

Livelihoods and Conservation in Partnership 5

The role of enterprise development in conservation

Poverty is multifaceted and is more than just lack of money, and livelihoods are not just about raising income. However, unless people have sufficient means to support themselves in a sustainable manner, natural resources will be used unsustainably for short-term gain, resulting in biodiversity loss. Supporting sustainable or alternative means of making a living is therefore a common livelihoods intervention for conservation organisations.

This leaflet draws on FFI's experiences of supporting small or medium-sized enterprises (SMEs) as a conservation and livelihoods tool. Key lessons are discussed, illustrated with a range of case studies from around the world.

FFI's experience with enterprise development

With our partners, FFI is supporting a wide variety of SMEs. These include wildflower harvesting in South Africa, beekeeping in Kyrgyzstan, tourism in Kenya, butterfly farming in Ecuador, non timber forest products in Cambodia, and organic cacao production in Belize, amongst others.

Some of the elements of a successful enterprise include access to markets, start up capital, continued access to financial services, production skills and business skills, good quality products, good packaging and presentation, strong institutions, competitiveness, profitability, security of tenure over resources, and a stable and supportive legal and political environment.

As a conservation enterprise, success factors include sustainable natural resource use, clear links with biodiversity conservation, certification (in some cases), ongoing monitoring of resource use or environmental impact, and evidence of changing attitudes towards biodiversity and conservation.

Key challenges to success include lack of research and planning, poor market knowledge and analysis, poor business and management skills, small economies of scale, unequal benefit sharing, insecurity of tenure, production of luxury or non-vital goods with changing and fickle demand, external shocks, high transaction costs, lack of information and infrastructure, unsupportive or complex legal and

political environments, and weak, indirect or complex links between the enterprise and biodiversity conservation.

Key lessons

- Many enterprises have not been developed strategically, but rather on an *ad hoc* basis as conservation projects progress. This approach draws on the enthusiasm and ideas of project staff and communities, but it often leads to poor planning and a high risk of a weak business. Whilst conservation staff clearly understand biodiversity and the potential impacts of certain business activities, they do not necessarily have the essential skills and knowledge to build a successful business.



Above: Women's groups on Pemba Island, Tanzania, are producing woven baskets for local markets.

• Even small local enterprises can be affected by the global context. International trade rules currently disadvantage poorer countries and poor producers and do not encourage sound environmental management. An increasing emphasis on corporate social responsibility and the growth of fair trade and organic goods is encouraging and can potentially bring enormous social and environmental benefits.

• Increasing the market share of the poor can contribute to poverty reduction but it must be done in a way that improves the terms in which the poor engage in markets, ensuring that people receive a fair price for their goods and are able to participate in markets on more equitable terms.

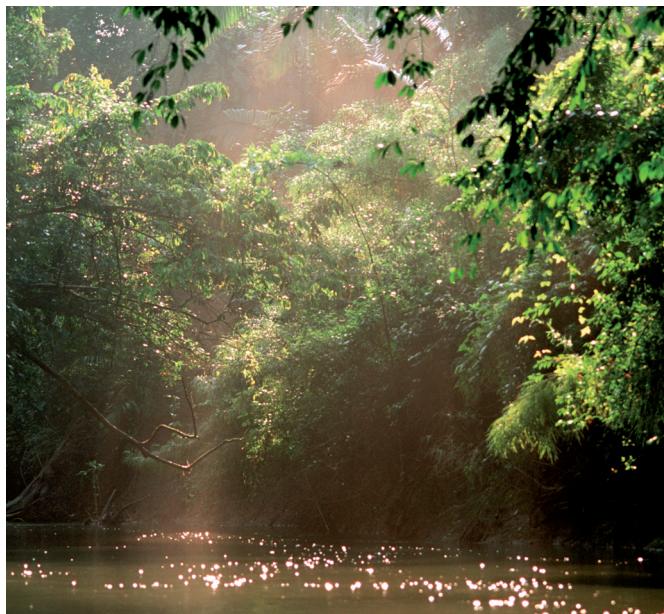
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- Those living in poverty often lack the organisation and power that would enable their effective participation in markets. Small scale producers can benefit from forming organised groups, and the groups supported to gain improved access to appropriate markets. As part of a group, individual producers have both greater bargaining power and reduced costs.
- Small scale producers should be supported to develop appropriate products for which there is a market. Whether a product is appropriate depends on the social, cultural, economic and environmental context.
- The most successful enterprises are often those where relationships have been facilitated between community initiatives and existing business concerns who have access to ready markets, for example lodges built on community owned land being managed by or having visiting agreements with national tourist operators.
- In a number of cases, enterprise development has focused on those activities that benefit men in particular, either because they are more visible or because men traditionally take on the role of 'breadwinner' in terms of cash income. Where women are involved, it is often as wives rather than as individuals in their own right, and enterprise development focuses on their traditional gender roles and activities (such as bead work or food preparation), often adding to rather than lightening their workload. Whilst the skills and income gained can be empowering, in some circumstances women can be further disadvantaged.



Above: Community-based initiatives will provide an incentive for the conservation of the Golden Stream River watershed in Toledo District, Belize.

• A common challenge is the often unrealistic expectations of both communities and organisations involved in enterprise development. Especially in the context of developing economies, enterprise development can be a long process for quite modest returns.

- Given the contextual constraints faced by SMEs in developing countries it should be recognised that they may take longer to mature and reach financial sustainability than enterprises in more developed regions. In addition to the country level context, many enterprises supported by conservation organisations will be located in remote regions with poor infrastructure and services.
- Given the multiple objectives for conservation organisations to support SME development, relating to both livelihoods and conservation, it is important that enterprises are not judged only on their financial sustainability. Livelihoods are not just about income - an enterprise that is less successful financially may have important benefits relating to awareness, confidence, skills and empowerment.

Belize

The Toledo District of southern Belize is the poorest in the country and also contains one of Central America's last unbroken stretches of tropical broadleaf forest.

FFI, together with local partner the Ya'axché Conservation Trust, has supported local Mayan farmers to produce organic cacao, traditionally used to make a hot spicy drink with little cash value, but now in demand from chocolate manufacturers. Cacao can be grown under the forest canopy, alongside other high-value crops such as vanilla and nutmeg, and is thus more biodiversity-friendly than other forms of agriculture.

Farmers have received ongoing training and support over the several years required for cacao to mature to first harvest. They are also members of the Toledo Cacao Growers Association, which buys from rural farmers and sells to UK importers. This ensures that farmers choosing to switch to organic production have a guaranteed market and price for their product.

Other alternative livelihoods initiatives in these communities, based on value-added timber products and tourism, have proved more challenging. This is in part because they were not so clearly demand driven and have less secure and/or less accessible markets. Such enterprises will take longer to mature and require careful business planning.

Cambodia

The Cardamom Mountains are of global significance to biodiversity but are also home to some of the poorest people in Cambodia. As part of a wide suite of activities, FFI has been supporting communities to generate income in ways that are sustainable and linked to biodiversity conservation.

Support has been given to form a marketing cooperative and now communities can sell food and renewable non-timber forest resources direct to buyers in the cities. Through cooperative marketing, earnings per kilogramme from sustainably harvested wild cardamom spices increased fourfold between 2004 and 2007.

Village savings groups have also been encouraged. By mid 2007, there were 30 farmer saving groups and farmer associations with a membership of 752 individuals, including 472 women. Accumulated savings have increased markedly, up by 150% between 2006 and 2007.

In the early stages of this project, time was spent building trust with communities and understanding their needs and environment, following which land use and natural resource management plans were developed. Guidance and training has strengthened communities' capacity to



Above: By establishing cooperatives, women can sell the cardamoms harvested by their community directly to market, for a higher price than before.

Kyrgyzstan

In Kyrgyzstan, local communities are greatly reliant on natural resources which are under pressure through unsustainable use.

FFI has been supporting a Small Grants Programme (SGP), which provides funds to local NGOs to support small-scale social-enterprise development. One such project identified a new market opportunity created in the post-Soviet environment. Apple crates used to be produced in Russia, but with the collapse of the Soviet Union this supply ran out and people began stealing wood from forest reserves. A small grant supported the planting of willow trees as a fast-growing alternative, and the establishment of a carpentry workshop.



Above: In Kyrgyzstan, the development of cooperatives is leading to a resurgence in traditional crafts such as feltmaking.

The SGP has enabled the development of a number of successful local enterprises, even though this was not an explicit aim of the SGP. It has also had other positive livelihood impacts, such as the empowerment of women within their communities through their role as project leaders.

Although the direct positive impacts on biodiversity have, to date, been limited, a strong network of environmentally aware NGOs has been developed. This lays strong foundations for future support that more explicitly links biodiversity conservation to SME development.

South Africa

The Agulhas plain in South Africa is a global biodiversity hotspot, containing over 2000 fynbos species of which over 100 are harvested. FFI has been supporting the Flower Valley Conservation Trust (FVCT) and associated trading company FYNSA to develop and promote the sustainable harvesting of fynbos wild flowers.

FYNSA purchases flowers from FVCT and a few other suppliers, and sells these to a UK retailer under the Flower Valley brand. Suppliers are trained in sustainable fynbos management, the development of a certification system for sustainable harvesting, and compliance with national social and workers standards.

The Flower Valley initiative has brought benefits to local people, in particular women and children from informal settlements, by providing employment under conditions superior to those of most rural employers in the district, and through training and education.

Flower Valley is also making a significant contribution to the conservation of fynbos habitat, through directly conserving fynbos under its management control, influencing other suppliers to manage and harvest fynbos sustainably, and lobbying other stakeholders including land owners, buyers and government agencies. Expanding and diversifying the industry, and ensuring sustainability standards are upheld, will be key to the long-term conservation impact of the project.



Above: Harvesting wild fynbos flowers in South Africa can bring benefits for both local communities and biodiversity.

Contact:

This is one of a series of leaflets produced by the Biodiversity and Human Needs team at FFI. For more information contact livelioods@fauna-flora.org

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Recommendations for conservation enterprise development

- Do your research – is the business feasible, locally appropriate and environmentally sustainable?
- Bring in business expertise, do a feasibility study and make a business plan.
- Allow enough time for enterprises to become established.
- Ensure local expectations of what can be delivered are realistic.
- Consider community dynamics and who might benefit and who might be disadvantaged, including the role of women.
- For community enterprises, ensure ownership and management structures are clear.
- Support the establishment of local associations and trading groups for support and access to markets.
- Promote fair trading relations with buyers to ensure a good deal for suppliers.
- Measure the impacts – they are likely to be far more than just income and jobs.
- Remember why you are there - keep an eye on the conservation outcomes.

About FFI

FFI is the world's longest established international conservation body. Active in over 40 countries around the world, FFI develops, implements and manages biodiversity conservation projects in partnership with host country organisations, to protect and conserve species and ecosystems. FFI's guiding principles are to work through local partnerships, to act as a catalyst for change, to make conservation relevant and to base decisions on sound science.