or processing of one or several products from the short-list established during Phase 1. The members of this team will act as information gatherers during Phase 2.




### Concluding Phase 1

- Conclude the workshop by summarising the main outcomes (Tool 16 – Reviewing the outputs of Phase 1).
- Ask the participants whether they are interested in participating in Phase 2.
- When you are back in the office, review the work done during Phase 1 by filling in the report format for Phase 1 provided by the project. This will be helpful if you have to repeat the process elsewhere, and will also serve as the basis for planning Phase 2.

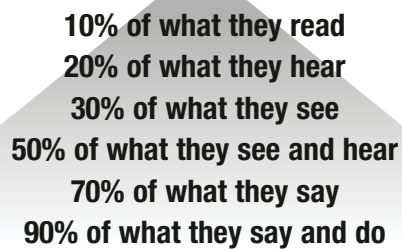






# Tools to facilitate the training sessions<sup>1</sup>

## LEARNERS REMEMBER:



- 10% of what they read**
- 20% of what they hear**
- 30% of what they see**
- 50% of what they see and hear**
- 70% of what they say**
- 90% of what they say and do**

<sup>1</sup> Tools should be adapted to the local context, language(s) and specific needs of the project.



## Tool 1 – The project objectives and related criteria

### OBJECTIVES OF THE PROJECT

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### CRITERIA FOR IDENTIFYING THE GROUP OF POTENTIAL ENTREPRENEURS

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## Tool 2 – Checklist of skills and attitudes of a good entrepreneur

A good entrepreneur:

- takes initiative and dares to take risks;
- sees and acts on opportunities;
- learns from past experience;
- seeks information;
- is concerned about the quality of work;
- respects work contracts;
- is efficient;
- is persistent;
- is a systematic planner;
- is a problem solver;
- is self-confident;
- is persuasive;
- knows how to influence.

Generally speaking, successful entrepreneurs have a strong orientation towards achievement, problem solving, influence and management.

*Adapted from Thomas Fricke, 1993.*



## Tool 3 – Checklist of the conditions that existing groups need to fulfil to be considered as potential entrepreneurs

In case you are asked to help existing FUGs to engage in enterprise development, you will first need to check whether these groups fulfil the following conditions:

1. All group members feel and express the need to increase their incomes in addition to their forest conservation activities.
2. All members agree to add income generation as an objective of their group activities and agree that their current group will act also as an entrepreneurial group.
3. The group is legally allowed to make profits from natural resources.
4. The group has enough members with adequate entrepreneurial skills and attitudes.
5. The group is structured and organized to efficiently manage enterprise operations and profit from sales.
6. The group is willing and able to modify its constitution to integrate enterprise development and income earning activities in addition to forest conservation activities.

If the project does not require the group to act as an enterprise, but allows some members of the group to develop income-generating activities, then the following conditions must be met:

1. One or several individuals or subgroups of the FUG formed around the objective of forest conservation feel and express the need to increase their incomes and the income of the FUG.
2. The individuals or the subgroups that express interest in creating an enterprise have the required entrepreneurial skills and attitudes.
3. These individuals or subgroups can register under the appropriate legal status allowing them to make profit, while still belonging to the FUG.
4. The FUG agrees that the individuals or subgroups can use resources from the FUG area on the condition that they share part of the profit with the FUG (under conditions agreed between the FUG and the concerned individuals or subgroups).

Similar conditions will apply to other types of existing groups.



## Tool 4 – Format and example of wealth rankings of the potential entrepreneurs

Wealth ranking group	Criteria for classification
Very rich	
Rich	
Average	
Poor	

*Example: criteria used for classifying households in wealth groups.*

Wealth ranking group	Criteria for classification
Very rich	<ul style="list-style-type: none"> <li>• Has enough food for consumption, and has savings and surplus</li> </ul>
Rich	<ul style="list-style-type: none"> <li>• Owns a television set, radio, buffaloes and bicycle</li> <li>• Has enough land for cultivation</li> </ul>
Average	<ul style="list-style-type: none"> <li>• Experiences shortage of food for one to three months a year</li> <li>• Has only one or two buffaloes</li> <li>• Has enough land for cultivation</li> </ul>
Poor	<ul style="list-style-type: none"> <li>• Experiences shortage of food for more than three months a year</li> <li>• Experiences shortages of power</li> <li>• Does not have enough land for cultivation</li> </ul>



## Tool 5 – Aggregated results of wealth ranking by number of households (HH) in the group of potential entrepreneurs

District: ..... Village: .....

Ranks	Village 1		Village 2		Village 3		Village 4		Total	
	Number of HH	%*	Number of HH	%	Number of HH	%	Number of HH	%	Number of HH	%
Very rich										
Rich										
Average										
Poor										
<b>Total</b>										

\* Percentage of the total group of potential entrepreneurs.



## Tool 6 – Examples of elements to include in the reference list on potential resources and products

- **Fibres and flosses**

*Examples:* bamboo for furniture, handicrafts and toothpicks; rattan for furniture and handicrafts

- **Edible products**

*Examples:* fruit, nuts, mushrooms, leaves for teas, spices, animal products (such as bats or snakes)

- **Extracts and exudates**

Resins and gums

*Examples:* pine oleoresin for the chemicals industry; damar (*Dipterocarpus* spp.); benzoin (*Styrax tonkinensis*) for perfumes

Tannin and dyes

*Examples:* Forest plants such as majitho (*Rubia cordifolia*) and chutro (*Berberis aristata*), used in natural pigments for dyeing cloth

- **Industrial oils**

*Examples:* tung oil (*Aleurites montana*) for varnish

Essential oils

*Examples:* vetiver oil (*Vetiveria zizanioides*) and eucalyptus oil for fragrances and industry; cinnamon oil and star anise (*Illicium verum*) for the food and beverage industry

Insecticides

*Examples:* sassafras (*Cinnamomum parthenoxylon*); neem (*Azadirachta indica*)

- **Medicinal plants**

Medicinal plants for household use and income

- **Ornamental plants**

*Examples:* orchids, vines

- **Animal products**

*Examples:* honey; horns; bones; feathers for use as medicines; sticklac (*Laccifer lacca*) for use in paint, varnish, dye and electrical insulation; silkworms.



The man is holding a large sheet of paper with the following handwritten content:

የጥጥር ምርት

1	የጥጥር ምርት	13- የጥጥር ምርት
2	ቀርጥ	14- የጥጥር ምርት
3	ሐረፍ	15- የጥጥር ምርት
4	ገጽ	16- ሀረግ
5	ጣቢያ	
6	የጥጥር ምርት	
7	የጥጥር ምርት	
8	ጥጥር	
9	የጥጥር ምርት	
10	የጥጥር ምርት	
11	የጥጥር ምርት	

*District:*..... *Village:*.....

[illegible]

34



## Tool 8 – Example of resource map

A resource map may be conducted together with the facilitator to understand the inventory of the possible natural resources available for enterprise development and to assess what local people know about the resources around them.



*Forest resources mapping, Ethiopia*



## Tool 9 – List of potential criteria for eliminating products during Phase 1, the information needed to assess the criteria and the possible sources of that information

*Note that the list of criteria should be adapted to the project context as needed.*

ELIMINATION CRITERIA	INFORMATION NEEDED TO ASSESS THE CRITERIA	POSSIBLE SOURCES OF INFORMATION
MARKET AREA		
<b>Product supply/quantity</b> The product cannot be harvested in sufficient quantity or is available only in small quantities.	For each product: <ul style="list-style-type: none"> <li>quantities extracted and possible extraction level;</li> <li>production and sales calendars;</li> <li>extraction trend.</li> </ul>	Local collectors and village traders can provide this information or it can be collected during the initial workshop through participatory resource mapping.
<b>Market demand</b> Demand for the product is low, or the improvement of the product to meet demand standards is complicated, time-consuming and costly.	For each product: <ul style="list-style-type: none"> <li>quantities and values traded by local producers and traders;</li> <li>the specific types or formulations of the products traded by direct actors in the value chains, at the local, district, provincial and national level (and international, if any);</li> <li>demand trend.</li> </ul>	This information can only come from village traders or other direct actors at the provincial and national levels. It can be collected during the initial workshop using a short local survey or through a survey or a meeting of direct and indirect actors at the provincial level.
<b>Product Quality</b> The quality requirements for the product cannot be met because of a shortage of skills, lack of training opportunities, insufficient education, lack of access to packaging materials, etc. Improvements or measures for upgrading quality are time-consuming and costly.	<ul style="list-style-type: none"> <li>Form and quality standards of the products currently traded at the local level;</li> <li>Form and quality of products requested by actors at other levels of the value chain.</li> </ul>	Information on current form and quality of products can be collected during the initial workshop while information on desirable form and quality will be collected from district, provincial, national or international traders.
<b>Production costs</b> The production costs for the product are higher than those of the same goods produced elsewhere. The costs cannot be reduced significantly without negative effects on the quantity or quality of the products.	<ul style="list-style-type: none"> <li>Prices and production costs currently charged by local producers, processors and traders;</li> <li>Prices and production costs charged by producers, processors and traders elsewhere.</li> </ul>	Information on current prices and production costs can be collected during the initial workshop by helping the potential entrepreneurs to assess the labour and opportunity cost for products and by traders. Transportation costs to the markets can be provided by village and district traders.

*Continued on next page*

ELIMINATION CRITERIA	INFORMATION NEEDED TO ASSESS THE CRITERIA	POSSIBLE SOURCES OF INFORMATION
<b>MARKET AREA</b>		
<b>Access to capital</b> Local credit and saving management groups do not exist or function, and/or the producer, manufacturer, transporter or trader cannot get a loan for start-up or for running business activities.	<ul style="list-style-type: none"> <li>• Current experience of the potential entrepreneurs in raising capital, informally and with formal financial institutions;</li> <li>• List of local, district/provincial and national possibilities for local entrepreneurs to access capital.</li> </ul>	Information on current experiences of accessing formal or informal capital can be collected during the initial workshop while information about formal capital availability will be collected at the district or national level or through the initial survey carried out by the project.
<b>RESOURCE MANAGEMENT</b>		
<b>Spatial distribution and density</b> The product is rare or scarce due to factors such as the biological cycle of the plant on which it is based, overexploitation and changes in the ecosystem.	<ul style="list-style-type: none"> <li>• Resource map;</li> <li>• Extraction pattern;</li> <li>• Trends and reasons for changes.</li> </ul>	This information is best provided by those who collect the resources (the collectors) and can be gathered during the initial workshop. Be sure to ask questions that address not only product supply, but also the issue of labour needed to collect the product.
<b>Impact of harvesting on survival of species</b> The economic value of a product may increase as a result of marketing and this may lead to over harvesting. The ecological impacts of harvesting have not been assessed and such assessment is overly costly or time-consuming.	<ul style="list-style-type: none"> <li>• Current harvesting techniques and their impact on the stock of the species;</li> <li>• Alternative techniques to reduce negative impacts on the survival of the species.</li> </ul>	This information can be obtained from local collectors during the initial workshop as well as from resource people during a survey or meeting at the provincial level.
<b>Domestication possibilities</b> The resource is not or cannot be domesticated, or domestication is time-consuming, costly and complicated.	<ul style="list-style-type: none"> <li>• Local experience with domestication of the resource;</li> <li>• Experience in domestication of the resource elsewhere, and its results, conditions and costs.</li> </ul>	This information can be obtained from local collectors during the initial workshop as well as from resource people during the survey or meeting at the provincial level. This criterion may not be cause for elimination unless it is combined with the two criteria above. If a product is in low density and cannot be harvested without a negative impact, then unless it can be domesticated, it needs to be eliminated.

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ELIMINATION CRITERIA	INFORMATION NEEDED TO ASSESS THE CRITERIA	POSSIBLE SOURCES OF INFORMATION
<b>SOCIAL/CULTURAL</b>		
<b>Regenerative potential</b> The regenerative potential of the product is very low or there is uncertainty regarding its capacity to regenerate.	<ul style="list-style-type: none"> <li>• Life cycle of the natural resource;</li> <li>• Existence of research and experience in how to shorten the life cycle and get products more rapidly. Results and costs of this research.</li> </ul>	This information can be obtained from local collectors during the initial workshop as well as from resource people during the survey or meeting at the provincial level.
<b>Willingness to participate</b> Interest in marketing this product is weak. Potential entrepreneurs must show initiative and be willing to act as economically responsible actors, not simply as beneficiaries.	<ul style="list-style-type: none"> <li>• Do the potential entrepreneurs need to find alternative economic activities to increase their income?</li> <li>• Are the potential entrepreneurs involved in business activities and ready to become actors in the value chain?</li> </ul>	This information should have been checked during Step 1 of Phase 1, but can be investigated further during the initial workshop at this stage.
<b>Social/cultural restrictions</b> Religious and cultural beliefs might prevent the community from exploiting of some products or prohibit women from working with them.	<ul style="list-style-type: none"> <li>• Why are some products traded elsewhere but not locally?</li> <li>• Beliefs that can influence the exploitation of certain products.</li> </ul>	This information can be obtained from local potential entrepreneurs during the initial workshop.
<b>LEGAL/INSTITUTIONAL</b>		
<b>Policy constraints</b> There are legal restrictions on the collection, processing, transportation and trading of a product.	<ul style="list-style-type: none"> <li>• List of rules and regulations on collection, processing, transportation, and trading of a product;</li> <li>• Enforcement measures of those rules and regulations;</li> <li>• Level of knowledge and/or understanding about the existing laws and regulations amongst the potential entrepreneurs.</li> </ul>	This information can be obtained from potential entrepreneurs during the initial workshop, through a local survey carried out by the TG members, or through a survey or a meeting of direct and indirect actors at the provincial level as well from literature from the Government offices (Forests, industry Ministry etc). The information should be verified with a national level NGO or experts familiar with the policy environment in the country.

*Continued on next page*

ELIMINATION CRITERIA	INFORMATION NEEDED TO ASSESS THE CRITERIA	POSSIBLE SOURCES OF INFORMATION
TECHNOLOGY		
<b>Human resources/expertise</b> The level of knowledge and expertise required for the extraction, processing, marketing and development of a product is low. Improving the levels of knowledge and expertise is time-consuming and expensive.	<ul style="list-style-type: none"> <li>• Human resources currently available; skills; training opportunities for men and women; current assistance from agencies and institutions; available techniques, equipment and tools; training materials;</li> <li>• Type of processing used and list of processing units.</li> </ul>	Information on current number of experienced and knowledgeable individuals can be collected during the initial workshop while information on individuals with experience in production specifically can be obtained through a short local survey by the TG members, or through a survey or a meeting of direct and indirect actors at the provincial level
<b>Infrastructure and communications</b> The physical infrastructure (roads, rivers, etc.) is inadequate for transporting the goods, which severely restricts the potential for marketing the product.	<ul style="list-style-type: none"> <li>• Current status of infrastructure;</li> <li>• Seasonal practicability to move goods throughout the year;</li> <li>• Transportation means and costs;</li> <li>• Telecommunications and Internet infrastructure and level of experience in using them.</li> </ul>	This information can be obtained from the potential entrepreneurs during the initial workshop.

Some principles to use when collecting information:

- Use the table during the workshop to gather general information on resources and products available and to understand the main constraints. At this stage, it is not necessary to gather information on the same products from many informants.
- Remember these criteria are indicative and a judgment needs to be made as to whether they are relevant to your circumstances or not.
- Take social issues into account throughout the MA&D process. In this phase, it is absolutely necessary to assess the acceptability of the potential enterprises and to evaluate their potential impact on the community. When adapting the above table to your own circumstances, try to understand the relative role of each subgroup (such as women, children and the poorest people) and the role of particular products within each group.



## Tool 10 – Example of forms for recording data collected from informants

**Sample Form 1: Production/trading data – market/economy area of enterprise development**

Products	Time spent travelling from home to harvesting or production site	Quantity produced per day	Production season (list the months in the year)	Storage time between production and sale	Production activities (by % men/ women/ children)	Storage place	Traditional management method (planting, rotation etc.)	Protection method (from theft, animals, etc.)

**Sample Form 2: Production costs – market/economy area of enterprise development**

Products	Main market places	Time needed to reach the market places	Production activities (by % men/ women/ children)	Means of transport	Costs of transporting goods to market places	Number of trips to the market places for selling	Amount of tax/legal fees paid	Problems encountered  Other Costs





**Sample Form 3: Experience of the potential entrepreneurs in receiving credit – market area of enterprise development**

Credit source	Amount	Recipients (% men/ women)	Sponsoring group	Purpose	Credit Term	Interest rate	Reimbursement	Other credit needs



## Tool 11 – Example 1: determining products for elimination

District:..... Village:.....

Products Resources	Criteria for elimination (x), or where more information is needed					Elimination
	Market/ Economy	Resource/ Environment	Social/ Cultural	Legal/ Institutional	Technology	
 Wild honey	x Far from village	x Rapid decrease	x Not feasible for women			
 Rattan	x Far from village	x Depletion				
 Wild life	High demand	x Depleted		x Banned/Illegal to utilize as a 'product'		
 Palm leaves	<b>More information needed</b>				<b>More information needed</b>	
Etc.						





## Tool 12 – Example 2: determining products for elimination

Resource/products	Elimination	Criteria for elimination, or areas where more information is needed				
		Market/ Finance	Resource Management	Social/ Cultural	Legal Institutional	Technology
Wild honey						
Fern tree					Need more information	
Wildlife	X		Banned			
Fuel wood						
Charcoal	X				Legal restriction	
Wooden farm tools		Need more information				
Rope from bark tree	X	Low value				
Long pepper						
Tree seeds		Need more information				Need more information
Liana (2 types)						
Forest cardamom						
Forest coffee						
Timber	X	Risk of depletion			Legal restriction	
Palm leaves						
Palm leave mats		Need more information				
Beer ferment (gesho)						
Bee hives	X			Benefit only low number of peoples		
Grinding stone	X			Benefit only low number of peoples		
Mushroom		Need more information				
Fish						

• “X” indicates that the product has been eliminated.

• “Need more information” means that additional information is needed to determine to decide whether to eliminate a product.



# Tool 13 – The experience of participants in belonging to groups

Village:.....

Activities for which you organized groups in the past	Outcomes of belonging to groups		Outcomes for those working individually		Describe how the groups were formed	Describe the rules for operating group activities
	Strengths	Weaknesses	Strengths	Weaknesses		



## **Tool 14 – Exercise: the benefits of group-based enterprises**

Split the participants into groups and ask them to list the possible benefits of working in groups.

The following are some of the answers you may receive:

- Groups are more effective for training and information sharing.
- Groups have more leverage for negotiation and can find better markets.
- Group can set common pricing.
- Group work can save time as tasks are distributed among members.
- Groups can negotiate lower costs with suppliers and reduce production costs (e.g. transportation, handling, etc).
- Groups can produce a higher quantity of goods by working together jointly.
- Groups can obtain better prices (selling and buying).

One individual can belong to several groups of enterprises, providing that he or she has sufficient time and inclination.

- Participation in a group may be a condition to get and manage specific sources of finance.



## Tool 15 – Institutional analysis

### Purpose:

The purpose of this tool is to help entrepreneurs study and analyse the institutional environment, both within and outside of their village. It is important to understand the various roles played by institutions in the village and the links between them to ensure the smooth functioning of the project.

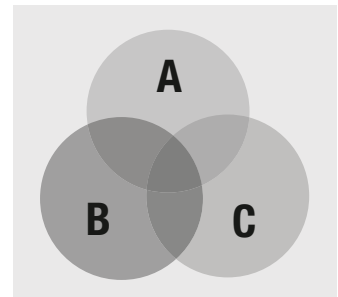
Using the Venn Diagram, potential entrepreneurs can visually represent their relationships with the different institutions as well as the relationships between the institutions.

Institutional analysis will help participants to:

- clarify their perceptions about the relative importance and influence of local institutions;
- understand that they should not create a new organization if one already exists;
- consider the strengths and weaknesses of local institutions and their possible contributions (or constraints) to the development of the enterprises.

### Drawing a Venn diagram:

1. Group participants according to their interest in similar products or based on existing groups.
2. Ask each group to draw circles on paper (or on the ground), each representing a local group, organization and institution they have contact with:
  - The sizes of the circles will depend on the importance of the groups, organizations or institutions.
  - The circles may overlap to indicate formal relationships (for example contracts) between some of the local groups.
  - Smaller circles can be inserted inside a bigger circle if, for example, an informal group of entrepreneurs is part of an umbrella organization of other entrepreneurs.
3. Ask each group to present their diagram to all participants and to explain the relationships between the circles.
4. Facilitate a discussion between the groups and analyse which institutional relationships should be developed further to support enterprise development.





# Tool 16 – Reviewing the outputs of Phase 1

Outputs of Phase 1	Field site.....	Field site.....	Field site.....
Short-listed products			
Main areas for further research in Phase 2			
Potential entrepreneurs who want to continue to Phase 2			

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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