



COMMUNITY FORESTS AND COMMUNITY FOREST ENTERPRISES DEVELOPMENT SURVEY IN SOUTH RAKHINE



CFE strengthening programme

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ACRONYMS AND ABBREVIATIONS

AD	Assistant Director
BIF	Business Innovation Facility programme
CF	Community Forest(ry)
CFE	Community Forest Enterprise
CFWG	Community Forest Working Group
CFNWG	Community Forest National Working Group
CFUG	Community Forest User Group
CSO	Civil Society Organization (NGO, INGO, No profit Association)
EFY	Elephant Foot Yam
FD	Forest Department
GoM	Government of Myanmar
IGA	Income Generating Activity
INGO	International Non-governmental Organization
MADB	Myanmar Agriculture Development Bank
MA&D	Market Analysis and Development
MFFVPEA	Myanmar Fruit, Flower and Vegetable Producer and Exporter Association
MIS	Market Information System
MONREC	Ministry of Natural Resources and Environmental Conservation
MRBEA	Myanmar Rattan and Bamboo Entrepreneurs Association
RBA	Rakhine Bamboo Association
NTFP	Non-Timber Forest Product
RBA	Rakhine Bamboo Association
RECOFTC	Regional Community Forestry Training Center for Asia and the Pacific
RYER	Rakhine Yoma Elephant Range
SSID	Small-Scale Industries Department
UNDP	United Nations Development Programme
UNOPS	United Nations Office for Project Services

1. SUMMARY OF CONSTRAINTS FOR THE DEVELOPMENT OF CFEs

The constraints identified in Deliverable III, chapter 7, classified according to the 5 development areas, can be organized in terms of the time span that is necessary to address and solve them.

- **Short term constraints:** constraints that can be faced in 1 year time and overcome with ordinary actions by local communities with external support;
- **Medium term constraints:** constraints that need extraordinary actions to be overcome. Based on existing conditions a 1 to 3 years time span is necessary;
- **Long term constraints:** from 3 to 5 years are needed to implement an organized and complex market/production system with local and external actors and stakeholders.

1.1 SHORT TERM CONSTRAINTS

1.1.1. Institutional and legal area

Constraints/Limits/Issues/Difficulties/Weaknesses/Threats	Products (if applicable)	Comments	Strategies/Solutions
1.1.1.1. The CFEs are recognized according to the Community Forestry Instruction (2019) but they are not registered as enterprises yet, which creates difficulties for credit access. The FD recognition of CFEs is not a business registration. CFE must be registered in order to obtain bank loans or support from SSID	General context	Our survey found out that CFEs can be registered by the SSID	Legal opportunities for CFE registration seem to be already available

1.1.2. Natural resources management and environment area

Constraints/Limits/Issues/Difficulties/Weaknesses/Threats	Products (if applicable)	Comments	Strategies/Solutions
1.1.2.1. Information about availability of resources in terms of quantity and accessibility, as well as information about sustainable harvest is missing in the Management Plans. The impact of the current bamboo extraction has not been deeply assessed too	Bamboo - <i>Melocanna baccifera</i>	Detailed information about resources availability, quality and accessibility is necessary to develop the enterprise and its plans	Local inventories and specific resources plans can be easily developed in the study area

1.1.3. Economy/market/finance area

Constraints/Limits/Issues/Difficulties/Weaknesses/Threats	Products (if applicable)	Comments	Strategies/Solutions
1.1.3.1. Suitable market areas are not yet identified by the CFs members because available resources and the market are not known	General context	The products have been identified by this survey and the market possibilities have been studied	Detailed resources' inventories are mandatory for further steps to the CFE development
1.1.3.2. The CFs members have none or limited contacts with value chain actors other than local actors	General context	Essential information about market and value chains in the local context has been collected by this survey	The collected information represents the basis for the next development plans
1.1.3.3. Limited access to loans from banks or government is related to the business registration	General context	Our survey detected that CFEs can be registered by the SSID	After the CFE's registration the access to the financial market is easier

1.1.4. Social and cultural area

Constraints/Limits/Issues/Difficulties/Weaknesses/Threats	Products (if applicable)	Comments	Strategies/Solutions
1.1.4.1. Many stakeholders in the market do not know what a CF is and they are not willing to pay an higher price for CF products	General context	Gaining the market trust for CF products is a matter of customers awareness and engagement	An awareness and marketing campaign about CFs and their products need to be organised in main local markets (Thandwe, Gwa, Kyeintali)
1.1.4.2. Limited local participation in maintenance and restoration of the environment, natural resources and weak knowledge and awareness related to forests services and resources. Weak sense of ownership towards forests and natural resources.	General context	The current project engaged local communities to boost participation in sustainable forest management and development	After the actions implemented by the current project, follow-ups meeting are necessary to secure the results achieved

1.1.5. Technology and products development area

Constraints/Limits/Issues/Difficulties/Weaknesses/Threats	Products (if applicable)	Comments	Strategies/Solutions
1.1.5.1. Limited capacities to	General	Suitable products	Vocational and

identify profitable market products whose production is feasible with the existing skills and technology	context	which require moderate technology and skills have been identified during the current survey	technical trainings to improve local skills and inventiveness can be provided by NGOs in collaboration with local experts
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1.2 MEDIUM TERM CONSTRAINTS

1.2.1. Institutional and legal area

Constraints/Limits/Issues/Difficulties/Weaknesses/Threats	Products (if applicable)	Comments	Strategies/Solutions
1.2.1.1. The relations with the public sector are very weak. The FD is the only institutional contact for CF members. Local communities have limited access to information concerning legal framework for enterprises	General context	Relations with the public sector is essential in order to gather information for the development of an enterprise	Strengthening and expanding the network among stakeholders and communities with the government office
1.2.1.2. Policy and legal frameworks are complex and CF members need outsourced support for bureaucratic procedures in the CFEs start-up phase (harvesting permission, transportation permission, commercialization permission, taxes and registration of the enterprise). Moreover the duration of the permission for harvesting resources is too short (1 year)	General context	Intensive technical support is necessary for the first stages of an enterprise but continued support should be also foreseen	Consultants must be identified for the start-up phase (vocational trainings for appointed CF members) and also for the implementation phase to support the activities
1.2.1.3. Written contracts/agreements along the market chain are not commonly used	General context	This makes communities weaker if compared to the other business actors along the market chain	Trainings to increase communities' awareness and negotiating power are required

1.2.2. Natural resources management and environment area

Constraints/Limits/Issues/Difficulties/Weaknesses/Threats	Products (if applicable)	Comments	Strategies/Solutions
1.2.2.1. People primarily base business on locally and customary well-known	General context	CF members' mindset should evolve from a	CFUGs must be accompanied through an

resources, products, and production technology. Some resources are seasonally available and villagers are only occupied during certain periods.		customary-subsistence-oriented model to an enterprise-oriented model. Tasks should be shared among members to secure the enterprise income all year long	adaptation to some socio-cultural changes. A technical medium-term support is desired. Products or process diversification should be achieved
1.2.2.2. Limited land available for crop	Agro-forestry	Agroforestry is a cash-crop. It contributes considerably to the future CF management. Forests and farmlands around villages constitute an integrated system contributing to the villagers livelihood	Each CFs (or the CFE) should increase the land availability for agroforestry crop acquiring new lands
1.2.2.3. Only one average quality bamboo species is abundant in the southern part of the study area and some CFs in the northern part do not have enough bamboo in their CF. Also this species flowers every 50 years and all the pipes die before the re-growth. For the private sector, bamboo plantations are more reliable and easier to manage than natural forests	Bamboo - <i>Melocanna baccifera</i>	Natural bamboo has to be sustainable managed and used, taking into account its natural life cycle. Diversification of bamboo species should be seek on the medium term	Bamboo business in the study area should be organized in a coordinated system between harvesting and processing sites. High quality bamboo plantations should be included
1.2.2.4. Wild EFY is less valuable than the cultivated one, because its smaller size	EFY	Farmed EFY must be promoted	The CFUGs should be helped with start-up funds and technical support at least in the first phases

1.2.3. Economy/market/finance area

Constraints/Limits/Issues/Difficulties/Weaknesses/Threats	Products (if applicable)	Comments	Strategies/Solutions
1.2.3.1. The CFUGs, at the moment, are not self-directed; they need motivational, technical and financial support to explore new markets and establish contacts with new customers. There is no market strategy	General context	CFUGs need to be pulled, but not pushed, to establish a CFE, at the moment. Lack of skills doesn't allow the production of	CFUGs must be accompanied through an adaptation to some socio-cultural changes. A technical medium term support (MA&D process) can be effectively adopted

and they cannot afford the cost of a proper business/enterprise development plan service		CFUGs to reach effectively the market	with the collaboration of market specialists
1.2.3.2. Despite most of IGAs members attended start-up training courses in business and administration they need further support, advice and consultations. CFUGs struggle in bookkeeping and monetising the labour work	General context	Start-up trainings are essential to start a business but follow-ups are needed	A centralized technical service centre could be helpful for the communities that intend to start and run an enterprise
1.2.3.3. Working capital funds and long-terms are essential during the business lifetime. The credit access is difficult. Saving and credit groups are often the only option. Trader credit or payment delay are favourably accepted	General context	Any financing form is vital for an enterprise's subsistence. CF members' mindset should evolve from a customary-subsistence-oriented model to an enterprise-oriented model	Enterprise registrations should ease the finance access. Trainings to increase communities' self-awareness and negotiating power are required.
1.2.3.4. The network is narrow, same customers and same traders and few exchanges. Cooperation is poorly adopted as a system to overcome context constraints and to improve the economic efficiency of the business. See the Soe Bon case ¹ .	General context	Network among market actors and cooperation are the main drivers of development. Competition cannot be the solution. Link with customers, private and public sectors is essential for the development of an effective enterprise	Promoting, organizing and supporting any cooperation ventures Strengthening and expanding the network among stakeholders and communities with the government office and the private sector.
1.2.3.5. At the moment the main constraint for the CFs in the target area, in order to develop and enlarge market opportunities, is the initial investment for the plantation.	EFY	Lack of current assets strongly limits the future chances even in low investment production	Provide a start-up capital can be essential in the agroforestry sector

1.2.4. Social and cultural area

Constraints/Limits/Issues/Difficulties/Weaknesses/Threats	Products (if applicable)	Comments	Strategies/Solutions
1.2.4.1. Internal conflicts	General	CFUGs need to be	CFUGs must be

¹ In Soe Bone village almost all the households are involved in the bamboo mats business. They are not organised as a unique group of enterprise, but they work in competition. The value chains for the same product, produced in the same site, are different with different actors involved; it results in different prices for customers belonging to the same final market.

among CF members can arise when they have different approaches or entrepreneurial attitudes. CFE members can be a subgroup of the CF's members	context	pulled but not pushed to establish a CFE. A conflict sensitive approach must be adopted	accompanied through an adaptation to some socio-cultural changes. A technical medium-term support (MA&D process) can be effectively adopted
1.2.4.2. CFUGs and facilitators are generally not aware of sustainable enterprise development. The process needs time and participatory support	General context	Thanks to the present project some essential steps towards the awareness of community and facilitators have been done	CFUGs must be accompanied through an adaptation to some socio-cultural changes. A technical medium-term support (MA&D process) can be effectively adopted

1.2.5. Technology and products development area

Constraints/Limits/Issues/Difficulties/Weaknesses/Threats	Products (if applicable)	Comments	Strategies/Solutions
1.2.5.1. Most CFs do not have specific skills and knowledge of production processes to create new design and to innovate the products or the process	General context	Efficiency in the process (use of raw material, energy, labour work, transportation...) and high quality standards of the products lead to the market success	Start-up and ongoing technical trainings are necessary. Specific skills and specific tasks should be provided to the members of the enterprise
1.2.5.2. Difficulties in contacting customers and in getting feedbacks from them, leads to a gap between the customers' needs and the supply available	General context	Market analysis and feedback from customers lead to an improvement of products and services	Producers and consumers can be better connected through networking and technology
1.2.5.3. A considerable investment is necessary for a EFY drying machine, and it can be feasible only for a large scale group of villages	EFY	Lack of funds to finance fixed assets strongly limits the future chances	Provide a start-up capital to add value to the fresh products in order to expand the market out of the local one

1.3 LONG TERM CONSTRAINTS

1.3.1. Institutional and legal area

Constraints/Limits/Issues/Difficulties/Weaknesses/Threats	Products (if applicable)	Comments	Strategies/Solutions
1.3.1.1. The national scenario of the CFs and of the legal status and governmental	General context	Coherent laws and regulations support the efforts to	Contribute to the CF Working Groups activities at different

support to CFEs is still uncertain. At the moment CFEs have to pay the same harvesting taxes and other taxes along the supply chain as larger companies, long procedures and informal charges are impacting negatively the trade		develop CFE in a systematic manner. Recently Myanmar Government is adapting and strengthening the legal framework about CFs/CFEs	level (local, regional, national).
1.3.1.2. Investments of the private sectors are not currently included in rural development plans	General context	The engagement with private sector provides a mutual advantage for all, either the CFUGs or the privates	Connect with private sector associations to establish partnership since the beginning of the development of the CFE

1.3.2. Natural resources management and environment area

Constraints/Limits/Issues/Difficulties/Weaknesses/Threats	Products (if applicable)	Comments	Strategies/Solutions
1.3.2.1. CFs size is too small to develop a one-to-one sustainable CFE	General context	A sustainable enterprise needs resources and assets for its long-lasting activities. Forest's raw material supply is mandatory for a CFE recognition. Forest and farmland around villages constitute an integrated system contributing to the villagers livelihood	Many narrow CFs can be organized in a communities' supply chain or associations or cooperatives. CFs' dimension should be much larger, scaling them up to commercially feasible/profitable size. More integrated land-use policy has to be achieved; CFEs should deal with both forest and farm-related products.
1.3.2.2. Lack of inventory data and information about the current status of bamboo resources at regional level (Rakhine State) and national (Myanmar)	Bamboo - <i>Melocanna baccifera</i>	The status of the resource in the area can be useful for long term and large-scale planning and for design market strategies	Cooperate with the local, regional and national Bamboo Associations (producers and entrepreneurs)

1.3.3. Economy/market/finance area

Constraints/Limits/Issues/Difficulties/Weaknesses/Threats	Products (if applicable)	Comments	Strategies/Solutions
1.3.3.1. Market is unstable as well as prices for selling and purchasing products and materials are affected by	General context	Prices variability is a common condition in the market. The actual	Strengthening the network with the actors along the market chain and training the

seasonal fluctuations		constraints are the few chances of information exchange along the value change.	potential entrepreneurs to raise their awareness and bargain power
1.3.3.2. South Rakhine is a remote area, uplands are between sea and mountain range. Shipping goods out from the region is very expensive, there are high transportation costs	General context	Extend market or explore new markets, at least at the national level, should be the aim of the enterprise	Improve the logistic capacity in an organized transportation system
1.3.3.3. The competition in the market of EFY is high in Myanmar. In South Rakhine, competition involves mainly the wild fresh products	EFY	Farmed EFY is more competitive in the South Rakhine market as it is not so common	Producers should cooperate and organize themselves in a supplier group of EFY farmers

1.3.4. Technology and products development area

Constraints/Limits/Issues/Difficulties/Weaknesses/Threats	Products (if applicable)	Comments	Strategies/Solutions
1.3.4.1. Better technology for the value chain in order to produce value added products (processed EFY, bamboo furniture, etc.) is needed	General context	According to the products, the level of required technology could be variable	The CFUGs should be helped with start-up funds and technical support in the first phases in order to access to the required technology
1.3.4.2. Not sealed road conditions and the insufficient electric power grid limit the array of production opportunities in some villages	General context	Infrastructures and telecommunications are crucial external factors in the market system	Contribute to Working Groups activities at different level (local, regional, national) advocating with decision-makers for infrastructures improvements and centralize the productive activities along the main roads

2. ACTIONS IMPLEMENTED TO OVERCOME SHORT-TERM CONSTRAINTS

Thanks to the present project and to the previous activities carried out by OIKOS in the area, some of the constraints have been addressed and overcome or are in the process of being overcome.

The list below shows the constraints that, at this stage of the project implementations, can be considered solved or partially solved:

- *1.1.4.2. Limited local participation in maintenance and restoration of the environment, natural resources and weak knowledge and awareness related to forests services and resources. Weak sense of ownership towards forests and natural resources.*

Local communities were engaged with a series of activities aimed at raising awareness on the importance of forest conservation and strengthening the participation in the conservation and development programme.

Between October and November 2019, the field team, consisting of the Senior Forest Expert and three Field Assistants, met with the local communities of Thandwe Township in order to discuss about the benefits of sustainable forest management and conduct an assessment of the interest and potential participation of the local population in the community forest programme. Out of 8 villages surveyed, the members of *Kyar Kite, Thar Yar Kwin Tha Yet Pin Kwin and Nwar Chan* demonstrated remarkable interest in forest conservation initiatives and received detailed information on the process to apply for community forest. Meetings with the groups were organized every week in December in order to support the members in group-forming and create the capacity to begin the CF application. A total of 44 representatives participated to the events. During the meetings some village members expressed concerns about issues related with land rights: the rural population of Southern Rakhine relies mostly on customary rights and do not own legal certificates for the use of land. It was remarked how the community-based initiatives, carried out by the current project, can provide tools to secure land rights for local communities. All members of the groups expressed interest in continuing the process for the creation of CFs and participated actively to the Istituto Oikos' conservation and development programme.

In January 15th a general workshop with the representatives of the four villages above mentioned, 14 CFs, 2 CFEs and 26 community-based small businesses supported by Istituto Oikos, was organized in Kyeintali, at the Istituto Oikos and Rakhine Coastal Region Conservation Association (RCA)'s Environmental Education Centre. Main goal of the event was to strengthen the sense of community, create a network of local forest users and small entrepreneurs, and boost participation. Members of the groups had the chance to meet for the first time and discuss about the challenges they face in their activity and the opportunities that networking offers to overcome them. During the workshop several topics were discussed, including the definition of CFE, the CFE in the new Community Forestry Instruction (2019), the Community Forestry Strategic Action

Plan 2018-2020, the notions about the 5 aspects of sustainability of an enterprise (Natural Resource/Environment, Social/cultural, Legal, Market/Finance, Technological) and the meaning of doing responsible business.

Members of 10 community forests were supported to establish voluntary groups to monitor the implementation of the CF regulations and watch over the forest land to ensure that trees were not illegally cut and efforts for their protection were not wasted. A total of 115 people participated in this pilot programme and reported a reduction of illegal activities carried out inside their CFs. This initiative, other than protecting the plants from illegal activities, boosted the sense of ownership of the local communities which were recognized as legal user and monitor of the forest land. FD expressed interest in this initiative and supported it providing assistance in drafting the internal rules and operational procedures.

Thanks to the activities implemented, lack of awareness and participation of CF members are no longer a threat. People are aware of the rights (and duties) and opportunities related to the CF certification in terms of tenure rights and resources exploitation; they have a strong sense of ownership and willingness to spend time and efforts in forest conservation.

- 1.2.2.2. *Limited land available for crop*
- 1.3.2.1. *CFs size is too small to develop a one-to-one sustainable CFE*

At the moment, extending the CFs' boundaries seems not applicable; the present project contributed to the increase of the supply system of the study area with the establishment of 4 new CFs.

After the assessment carried out in October and November, four villages were selected due to the traditional land use of their members and their interest in sustainable forest management: *Kyar Kite, Thar Yar Kwin Tha Yet Pin Kwin and Nwar Chan*. These villages are situated in the northern part of Thandwe Township, In proximity of four other villages which were supported to obtain the CF certificates by Oikos in 2018. In December, 84 members of the new villages, which constitute the Community Forest User Groups (CFUGs), were provided with technical trainings on group forming, the process to apply for the CF and forest management. The election of a management committee for each village, consisting of a chairman, a treasurer and a secretary was facilitate by the project staff. Two of the villages elected the management committee by voting, while other two did it through a public discussion at the monastery. Oikos' staff monitored the process to ensure transparency within the group.

At the end of December two FD staff visited the proposed CF areas and marked their borders with GPS receivers. After the initial informal approval of the villages, Thandwe FD raised some concerns about the land requirements of the selected groups. The recently appointed FD Assistant Director of Thandwe District, contested that the type of land where the proposed CFs fall, was not available for community management programmes according to the FD working cycles defined by his office. This interpretation has been opposed by the FD Director of Rakhine State, who was invited to participate to a consultation meeting in Kyeintali on 4/02/20 and 6/02/20. The project staff initiated a mediation between the FD at State and District levels and after a month of consultations, Thandwe FD agreed to confirm the pre-selected groups and proceed with the application process.

Application forms and FD recommendation letter were collected at the end of March 2020 and were submitted to FD. During this time, the outbreak of the Covid-19 imposed severe restrictions to the project activities and forced a slowdown of the CF programme. Meetings and gathering were ordered to be temporary suspended, and so the CF trainings planned for April were postponed. The field staff continued to meet representatives of the local communities and the FD in order to ensure that the process for the certification of the new CF was followed. The activity plan was rearranged in order to adapt to the regulations and carry out the planned activities. Meetings with the communities were limited to the field staff already resident in Rakhine and the CF chairmen, following the prescriptions of the recognized health organizations: meetings open door, use of mouth masks, use of hand sanitizer, temperature measurement, social distance ensured. Further technical trainings for forestry management will be provided to all the community members once the restrictive measures for gatherings will be lifted. The FD will confirm the certification of the four new CFs in the coming months. Istituto Oikos will monitor the process and provide the support needed until the CFs will be officially recognized.

- *1.1.3.1. Suitable market areas are not yet identified by the CFs members because available resources and the market are not known*
- *1.1.3.2. The CFs members have none or limited contacts with value chain actors other than local actors*

Over 50 people, representatives of CFUGs, CFEs and small community-based businesses, also called "Incoming Generating Activities" (IGA) of the target area took part for the first time in a CFE focused event in mid-January: they listened and discussed about new opportunities from other CFEs experiences. CFUGs members were interviewed about resources and future plans for their CFs. During this workshop all products available inside CFs were listed by their members and they were reviewed one by one. Concepts of sustainability and market potential were discussed with the participants. An international expert on forest management facilitated the discussion. In order to strengthen the connections between members of different CFs and the entrepreneurs, several interactions between the participants were coordinated. CFUGs were asked to interview entrepreneurs about their challenges in the market and report about their answer together with ideas to improve the businesses.

One IGA (Soe Bon village) and some of the related market actors have been deeply surveyed in January and February. This IGA is specialized in trading bamboo products and its market was assessed and presented in the previous report (Deliverable III). Links between collectors, producers, transporters, retailers and buyers were traced. This village was chosen as an example to design a model where a group of CFs, strongly connected, provides raw material for a centralized enterprise which manages the trade. Members of Soe Bon were met and interviewed several times in January, February and March, with the participation of CFs representatives.

All these project activities contributed to the strengthening of the local network of CFs and provided opportunities to the members to exchange knowledge and ideas about forest management and enterprises' development. Oikos' local facilitators have been also trained on networking and creation of CFEs: they now can support

the communities providing information, initial general trainings, and recommendations on business development.

- *1.1.1.1. The CFEs are recognized according to the Community Forestry Instruction (2019) but they are not registered as enterprises yet, which creates difficulties for credit access. The FD recognition of CFEs is not a business registration. CFE must be registered in order to obtain bank loans or support from SSID*
- *1.1.3.3. Limited access to loans from banks or governments is related to the business registration*

Despite the legal and policy framework is still uncertain and unclear at national level, the present survey has summarized and clarified the most relevant information, presented in detail in the previous report (Deliverable III, 5.3.6, 5.3.7). Key finding is that the CFEs must be registered in order to access credit opportunities and receive support from the government. The recognition of CFE itself does not constitute the registration but CFEs can apply to the Small Scale Industry Department (SSID) and be recognized as small or medium enterprise.

In order to gather information on the legal framework, a first data collection was organized on the field, involving small entrepreneurs of southern Rakhine and the two already existing CFEs. At the same time an assessment of the knowledge of local communities of the existing legal framework was conducted. During a public meeting organized in late February, a representative of the CFEs explained to the local community that they are considering to register the enterprise at SSID in order to access credit, trainings and regulate their position. Members of the small businesses supported by Oikos, which received trainings on the constitution of enterprises, demonstrated to be more aware of the existing regulation.

Technical information on the legal framework were obtained from an expert on small and medium enterprises. Daw Win Win Kyi, professional consultant for the Myanmar Government at SSID, was interviewed in March and supported the compilation of detailed information on the possible forms of enterprises in Myanmar. All the information collected were summarized and schematized to create a guide to the current legal framework, which now constitutes the baseline upon which the institutional profile of the future small community-based enterprises will be modelled.

- *1.1.5.1. Limited capacities to identify profitable market products whose production is feasible with the existing skills and technology*

The feasible products for the creation of CFEs have been assessed in collaboration with the local communities in January and February. Starting with the workshop of 15th January mentioned in the previous section, all the products present inside the CFs were assessed. Firstly, the participants were asked to list all forest products they knew to occur within the borders of their CFs and indicate which of them were thought to have the best characteristics for the development of enterprises. The highest ranked products in the list were: elephant foot yam, banana, ecotourism, wood furniture and bamboo handicrafts. Then the products were evaluated according to the "five areas of enterprise development": 1. *Environmental*, 2. *Social*, 3. *Institutional*, 4. *Technical*, 5. *Commercial/Financial*.

This approach worked as a "filter", which eliminated (for the moment) non suitable products: ecotourism cannot be profitable in the short term because there are not skills, facilities and structure for tourism, also Rakhine at the moment is not a popular destination among international travelers due to the ongoing conflicts; for a competitive market of wooden furniture, technology and high skills are needed as well as abundance of raw material and the trees planted for timber extraction are still very young. After explaining these reasons, the participants decided to eliminate ecotourism and wooden furniture from the list and focused their attention on: elephant foot yam, agroforestry and bamboo. Specific characteristics of each product are listed in Deliverable III, Annex E.

The local communities expressed great interest for the market of bamboo and elephant foot yam, therefore the project staff, coordinated by the International Senior Forester, conducted a detailed analysis of these products. First the availability of the resources was assessed by interviewing the CFUGs and through remote sensing, by measuring the available area of CF. Experts on bamboo and EFY were contacted in order to receive technical information on the products, their availability, their cultivation and their market. The President and managers of the Bamboo and Rattan Myanmar Entrepreneurs Association were met in Yangon on the 7th of February and a representative of Rakhine Bamboo Association was met in Rakhine at the beginning of March. On the 8th-10th of March an expert on EFY was invited in Kyeintali to provide a training and discuss opportunities for enterprises with the staff. At the same time the existing market of bamboo and EFY at local level was assessed. Starting from the village of Soe Bon, where its members are collectively involved in producing and trading bamboo mats and other products thanks to the support received by Oikos, traders, transporters, retailers and buyers were identified. The price of the products at every stage was traced. Interviews with all the actors involved in the value chain were conducted in order to understand the availability of the products, quantify the demand and monitor price variations. Detailed information are provided in Deliverable III, 5.3.4. Other than collecting information, the project contributed to establish connections with important associations and groups of entrepreneurs as RBA and MRBEA, which will be useful for the future development of enterprises and to approach the local and national market.

- *1.1.2.1. Information about availability of resources in terms of quantity and accessibility, as well as information about sustainable harvest is missing in the Management Plans. Also the impact of the current bamboo extraction has not been deeply assessed*
- *1.2.5.1. Most CFs do not have specific skills and knowledge of production processes to create new design and to innovate the products or the process*

Local communities received several trainings aimed at improving their technical skills and their understanding of market. The villages of *Kyar Kite, Thar Yar Kwin Tha Yet Pin Kwin and Nwar Chan*, which were supported to establish four new CFs, were trained on several aspects of community forestry. Starting from the first week of December, four trainings for each group were provided until the end of the month by the Senior Forester and three field assistants. The following topics were discussed: ecosystem services, importance of forest environments, the concept of CF, CF rules issued by FD, forestry operations for CF and formulation of CF

management plan. Out of 84 people who took part to the informative meetings on CFs, 35 representatives of the CFUGs were trained and improved their understanding of CF and their capacities in sustainable forest management. Between January and February 2020 the project staff supported other four CFUGs established in 2018 (*Ma Ne Kwin, Kyar Pyit Kone, Aung Tha Pyay and Hmyar Chaung*) with practical forestry operations. The villagers were taught to build durable nurseries, how to transplant the seedlings and how to make a fire-line to protect the plants from the frequent natural fires occurring during the dry season.

Financial trainings were provided by the project staff to 102 representatives of 10 CFUGs during the month of October. This training was aimed at strengthening the capacities created in the framework of the Oikos' programme for the creation of small community-based businesses and capitalize the efforts put in place by the former initiatives. The 10 selected villages are piloting an experience of voluntary patrolling in their CF and are compensated with a small capital to fund the creation of sustainable businesses and technical trainings for the management of funds, book keeping and financial procedures.

From 8th to 10th March an expert on the trade of Elephant Foot Yam from Chin State was invited in Kyeintali to provide a training on the cultivation and trade of EFY. A ToT approach was used to provide an intense 2-days training to 6 project staff who will transfer their knowledge and skills to the local communities. The training was conducted mostly at Oikos' office in Kyeintali and included practical activities to understand the characteristics of wild and cultivated EFY. It is worth to mention that the trainer was so enthusiast to support the development programme for rural local communities, that he did not want to receive any payment other than the reimbursement for travel, and living costs during the mission.

Additional trainings on forest management and CF were planned in April for the four groups that applied to establish new community forests, but unfortunately, due to the outbreak of Covid-19, they were temporary suspended. Currently Oikos is supporting efforts to raising awareness on prevention measures against the spread of Covid-19 in Rakhine. Informative materials like posters and brochures were prepared in collaboration with Medacross and are being distributed to the villages together with health equipment (mouth masks, gloves, hand sanitizer, etc.). Local Oikos staff is visiting the villages to educate the local population on the respect of social distance and hygiene standards.

3. STRENGTHENING PROGRAMME

This survey helped to discover, identify and analyse the local context and the status of the key elements to develop a successful enterprise: key forest resources and products, secure forest-use rights, organizational level, necessary and available business skills, access to finance, level of technology and infrastructures.

Despite a huge potential, to start a successful production system based on natural or farmed forest products, many preparatory steps must be done in the next years.

CFUG members are aware that CFEs can be a great opportunity for supporting their livelihood and cultural/social development; they are taking all their opportunities into consideration, but they feel very far, at the moment, from the actual realisation of an enterprise. Their sense of weaknesses in front of the law, complex regulations and bureaucracy, difficulties in accessing the financial system, market and business laws and standards, do represent consistent impediments.

As previously mentioned, members should not be pushed, but they need to be pulled, reassured, encouraged and supported. Cultural change should be promoted and, with the help of civil society (NGOs, INGOs), and CFUGs' sustainable business capacity and organizational skills need to be developed. The strengthening programme will highlight the actions that can be pursued, with the support of the civil society and its facilitators, who can help to drive and fasten the process.

In the next chapters a future vision for the CF enterprise development in Southern Rakhine is presented. The subsequent strengthening programme is composed by actions aiming at contributing, step by step, to the future scenario. It may take years to be fully functional, solidly established and well-funded, but during the build-up process, optimal opportunities to target local domestic markets with community products are assured.

3.1 THE FUTURE VISION FOR SOUTH RAKHINE CF ENTERPRISE

The Southern Rakhine CFs share the same common features with the majority of Myanmar's CFs: small size, scattered in remote areas, far from the main roads and located far from their potential customers, with limited information access and scarcity of vocational attitudes and skills.

The final goal of an enterprise is to be successful on the market and that groups of producers/manufacturers/traders manage to reach high levels of production, and to obtain better selling prices or negotiate better prices and conditions with their suppliers. By grouping together, small potential entrepreneurs can have many benefits. Network/business-oriented groups can have different natures and can take different legal forms according to the context, objectives and preferences.

For the Southern Rakhine context, the most recommended form of CF enterprise is a central Cooperative or Cottage industry which collects raw materials or semi-finished products from the CFs, completes the production process and delivers the items to the market. It is not a “simple” cluster of producers, it has to be considered as an integrated production system based on CFs’ harvested and collected forest resources, either wild or farmed, which provides also employment for CFUGs and delivers different forms of services for its members. For what concerns its size, it is suggested that the enterprise is a SME, with the related advantages in terms of regulations, tax levy and financial access. It should be located, as much as possible, in a central position among the different CFs and along the main road between Thandwe and Gwa.

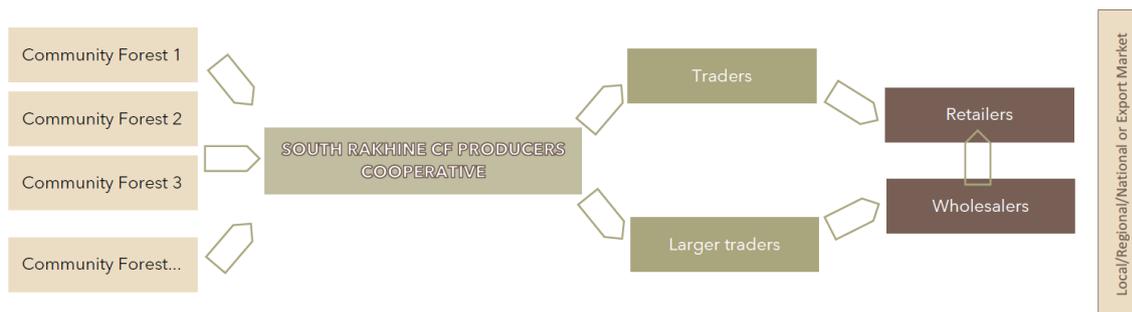


FIGURE 1: THE ACTORS INVOLVED IN THE SOUTH RAKHINE COOPERATIVE VALUE CHAIN

The cooperative will be in charge of many activities, relieving the CFs of the main management burdens in order to enable the members to concentrate on the field work (harvesting, planting, farming) in the forest. The principal benefits for the CF’s members could be the following:

- Share the investments and the expenses of items such as processing equipment (e.g. drier, packaging machines...), storage facilities, transport, joint training courses and events;
- Increase the scale of production resulting in an increase of negotiating power with potential buyers;
- Diversify the resource available, the production methods, the final products pursuing quality standards and innovations;
- Broaden the market opportunities thanks to a common market strategy, common contacts;
- Be represented in Associations, Work Groups, round tables at regional and national level;
- Improve the power for better policies, engagement in government reforms and their enforcement from local to national level;
- Improve the negotiating power with insurance companies or with financial sources providers, securing the access to financial loans;
- Provide a guarantee of a central accountancy service and administrative procedures service (licences, permits,...);
- Provide a guarantee of a centralized and integrated technical service for the CFs/suppliers partners and for the cooperative itself;
- Obtain products certification, like quality labels, ensuring environmental protection and social respect or Geographical Indication label, managing the certification system.

In the cooperative's site there could be a site for organising workshops, a small factory, suitable store rooms, offices and meeting rooms. The cooperative may then also organize vocational trainings and employ villages' people for the different tasks.

According to the current survey, the feasible cooperative productions can be focused on:

- collect and commercialize bamboo products (common bamboo mats, designed or customized bamboo mats, bamboo shoots, handicrafts, utensils, poles, semi-finished products for bamboo national or international factories);
- collect and distribute in towns and cities fresh EFY and agroforestry products either loose or packed;
- process fresh EFY and agroforestry products into value added products like dried, fried, canned, jams, juices etc.

3.2 THE SHORT-TERM STRENGTHENING ACTIONS

Starting from the strategies to overcome the constraints, that have been identified in the previous chapters, a programme has been tailored.

The programme proposes short term and medium-term actions aimed at creating the conditions for implementing the development of the enterprise according to the model depicted in the previous chapter.

The preparatory actions will take probably more than one to two years. Many supportive initiatives must be done, because the first steps towards the creation of CFEs have just been made; CFUGs are not yet ready to establish a business and they need to be accompanied in the cultural development and capacity building process.

The programme will not end with the CFE (or CFEs) establishment because too many uncertain stages and variables are still to be analysed and discovered.

A short term programme can be implemented immediately with reasonable efforts. The relative actions are listed in the table below.

Actions	Notes	Actors
3.2.1. Identify the consultants and experts who can drive the preparatory and development phases	Facilitators and villagers still need a technical guidance to develop the programme	CSOs
3.2.2. Enhance the skills and improve the knowledge of facilitators on sustainable business, enterprise development and CFEs	Facilitators should support and steer the communities in the future steps, then they need to improve their ability with the MA&D approach, its tools and all the knowledge about bureaucratic procedures,	Consultants and experts Facilitators Coordination: CSOs

	market status and financial opportunities	
3.2.3. Promote the CFs programme, CF products and services to the local market, boosting a favourable image of the initiative in support of rural development and vulnerable groups	Through an educational campaign, disclose the CFs and the potential CFE (products and services) to the relevant markets' actors (public authorities, traders, wholesalers, retailers, customers)	CFs members Facilitators Coordination: CSOs
3.2.4. Develop in-depth inventories for agroforestry, EFY and local bamboo resources, quantification of sustainable extraction and extraction management plan	Field measurements are necessary	Consultants CFs' members Coordination: CSOs
3.2.5. Create a local CFs panel composed by relevant representatives of each South Rakhine CF (e.g. chairman and treasurer)	The panel will be in charge of representing the CFUGs members in the decision making process towards CFE establishment	Appointed CFs members Coordination: CSOs
3.2.6. Create a local network of stakeholders and decision makers and participative round tables	The aim is to share the vision of the CFE and to work side by side during the implementation. Meetings can create the occasions of highlighting the weakness of infrastructural assets	CFs panel Facilitators Coordination: CSOs
3.2.7. Facilitate the participation of the CFs panel to the congresses, conferences, meetings organized by relevant government ministries and departments, CF(N)WGs, FDs	Networking for stronger CFs and CFEs. Meetings can create the occasions for highlighting the weakness of infrastructures assets and make advocacy to decision makers.	CFs panel CSOs
3.2.8. Organise workshops, exchanges visits and field studies to other national rural/forestry business experiences	The attractiveness of a CFE establishment can be reached building-up the CFUGs members' curiosity, knowledge, awareness and resolution	CFs panel CFs' members Facilitators Coordination: CSOs

3.3 THE MEDIUM/LONG TERM STRENGTHENING ACTIONS

Medium/long term programme can start after the preparatory phase and aims at developing all the necessary plans and networks for the subsequent enterprise establishment. Further steps other than these strengthening actions involve the development of the enterprise and then the needs of financial resources for the investment. The entrepreneurs can test their activities starting a pilot trial period on a small scale business base; this period will be focused on tuning, reviewing and

correcting the production and management system of the enterprise thanks to the feedback from the market.

The relative activities are listed in the table below.

Actions	Notes	Actors
3.3.1. Expand the total CF area available for local communities	Establish new CFs and extend the boundaries of the already existing CFs if possible	Local CFs panel CFWGs CSOs
3.3.2. Create network with business Associations and financial services providers	For example, strengthening the relations with MRBEA, RBA, MFFVPEA, EFY Association etc., starting from the preparation phase of the CFE	CFs panel Coordination: CSOs
3.3.3. Through a participatory approach, assist CFs members in the process of planning their equitable, sustainable, ecologically stable, socially beneficial and financially viable forest product-based enterprise. MA&D approach has been identified as an effective methodology for this purpose	CFs panel should appoint the most keen, serious and committed CF members of all CFs of the study area, who are requested to participate to the MA&D process (From preparatory to Phase 2)	Consultants and experts Appointed CFs' members Facilitators Coordination: CSOs
3.3.4. Support the future entrepreneurs to draft the CFE integrated Enterprise Development Plan (EDP)	The Phase 3 of MA&D participatory approach allows the potential entrepreneurs to describe the goals of their enterprises (in the form of cooperative or cottage industry), formulate their goals and objectives, develop strategies, draw up action plans, assess the profitability of the enterprises and determine capital start-up needs.	Consultants and experts Appointed CFs' members Facilitators Coordination: CSOs
3.3.5. Create a capacity building programme and organize vocational trainings, technical trainings and workshop	According to the result of the EDP, vocational trainings could include: Resource management (harvesting, farming, nursery keeping ...) Organisational design and management Entrepreneurship and business management (budgeting, bookkeeping and accounting, inventory and stock control, product development, quality control, market	Consultants and experts (see relevant box below) Appointed CFs' members (especially those who will be involved as cooperative managers or employers) Facilitators Coordination: CSOs

	<p>opportunities, trading...)</p> <p>Market analysis and marketing strategies</p> <p>Social development</p> <p>Institutional (advocacy on policy, laws and regulations)</p> <p>Technology (processing and storage technology related to the enterprise production)</p>	
<p>3.3.6. Facilitate the connection of the future entrepreneurs with reliable and stable financial service providers</p>	<p>Based on the EDP the potential entrepreneurs can find out the financial services available and know the conditions and eligibility criteria, present their financial requirements, and negotiate conditions.</p>	<p>Appointed CFs' members (especially those who will be involved as cooperative managers or employers)</p> <p>Facilitators</p> <p>Coordination: CSOs</p>
<p>3.3.7. Support the preparation of the participatory Market Information System</p>	<p>MIS is an organized procedure for collecting, analysing and distributing predetermined types of marketing information for informed decision-making and increased bargaining power. (see the relevant box)</p>	<p>Consultants and experts</p> <p>Appointed CFs' members</p> <p>Facilitators</p> <p>Coordination: CSOs</p>

3.3.1. Soe Bon case study

The Soe Bon village is an interesting case study, as it has been revealed by the present survey.

The main village's business is bamboo mats weaving and almost all the families are somehow involved. Bamboo forests are not available around the village, therefore the resources are collected from other villages' forests with form of cooperation between villages.

Soe Bone village is the leader bamboo mats supplier in the Thandwe market, while Gwa market is supplied by any village.

Moreover, the weaving business is not an organic and organized system at the village level. Many small businesses with their own rules and conditions run simultaneously.

With the right development process and the right expertise's support, the different village businesses can be reorganized into a single one, assuring the welfare for every households. From the creation of a unique enterprise or a group of united enterprises, all the already previously listed benefits can be achieved in terms of economies of scale, negotiating power, market/price stability, brand awareness, products development.

Starting the strengthening programme with the whole Soe Bon village and applying the MA&D methodology, could represent a concrete step towards the establishment of South Rakhine Community Forest Enterprises.

In Soe Bon all the key factors of forest products-based enterprise are already in place, they just need to be successfully rearranged and unleashed with the help of rural development business experts.

Soe Bon could become the first CFE in the study area in quite short time (estimated 2-3 years) and with a process of business extension it could turn into a South Rakhine Cooperative as it has been depicted in the chapter 3.1 THE FUTURE VISION FOR SOUTH RAKHINE CF ENTERPRISE.

The Market Information System

Market Analysis & Development – MA&D (FAO, 2011) – phase 4

Ask successful entrepreneurs (from the group or outside the group) to explain their marketing strategies to the new entrepreneurs.

Invite a representative from a local business development centre to explain the services they can provide.

Invite a (potential) client for your entrepreneurs' products to explain their requirements in terms of product quality, quantity, delivery schedule, packaging, price, reliability, etc.

Invite a speaker from a research and development institute or from a machinery supplier to explain new developments in production technology.

Send representatives of the entrepreneur groups on study tours to institutes, firms, or equipment suppliers in order to learn about new technologies.

Send representatives of the entrepreneur groups to a marketing course with the understanding that they will share their newly acquired skills with other entrepreneurs.

Invite an expert from or send representatives of the entrepreneurs to visit an export promotion agency, chamber of commerce or employers' federation to help them explore new markets.

Contract an association (e.g. MRBEA), a government institute (e.g. FD) or a business service provider agency to provide training and follow-up.

Link with private or governmental training organizations as well as various support programmes established by donor projects and NGOs that can provide technical training. For example, the International Labour Organization often provides subsidised services for improving business skills.

Services provided by buyers can be a way to develop entrepreneurs' skills. Buyers will usually not charge for these services as they enable them to buy better quality products. For example, a factory that processes bamboo furniture might provide training on quality production of bamboo pipes or woven bamboo parts.

Different options to identify training providers

Market Analysis & Development – MA&D (FAO, 2011) – phase 4

In general, a MIS (Market Information System) will collect information related to:

*Prices of products (differences between retail, wholesale, or farm-gate prices);
Explanation for changes in price or demand;
Names and locations of traders;
Volume, quality and packaging requirements of various markets and traders for different products;
Price variations for products by market;
Alternatives sales and marketing channel alternatives (direct sales, middlemen, cooperatives, Wholesalers, retailers, marketing boards);
Various distribution channels available (transportation alternatives, storage facilities);
Promotion opportunities (product shows, advertisements, incentives, packaging);
Payment alternatives (barter, credit, cash, labour).*

The procedure to develop a participatory MIS includes:

*Design of the MIS describes:
Goals and objectives of the MIS;
Beneficiaries of the information;
Types of data collected;
Sources of information;
Stakeholders analysing the information;
Process for sharing the information;
Training needs of the concerned entrepreneurs.
Ensuring the participation of the entrepreneurs in the design of the MIS will ensure that the Information gathered and the collection methods are appropriate to the project circumstances. This will also increase ownership of the MIS and commitment to its sustained operation.
The implementation of the MIS consists of:
Organizing the collection and the analysis of the data;
Establishing the monitoring and evaluation process;
Designing training to enable users to analyse and use the MIS.
The follow-up of the MIS consists of:
regular meetings with entrepreneurs in order to assess the MIS, measure its impact on business practices and evaluate the confidence of users in being able to manage it autonomously.*

The following changes can be expected from a MIS

*Improved responsiveness to consumer interests:
Entrepreneurs understand customers' needs and can adapt their products accordingly.
Entrepreneurs feel more comfortable in asking customers what other products, colours, shapes or sizes of products they would like.
Entrepreneurs observe how their products are used and are able to adjust them accordingly.
Entrepreneurs can better estimate levels of production.
Increased ability to target market segments:
Entrepreneurs can target customers with higher purchasing power.
Basis for setting prices:
Entrepreneurs have access to more information to decide on their prices.*

4. CONCLUSIONS

The study carried out in the framework of the current project revealed important facts about the socio-economic fabric of the local community of southern Rakhine and the future of social enterprises in the area.

Community members are aware that CFEs can be a great opportunity to support their livelihood and cultural/social development but they realize to be still far from the actual realisation of an enterprise at the moment. Their sense of weaknesses in front of the law, complex regulations and bureaucracy, difficulties in accessing the financial system, market and business laws and standards, do represent significant impediments to their eyes.

This report analyzes systematically the constraints for the establishment of CFE, identified during the assessment carried out between January and February 2020. These impediments are categorized in short, medium and long term, based on the complexity and the duration of the actions necessary to overcome them.

The current project addressed some of the short-term constrains with specific actions. The following barriers were removed or are in the process of being removed:

- **Weak participation and sense of ownership.**
Several events with the participation of local communities aimed at raising awareness on the opportunity for community-based initiatives were organized. Meetings to support the creation of four CFUGs were facilitated. A workshop with the participation of representatives of all the supported CFs, IGAs and existing CFEs was useful to foster community participation. The support provided to 10 voluntary CF community-patrolling groups boosted the sense of ownership of their members towards the territory and the initiatives carried out.
- **Limited size of CFs and availability of resources.**
The establishment of four new CFs was supported. The groups were selected in collaboration with Thandwe FD. The formation of the CFUGs was supported by the project staff and the election of the management committees was facilitated. The groups were trained on sustainable forest management and the process for the application. All relevant documents were collected, including application forms and list of participants and were submitted to FD. CFs certificates will be issued by FD in the coming months.
- **Limited knowledge of sustainable market and capacities to collaborate among different CFUGs.**
Dedicated events were organized to spread knowledge about sustainable entrepreneurship and facilitate connections between different actors. A large workshop with the participation of all local associations was organized. Interactions and sharing of experiences between participants were facilitated. CFUGs learned from small entrepreneurs about challenges

and opportunities in business. New networks and professional links were built.

- **Limited knowledge of the legal framework for enterprises and CFE.**
A complete survey on the legal framework and possible forms of enterprises was conducted. This involved interviews to local entrepreneurs and members of CFEs in Rakhine and a review of the existing regulations. A professional Governmental consultant was involved to provide an interpretation of the legal framework and identify the most suitable form of legal recognition for CFEs and the relevant institution.
- **Lack of knowledge of feasible products.**
Feasible products for the development of CFEs were identified through a participatory process. The products were assessed according to the "five areas of enterprise development": 1. *Environmental*, 2. *Social*, 3. *Institutional*, 4. *Technical*, 5. *Commercial/Financial*. Best products (bamboo, elephant foot yam, agroforestry products) were studied in deep, in order to better understand their availability, sustainability, market potential and general characteristics.
- **Lack of technical skills.**
The project addressed the shortage of technical skills by providing numerous trainings. Community members involved in the CF programme received trainings on sustainable forest management, application process for CFs and group forming. Representatives of groups which are interested in starting economic activities received financial trainings to improve their capacity in funds management and book keeping. Also the project staff was trained throughout the implementation of the activities on CFE development, thus creating capacities for the future creation of enterprises. A technical training on EFY was provided to local staff.

Some of the constraints are still present and will require a longer initiative and major efforts to be removed. CFUGs will need to be accompanied through a process of cultural development and capacity building. Final goal of this process will be the creation of a solid base to establish social enterprises, which will be environmentally and economically sustainable on the long term.

By grouping together, small potential entrepreneurs can have many benefits. Network/business-oriented groups can have different identities and can take different legal forms according to the context, objectives and preferences. For the context or the target area, the most recommended form of CF social enterprise is a central Cooperative or Cottage industry, which collects raw materials or semi-finished products from the CFs, completes the production process and delivers to the market. For what concerns its size, it is suggested that the enterprise will be a SME, with the related advantages in terms of regulations, tax levy and financial access. The cooperative will be in charge of the trading activities, relieving the CFs of the main management burdens in order to enable the members to concentrate on the field work.

It is reasonable to think that in order to pursue this objective, a process of at least 2 years will be necessary. A **strengthening programme** to prepare the local communities toward the achievement of community-based business objectives was drafted. This programme recommends actions to remove the remaining constraints. Short, medium and long term actions are recommended.

The short-term strengthening actions constitute the preparatory phase. Relative consultants and market experts will be identified in order to create the necessary competences among the facilitators. Stable connections with key market actors, previously identified, will be established and a participatory process with the involvement of all the stakeholders will be started. The research on the marketable products will be expanded and detailed inventories with the availability of the resources will be drafted. The formation of a committee with representatives of all the stakeholders: CFUGs, CFEs and market actors will be facilitated through consultation meetings and dedicated workshops.

In agreement with the medium/long-term actions recommended in the strengthening programme, the available surface of CF area will be expanded by creating new CFs and including new members of the community in the already existing ones. This will consequently increase the availability of resources and raw material, other than increasing the number of beneficiaries. A network of associations and financial service providers will be established. A participatory approach will be adopted to assist CFs members in the process of planning their equitable, sustainable, ecologically stable, socially beneficial and financially viable forest product-based enterprise. The MA&D approach will be used to guide this process and draft the CFE integrated Enterprise Development Plan (EDP). This will support the potential entrepreneurs to set the goals of their enterprises, formulate their goals and objectives, develop strategies, draw up action plans, assess the profitability of the enterprises and determine capital start-up needs. As final step of the strengthening programme, the establishment of a participatory Market Information System, an organized procedure for collecting, analysing and distributing predetermined types of marketing information for informed decision-making, will be facilitated.

The strengthening programme does not terminate with the establishment of running enterprises, but has the final goal of creating the basic conditions for sustainable mechanisms of social business for local communities. The time invested during this long preparatory phase will ensure the resources for the creation of the enterprises starting a process integrated in a long-term vision which re-shapes the concept of livelihoods for the poor. By implementing the programme, the first step towards a paradigm shift will be taken. This plan, in fact, promotes a vision for an economic model where the rural communities are finally empowered to effectively be in charge of their activities, without the constant external assistance, other than technical support.

It is therefore strongly recommended to continue the programme started by the current project with an initiative tailored on the strengthening programme. This will allow to capitalize the information collected, the capacities created and the resources already invested. Additional strength for the continuation of the programme is the strong institutional support for the creation of mechanisms of rural development from the Government. FD is closely monitoring the existing opportunities and manifested great interest in CFEs.

