

Village Tree Enterprise in Burkina Faso – supporting development of small enterprises based on non-wood forest products

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A review of outcomes, two years into an initiative to build the capacity of poor rural households in Burkina Faso to generate income from tree products.

Non-wood forest products (NWFPs) are an important part of traditional livelihoods and culture in the West African Sahel and remain popular not only with rural people, but also with recently urbanized populations. Villagers generally have free access to communal forest resources. NWFPs are already an important source of income for rural households – especially for women, as NWFP harvesting and marketing is a traditional preserve of women in Africa. Although official statistics are rare, informal evidence indicates that trade in NWFPs has grown in recent years, both domestically and internationally.

Yet isolation from marketing opportu-

nities remains a familiar characteristic of rural livelihoods in the Sahel. TREE AID, a non-governmental organization (NGO) based in the United Kingdom, has developed a series of initiatives to help rural populations in the region take fuller advantage of opportunities for commercial trade in tree and forest products. This article focuses on the Village Tree Enterprise project in Burkina Faso.

VILLAGE TREE ENTERPRISE PROJECT

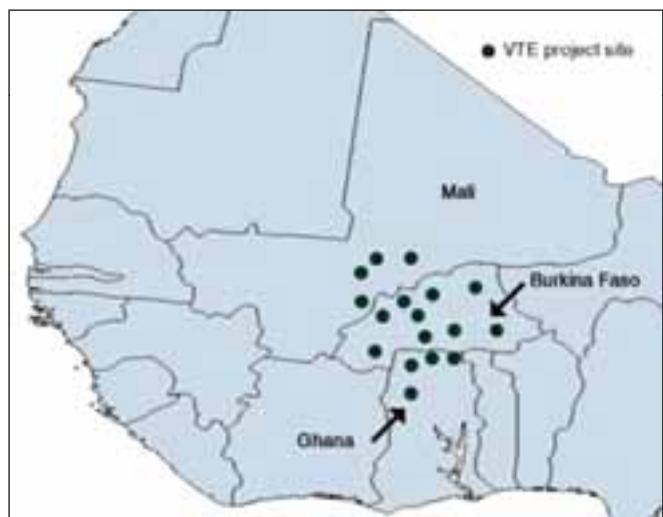
In January 2005, various departments of the Burkina Faso Government, local

Selling dried baobab leaves and other forest-derived condiments in Fada market, Burkina Faso



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NGOs, TREE AID and FAO joined forces to launch a pilot project for the promotion of small business development based on tree and forest products: Village Tree Enterprise. The pilot project adopted a Market Analysis and Development (MA&D) approach (see Box, p. 34) to entrepreneurial organization and capacity building at the village level to improve local processing and marketing of NWFPs. A baseline survey carried out at the project's start showed that 13 percent of total household income in the project area came from tree products.

To ensure the project's policy impact and the replicability and sustainability of support for village tree enterprises, the project brought together NGO and government field staff; they were trained side by side in the MA&D approach and paired up in the field to implement the approach at village level.

Initially the project began work in 29 villages in eight sites in Burkina Faso, plus another six villages just over the border in Mali. In April 2005 TREE AID secured a grant to continue this work and expand it over five years to cover 50 villages in Burkina Faso and 20 in Mali. Additional funding obtained through the European Commission's Tropical Forests Programme has made it possible to expand the initiative further in both countries. A parallel initiative was

created in northern Ghana in late 2006. The Village Tree Enterprise initiative will soon be running in 172 villages at 17 sites (Figure 1).

PROGRESS IN BURKINA FASO

The MA&D process has been completed in 28 villages in Burkina Faso. By the end of the first phase, villagers had come up with a short list of 41 tree products with marketing potential. By the end of the process 164 tree product interest groups had emerged, with a total membership of 1 735. Each of these groups has produced an Enterprise Development Plan. In all, the plans are based on 17 different NWFPs derived from nine tree species plus various flowering plant species (Table). The aggregated income forecast in the 164 Enterprise Development Plans is more than US\$1.5 million. While it is important to stress that this figure represents potential turnover rather than realized profit, it is indicative of the relative value of NWFP markets to households with

Forest products targeted in Enterprise Development Plans

Species	Product	No. of plans based on this product	Commercial potential		
			Local	National	International
<i>Vitellaria paradoxa</i>	Unprocessed shea nuts	35	✓	✓	✓
<i>Vitellaria paradoxa</i>	Processed shea butter	23	✓	✓	
<i>Adansonia digitata</i>	Edible leaves	23	✓	✓	
<i>Tamarindus indica</i>	Fruit, mostly for juice	14	✓	✓	✓
<i>Parkia biglobosa</i>	Unprocessed seeds	13	✓	✓	
<i>Parkia biglobosa</i>	Soumbala' condiment from fermented seeds	13	✓	✓	✓
<i>Parkia biglobosa</i>	Honey (raw)	10	✓	✓	
<i>Balanites aegyptiaca</i>	Soap, produced with oil from seeds	6	✓	✓	
<i>Tamarindus indica</i>	Edible leaves (dried)	6	✓		
<i>Acacia macrostachya</i>	Edible seeds	6	✓	✓	
<i>Adansonia digitata</i>	Fruit pulp or flour, mostly used for drinks	5	✓	✓	✓
<i>Acacia senegal</i>	Gum arabic	5	✓	✓	✓
Flowering plant species	Filtered honey	3	✓	✓	
<i>Saba senegalensis</i>	Dried fruit	3	✓	✓	
<i>Ziziphus mauritiana</i>	Dried fruit	3	✓	✓	
<i>Balanites aegyptiaca</i>	Unprocessed seeds	2	✓	✓	
Flowering plant species	Beeswax	1	✓	✓	

What is Market Analysis and Development?

Market Analysis and Development (MA&D) is a methodology developed by FAO and the Regional Community Forestry Training Center for Asia and the Pacific (RECOFTC) to assist local entrepreneurs in developing income-generating enterprises while conserving tree and forest resources. The approach has been especially developed for application in areas where literacy is low and access to markets limited. It enables poor rural households to assess potential returns and risks associated with different strategies for the development of enterprises based on tree and forest products.

The MA&D process systematically includes social and environmental concerns alongside consideration of technological, commercial and financial aspects of marketing a product. It therefore enables people to identify potential products and develop markets that will provide income and benefits without degrading the resource base. Assessing local environmental sustainability is an integral part of identifying and planning potential enterprises. Guidelines have been developed to help determine which products will be most viable in the marketplace.

After preliminary planning, the process is conducted in three phases, each broken down into a series of steps:

- identification of potential enterprises – through inventory of existing resources and products, recognition of products that are already providing income for local people and elimination of non-viable products – and of financial objectives by local people interested in developing enterprises;
- selection of the most promising products, identification of potential markets and discussion of means to commercialize the products;
- preparation of an enterprise strategy and business plan and training through a pilot phase, including learning to monitor progress and to adapt when change is needed.

MA&D is a framework that can be tailored to different contexts, purposes and products. Some countries where FAO has used this approach are Burkina Faso, Colombia, the Gambia, the Lao People's Democratic Republic, Mali, Mongolia, Kyrgyzstan, Serbia and Uganda.

MA&D MATERIALS

An MA&D field manual, *Community based tree and forest product enterprises: Market Analysis and Development* (FAO, 2000) has been designed to guide field practitioners who will assist local people in conducting the MA&D process. It consists of six booklets and a map of the process.

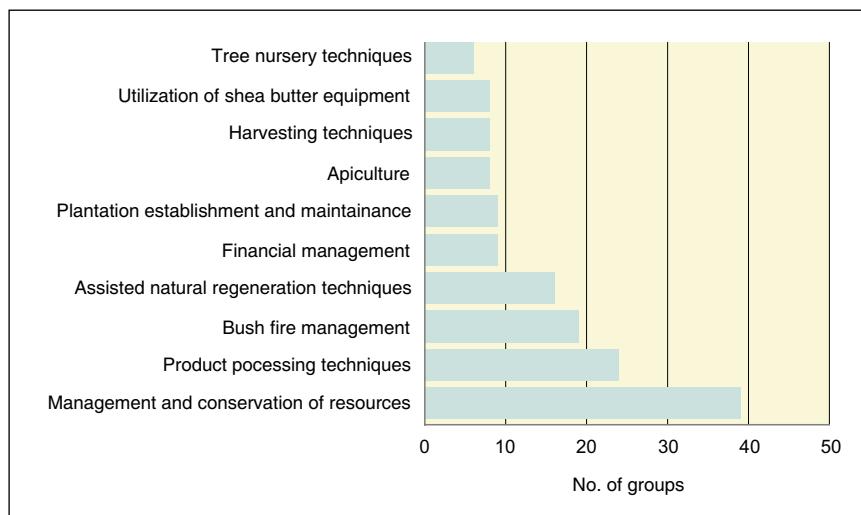
Field facilitators guidelines complements the field manual, providing easy-to-follow descriptions of practical methods and field tools that may be used to turn villagers into successful small-scale entrepreneurs. The user of the guidelines does not need to be an expert in business management in order to implement them.

Also available are case studies sharing the experiences and lessons learned in different countries, illustrating enabling conditions for developing small-scale forest enterprises.

All of these materials as well as further information are available online at: www.fao.org/forestry/enterprises

The publications can also be requested by sending an e-mail to: FO-publications@fao.org





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Identified needs for technical training

an average annual income of around US\$1 000.

Support needs identified in the Enterprise Development Plans include the following.

- **Loan finance.** All but five (159) of the groups seek loans, for a total of US\$177 000. Most loans are intended to meet requirements for working capital, with suggested repayment periods of 6 to 12 months.
- **Natural resource management.** Many plans spell out needs for material and technical support for the establishment of tree nurseries, orchards (64 ha total) and protection of existing forests (extending to 213 ha) – suggesting the potential for NWFP enterprises to stimulate local investment in sustainable management of forests and woodlands. An important aspect of the identified need is for technical training (Figure 2).
- **Organizational development.** Plans outline needs for training in financial management, cooperative management and improved literacy, along with technical support to facilitate local resource management agreements. Producers foresee a need for local agreements among forest

users to address issues such as access to and control of forest resources, conflict management, tree cutting regimes, tree product harvesting rules and bush fire management.

CHALLENGES FACED

The first participating villages took about 18 months to produce their draft plans and another six months to finalize them. The process was slowed by the lack of experience among all stakeholders, the challenges of coordinating inputs of government agencies and NGOs, and seasonal unavailability of local people engaged in agricultural fieldwork.

The main technical difficulty faced by partner NGOs and villagers was in the assessment of NWFP harvesting rates that could be sustained without degrading the resource base. Another challenge was many participants' expectation of direct material or financial assistance from donors, which other projects in the area had provided. In some project areas product targeting had to be revisited because the initial selection centred on the products' perceived social value, rather than on its economic viability as a basis for enterprise development as emphasized by the MA&D approach. Another challenge was effective involvement of poorer households and women. Women wishing

to establish fruit-tree orchards faced a particular problem, because under traditional tenure systems it is difficult for individual women to establish secure land tenure. However, groups of women were better able to negotiate with their village chiefs to secure access to land on which to plant orchards.

The progress to date suggests that the participatory and iterative nature of the MA&D approach is apt for supporting rural producers in addressing constraints and barriers to enterprise development based on the sustainable use of NWFPs. However, the approach is demanding of time and resources. Skilled facilitators, adequate investment in training (around six days for each of the three phases of the MA&D approach) and adequate field support and supervision are particularly important. As MA&D is not a quick approach, it should best be seen as an investment in long-term sustainability.

SUPPORTING PRODUCERS TO IMPLEMENT THEIR ENTERPRISE DEVELOPMENT PLANS

The next immediate priorities for the Village Tree Enterprise initiative are to:

- negotiate agreements for provision of credit services;
- consider direct support for procurement of major capital items;
- provide relevant training inputs;
- secure additional financial support for forest management components of Enterprise Development Plans through TREE AID charitable donors to enable village enterprises to invest in better management of forests and woodlands;
- recruit local staff and international specialists to incorporate new enterprise development skills in the TREE AID management team.

Recognizing that secure access to and control of forest resources for poor families will be critical if they are to benefit from NWFP development, TREE AID is embarking on a major five-year project



TREE AID

Field training for Market Analysis and Development (MA&D) facilitators, Kogyende Village, Balsalogho, Burkina Faso

(with funding from the United Kingdom Department of International Development [DFID]) to create a favourable policy environment and institutional framework for forest governance in Burkina Faso. Rather than policy change, the main concern is effective and participatory implementation of existing national policy for decentralized natural resource management and of the Forest Code. This project will work with new decentralized government structures and civil society organizations at the village or commune (township) level, government service providers and local NGO partners at the department (sub-provincial) level, relevant government ministries at the national level, and forest governance learning groups in neighbouring Mali and Ghana.

In the medium term, TREE AID also plans to:

- develop new partnerships with agencies in Burkina Faso to bring a wider range of skills and experience to the process of supporting small enterprise development;
- provide additional support for newly established producer groups and associations in business development components of their Enterprise Development Plans;
- develop national and regional mar-

ket information and communication services to support the passage of producers from local to national and international markets and to connect them to service providers and policy-makers.

These plans will be taken forward in partnership with FAO and the International Institute for Environment and Development (IIED) through the Forest Connect initiative (see www.fao.org/forestry/site/42297).

Government trade policy has not surfaced as a critical issue yet, but potential emerging issues are official and unofficial barriers to regional trade, local taxation policies of recently established commune-level government, market access for imported tree product substitutes and regulation of international trade for major tree product exports such as shea nuts/butter and gum arabic.

FOR FURTHER WORK

The Village Tree Enterprise initiative is a work in progress, and many questions are still to be resolved. For example:

- What is the right level of incentives to support entrepreneurs faced with financial capital constraints, without encouraging dependence?
- How can growing enterprises secure access to increasingly valuable resources without depriving other users or being squeezed out by more powerful interests?

- How can the outcomes of the initiative be sustained within existing, traditional social structures, with a strongly established hierarchy, while fostering representative producer groups and ensuring that the individuals or groups with the most political or economic power and influence do not capture all the benefits?
- How can it be ensured that an appropriate portion of returns are reinvested in sustainable forest management?
- What is the best way to facilitate effective communication within and among geographically isolated producer groups and networks?
- How can conflicting interests – e.g. relating to allocation of human and financial resources to support growing enterprises, and different interests of men and women – be resolved at the household level?
- How can government be encouraged to develop NWFPs to maximize not only export earnings, but also benefits for poor rural households?

Yet the Village Tree Enterprise initiative has already helped rural communities analyse opportunities, structure enquiries and overcome immediate problems in accessing information, finance and services. It has also helped them to communicate with each other and recognize mutual interests. As such it represents a step towards creating viable enterprises that can help alleviate poverty. ♦