Community-based tree and forest product enterprises: Market Analysis and Development

REVISED BOOKLET B
INTRODUCTION
DEFINING
WHERE YOU
WANT TO END UP

Manual prepared by
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INTRODUCTION: DEFINING WHERE YOU WANT TO END UP

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Before applying the Market Analysis and Development (MA&D) methodology, it is important to have an overview of the process and the outcomes that can be expected. This booklet presents the process and its underlying principles and includes a list of suggested reading materials.

Foreword

Trends in economic liberalization and governmental decentralization are opening new markets and giving local communities more decision-making power in the management of their forest resources. But, how can these community members transform themselves from sellers of harvested forest products into entrepreneurs actively developing strategies to manage and market their forest products? How can they benefit from the management of their local forest resources?

The Forestry Policy and Institutions Service (FONP) of FAO, in collaboration with the Regional Community Forestry Training Center (RECOFTC), in Bangkok, Thailand, has supported the development of a methodology called Market Analysis and Development (MA&D) for establishing community-based tree and forest product commercial enterprises.

MA&D is an innovative process that assists field-level facilitators and forest users to systematically identify and develop sustainable micro and small-scale tree and forest product enterprises. By taking into consideration not only the commercial aspects of an enterprise, but also the environmental, social and technological aspects, MA&D helps communities to directly link forest management and conservation activities to opportunities for income generation. In short, it enables community members to identify potential products and develop markets that will provide income and benefits without degrading the resource base. It is a flexible approach with an emphasis on capacity building of forest users.

This manual and the field facilitator guidelines that complement it have been designed to support project staff design and to implement micro and small enterprise programmes; the manual and guidelines are also tools for facilitators who will assist community members, both men and women, in conducting the MA&D process. It is the result of many years of work and its authors have been given key support by a number of different people and organizations. The basis of the MA&D methodology was originally developed by Isabelle Lecup during her 12 years of experience working on small-scale enterprise development in Nepal. She and her husband, Jacques Lecup, first assisted farmers in the remote Gorkha district of Nepal to identify forest products that could be harvested for income generation without degrading the resource base; later they worked with groups of Nepali people to set up a commercial enterprise in the processing and marketing of medicinal plants.

In 1994, with support from RECOFTC, the MA&D methodology further developed, and an early draft of the manual was produced so that it could be used in conjunction with RECOFTC's regional training course on the marketing of tree and forest products. Thomas Hammet and Thomas Fricke provided important input to the early development of the marketing concepts and of Phase 3, respectively. Ken Nicholson became involved in the project in 1997, bringing with him extensive experience in small-scale enterprise development in Asia (in Bhutan, China, India, Nepal and Thailand). Ken Nicholson has been responsible for the development of Phase 3 of the MA&D process. RECOFTC still continues to use MA&D as one of the methodologies in its training on community enterprise development and rural livelihoods.

The development of this manual was given a strong impetus by a 1996 workshop held in Indonesia. Organized by the Center for International Forestry Research (CIFOR) and the World Conservation Union (IUCN), the workshop helped to guide the development of a book entitled *Incomes from the forest: Methods for the development and conservation of forest products for local communities*, edited by Eva Wollenberg and Andrew Ingles. One of the chapters in the book makes a comparative analysis of MA&D in relation to other methods for assessing the feasibility of sustainable non-timber forest product-based enterprises. In fact, the Netherlands Development Organization (SNV) used the MA&D methodology in Nepal in its Praja Community Development Programme (PCDP). The field implementing organization was the Nepal-based non-governmental organization (NGO) School for Ecology, Agriculture and Community Works (SEACOW). The authors are grateful to them for sharing the information about the Praja non-wood forest products (NWFPs) cooperative used in this manual. SNV Nepal has now included a summary of the MA&D process in its Micro and Small Enterprise Development Tool Kit.

The MA&D methodology is being further developed and adapted in a number of different situations. Feedback from users of this manual will contribute to improving the methodology and the manual itself, based on experiences in the field. Comments and requests for further information can be directed to:

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Acronyms

BDS	business development services
CATIE	Tropical Agricultural Research and Higher Education Center
CIFOR	Center for International Forestry Research
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FONP	Forestry Policy and Institutions Service
FTPP	Forests, Trees and People Programme
GGFP	Gambian/German Forestry Project
GTZ	German Agency for Technical Cooperation
IFSP	Integrated Food Security Project
IUCN	World Conservation Union
JATIFIF	Jamorai Timber and Firewood Federation
MA&D	Marketing Analysis and Development
M&E	monitoring and evaluation
MBIFCT	Mgahinga Bwindi Impenetrable Forest Conservation Trust (Uganda)
NACO	National Consultancy on Forestry Extension Services and Training
NBAG	National Beekeepers' Association of The Gambia
NEDA	Netherlands Development Assistance
NFF	National Forest Fund (The Gambia)
NGO	non-governmental organization
NWFP	non-wood forest product
PCDP	Praja Community Development Programme
PRA	Participatory Rural Appraisal
RECOFTC	Regional Community Forestry Training Center
SEACOW	School for Ecology, Agriculture and Community Works (Nepal)
SNV	Netherlands Development Organization
UNDP	United Nations Development Programme
UNF	United Nations Foundation
UTF	Unilateral Trust Funds
VDC	Village Development Committee

A. Purpose of MA&D

MA&D's primary purpose is to assist men and wom.en in rural communities in identifying and implementing micro and small-scale tree and forest product enterprises that can significantly strengthen their existing livelihood strategies through increased household and community income and improved natural resource management.

Recent improvements in information access, economic liberalization and governmental decentralization has opened new markets and given local communities more opportunities to benefit from forest resources while at the same time offering them greater incentive to better manage and protect the natural resources.

Increasing demand for forest products, however, often leads to overexploiting the resource base and economically exploiting the people who harvest the products. The result is degradation of resources and worsening economic conditions for local harvesters, collectors and producers. It is now recognized that micro and small-scale enterprises based on forest products need to be not only financially viable but also environmentally and socially sustainable. MA&D brings this about through systematic incorporation of social and environmental criteria in the assessment and planning of a potential enterprise and through marketing and technology strategies.

Note: "Tree and forest product enterprise" is the term used in the initial version of the MA&D manual. However, the MA&D process has been successfully applied to other resources and opportunities – in services such as community-based tourism projects, in agricultural and timber products and in coastal fisheries. In this booklet, we opt for the term "natural resource-based enterprise", which encompasses a wider range of enterprises.

B. Who benefits from using the MA&D approach?

The MA&D process is for planners or managers working in governmental and non-government development agencies who want to start a project component on the development of natural resource products-based small-scale enterprises. It is a cost-effective process that assists in the development of viable enterprises.

The MA&D process is for facilitators who want to help small entrepreneurs identify and develop their natural resource products-based small-scale enterprises. Using the MA&D methodology enables them to integrate social and resource management issues into their work with local people. MA&D provides a wide scope for investigating the market environment and avoiding failure.

Whether producers, manufacturers and/or traders wanting to use natural resources for generating income, community-based small-scale entrepreneurs will find the MA&D approach useful because MA&D gives them an opportunity to plan and develop equitable, ecologically sustainable, socially acceptable and financially viable tree and forest product-based enterprises.

C. MA&D support materials available to help different types of users

FAO, in collaboration with partners, has developed a package of materials to support the application of the MA&D approach. A brochure with an overview of MA&D and its benefits, and a manual presented in a briefing case with a map of the process and a series of six booklets (booklets A to F) were published in 2000. In 2004, the Field Facilitators Guidelines were published in order to assist field facilitators in implementing all the MA&D steps described in the manual.

The present booklet is an updated version (2006) of booklet B, which is part of the manual's series of booklets. It has been updated in order to incorporate the latest developments in the field-testing of the MA&D process since the publication of the manual; the booklet also serves as an introduction to the Field Facilitators Guidelines that were published as a complement to the manual at end-2004. This booklet and the field guidelines are available in a web-based version.

This booklet aims to provide field facilitators and project staff in governmental agencies and development organizations an overview of the process, including the objectives and expected outputs of each phase of the MA&D process; a description of the guiding principles of this approach; and examples of the results obtained from using the process. The main methods and tools used in MA&D are presented, followed by suggestions about resources required for implementing the process.

Field-testing the MA&D process revealed that guidelines were necessary in order to describe the preliminary planning activities a project needs to follow before implementing the process at the community level; therefore, a section has been added to this booklet which aims to address this need.

D. Examples of results obtained from using the MA&D process

The results obtained from the process by different actors in different contexts and countries include the following:

MA&D helped users to find solutions tailored to their needs

The MA&D process has been welcomed by different users, including governmental institutions, non-governmental organizations, local entrepreneurs and community-based organizations, because it is a flexible tool that has helped them to be responsive to the needs of their programme and because it can be adapted to any natural resource management context.

MA&D, for example, has been practised in watershed management programmes in coffee-growing areas of Colombia where private landowners and landless farmers coexist and where farmers combine livestock raising, agroforestry, cash crops and kitchen gardens. It has been used extensively in community forestry in Nepal, and to help with the planning of timber enterprises in Classified Forests in Guinea, which aimed to ensure equitable distribution of benefits to all the villages with user rights. The process has also been used to plan value-adding enterprises based on traditional fisheries where resources are shared by a large number of coastal villages.

MA&D contributed to identify new enterprise ideas in order to decrease the pressure on degraded forest and fragile ecosystems

MA&D has helped men and women in communities find alternative sources of income to help reduce the increasing human pressure on local degraded forests and fragile ecosystems.

For example, farmers around the Bwindi Impenetrable Forest National Park in Uganda were introduced to mushroom growing. Although farmers knew nothing about this product, within a few months and with technical assistance from a district-level expert mushroom grower they mastered the simple and appropriate technology and found local markets with other farmers and with tourists' lodges around the park.

MA&D contributed to the improvement of existing enterprises

Community members already involved in their own enterprises have benefited in various ways from using the MA&D process – depending on the nature of their activities and their role in the market channel.

For instance, by using the MA&D process, Nepali entrepreneurs who produced, processed or traded medicinal plants were able to:

- identify new buyers, such as a public processing company, a district factory and various Indian traders;
- learn how to respond to the demands of these new buyers (e.g. learning the parts of the product to be used, or how to dry products according to the requirements of buyers);
- learn new technology so that skills can be upgraded to match those required by prospective buyers (e.g. learning how to build a simple solar dryer);

- identify how to add value to products that had previously been sold in unprocessed form;
- obtain financial support from the district branch of the Agriculture Development Bank of Nepal; and
- contribute to decreasing the pressure on the natural stock of some species (e.g. replanting some species in forest gardens and learning appropriate techniques for harvesting different types of medicinal plants).

The manufacturers and traders of medicinal plants were able to:

- obtain a regular and sufficient quantity of raw material from organized producers;
- receive a better quality supply by learning how to contact producers' groups directly to inform them of quality requirements;
- prepare a business plan in order to obtain a bank loan from the National Nepal Industry Development Corporation; and
- survey foreign market preferences and develop new products for export, such as herbal teas and incense sticks.

MA&D has contributed to raising the capacity of entrepreneurs

MA&D is an iterative action research learning process in which strategies are constantly revisited by community members and revised as new information is gathered.

In northern Viet Nam, for example, the MA&D process helped a group of producers who were interested in developing an enterprise based on the processing of bamboo shoots. However, a survey of the relevant legal considerations revealed that a new decree banned the exploitation of bamboo shoots for sale. The proposed enterprise was therefore abandoned.

MA&D helped future entrepreneurs to create useful alliances

Mushroom producers in northern Viet Nam benefited from forming an alliance with the National Mushroom Research Institute. They learned how to grow new species of mushrooms and had access to information on the quality required by consumers. Their alliance with a company that prepared salted mushrooms for export ensured that the producers had a buyer for the mushrooms that they could not sell to wholesalers or restaurants, or on the retail market. The alliance also meant a guaranteed supply of raw materials to the company. Both parties benefited from the partnership.

MA&D contributed to protect the forest and increase community-based sustainable forest management

In The Gambia, bush fires are one of the main threats to forested areas across the country and have plagued communities for years. The villages involved in the MA&D process reduced fires by placing firebreaks in target areas around the forest or by carrying out controlled burning within their village lands. They realized that without reducing bush fires, income-generating activities such as beekeeping and the utilization of dead trees would be impossible.

In the same project, realizing the increased income generated from sustainable management of their community forest areas, 13 out of the 26 villages that participated in MA&D-related activities applied for extending the area of their managed community forest. The extension encompasses an area of 2 150 hectares, which represents an increment of 65 percent of the forest territory they already manage. This substantial expansion would have been impossible a few years ago.

MA&D has produced indirect positive socio-economic impacts in the communities where it has been introduced

In 2004, in The Gambia, the villages involved in MA&D activities spent a significant part of their profits for improving social infrastructures and services. The improvement of social infrastructure included activities such as renovation and construction of mosques, road maintenance, contributions to village water and electricity systems, and school construction. Some villages invested in income-generating activities (gardening, purchase of draught animals), while others invested in enterprise development (construction of tourist camp) and subsistence farming (rice cultivation).

MA&D has allowed community members to acquire new skills

While undergoing the MA&D process, entrepreneurs in product interest groups acquired skills in marketing (e.g. enterprise literacy, product development, budgeting and record-keeping); competence in sustainable resource management (e.g. resource assessment and identification of mechanisms for controlled resource use); and effectiveness in social development (e.g. group formation and strengthening, and conflict resolution). Other entrepreneurs acquired specialized technical skills in harvesting and processing of forest products, which included learning new beekeeping techniques, operating chainsaws and sawmills, and making furniture.

These examples reveal some of the main features of the MA&D process.

MA&D is a flexible tool applicable to different types of contexts and products:

- it can target all economic levels in a community;
- it considers not only natural resources but also their users;
- it is a participatory and site-specific approach;
- it is applicable to micro and small-scale enterprises dependent on community-owned natural resources or for raw materials grown on private lands;
- because its focus is on social and ecological sustainability and on financial and market factors, MA&D is especially applicable to micro and small-scale natural resource-based enterprises;
- collaboration between rural entrepreneurs and facilitators enhances the small entrepreneur's capacity to develop enterprises from the outset;
- MA&D promotes the creation of strategic alliances in technical and other types of assistance; and
- MA&D stresses interrelations and linkages of social, ecological, market and technology factors.

E. Unique characteristics of the MA&D process – underlying principles

MA&D aims to bring together environmental and social concerns into viable small enterprise development.

Although a variety of approaches exist for identifying and developing forest product-based enterprises, they vary in the way they address resource conservation and rural development concerns. MA&D is especially applicable to enterprises based on resources in which communities have a role in conservation because, in addition to social and financial objectives, MA&D focuses on ecological sustainability.

"Conventional" approaches to enterprise planning, as practiced in the private sector, are oriented towards maximizing profitability with capital-intensive strategies that are often not appropriate for initiatives aiming for sustainable development. They often lack focus on social and environmental needs and the benefits and costs to communities.

On the other hand, although MA&D has adapted planning tools from conventional approaches, there are several principles that make it appropriate to rural small-scale enterprises. For instance, the principle of "sustainability" underlies all analysis and planning in the MA&D process – the approach stresses the participation of the future entrepreneur in the development of his/her enterprise, and clearly places boundaries on the implementation role played by the facilitator so as to ensure capacity building of community members, both men and women, and of the institutions supporting them. Moreover, MA&D emphasizes the creation of strategic alliances between communities and service providers to foster market linkages and linkages with technology suppliers. These key principles are reviewed in more detail below.

Sustainability considerations are integrated in the identification and in the planning and development of small-scale enterprises. Sustainability refers to sustained economic benefits and improved livelihoods, without negative social or environmental impacts, and the capacity of entrepreneurs to react to changing markets.

Social sustainability

From a social perspective, a sustainable enterprise activity is one in which the activities and benefits of the enterprises are equitable and gender balanced, do not harm disadvantaged members of the community, and do not create social conflicts.

E x a m p l e

Social sustainability was a key issue in the selection of an enterprise in a community in central Viet Nam in which the final choice of the product was made according to social criteria. While other products could have produced a higher income, silkworm production was preferred because women were already highly involved in this activity. Although for some women silkworm production may have meant a slight increase in workload, the advantage was that they would get a fair share of the benefits.

Market sustainability

Market sustainability is ensured access to market information, staying abreast of changing policies that influence the distribution of the product, and the capacity of entrepreneurs to remain competitive by assessing changes in the market environment and adapting the product so that it remains attractive to the targeted customers.

E x a m p l e

Traditional medical practitioners in Nepal realized that they had to change the presentation of their medicinal preparations if they wanted to stay competitive. Because they understood that consumers were more attracted by 'modern-looking' medicines, the practitioners began packaging their traditional medicines in colourful capsules and tablet strips. An additional benefit was that the medicines could be preserved for longer periods of time.

Ecological sustainability

A sustainable system for exploiting resources is one that does not damage the ecosystem in which it grows, and in which resources can be harvested indefinitely from a limited area of forest or domesticated on farmland. Developing markets for these products will not lead to overexploitation.

E x a m p l e

Farmers in Nepal organized to harvest the fruit of the *amala* tree (*Emblica officinalis*) in the same area of the forest every year without causing the stock of the product to decrease over the years.

Technological sustainability is ensured by choosing appropriate equipment that caters to the needs of the enterprise and suits the users and the local conditions. In a sustainable system, users know how to use the equipment properly, to maintain it if necessary, and to upgrade it when more efficient technology becomes available.

E x a m p l e

In the South West Uplands of Uganda, instead of buying modern and expensive wooden top-bar hives that would have been ineffective in the cold, humid mountain climate, community members modified and improved a traditional hive woven from a local species of vine that reduced predation and increased the yield of honey. Community members who were basket weavers were trained to manufacture this improved hive thereby guaranteeing a supply for the future at affordable prices.

Characteristics of natural resource-based products

Natural resource-based product enterprises have particular characteristics that differ from other enterprises. The facilitator needs to be aware of the differences in order to be able to help entrepreneurs identify products that have a comparative advantage while also developing strategies for overcoming constraints. The main characteristics are:

- The seasonal nature of growth and production often implies that collection and utilization of products are concentrated during short periods of the year. For example, bamboo shoots are usually harvested within a two- to four-month period.
- Products are dependent on the ecological integrity of the forest; for example, some rattan species grow only in deep forest and is why their sustainable exploitation should be coupled with forest conservation.

- Trading of tree and forest products is usually informal, with many levels of unrecorded actors and transactions.
- Reliable market and price information is difficult to obtain.
- Remote location of products results in long distribution channels and high transportation costs.
- Households with a shortage of labour will have difficulties being involved in forest collection activities unless activities take place in the low agricultural season.
- The poorest members of the community depend the most on the harvesting of forest products and tend to have few literacy skills.
- National infrastructure to support marketing efforts of non-wood forest products is often limited.

These characteristics explain why, in general, producers of tree and forest products do not market their products but instead sell the products to the first available customer, such as a government agent, a trader or intermediary.

Note: Selling is trying to convince the customer to buy an available product. On the other hand, marketing is a comprehensive approach to designing a product, delivering it on time and at the right price in such a way that it responds to a customer's needs. Marketing includes producing, processing, promoting and distributing the product as well as eventually selling it. Generally, market-driven strategy allows producers to retain a larger portion of the income.

Participation of future entrepreneurs and the role of the facilitator

Participation of future entrepreneurs

In MA&D, the participation of future entrepreneurs at all stages of the identification and implementation of their future enterprises is a precondition for achieving successful small-scale enterprise development.

For initiating this participation, the target group is first clearly shown the benefits of using MA&D. Then, because transparency of the process is required for maintaining the involvement of the target group and field facilitators, mechanisms are established, which ensure a permanent and smooth flow of information in and out of the target group.

The MA&D process gives interested future entrepreneurs (communities, individuals) many opportunities to participate in planning their enterprises and in developing linkages with markets outside the area. By participating in the whole process, beneficiaries will have the capacity to continue to operate the new initiatives and activities emerging from this process even after the facilitator leaves. While the support of a facilitator is needed throughout, it is critical that entrepreneurs be given the skills to analyse data, to make their own decisions and to formulate their own plans for their future enterprises. If a consultant is hired to do, for example, a resource survey in the community's forest, the facilitator will ensure that the consultant also builds the capacity of the villagers during his or her research and presents a summary of the findings to the community before leaving.

The role of the MA&D facilitator is to enhance target group participation throughout the process

The facilitator's role is to assist and guide target group members through the MA&D process. It is important for the facilitator to keep pace with the capacity of target group members. The challenge for the facilitator is to avoid taking over the process in order to get through it faster or achieve a desired result. Instead, a good facilitator will help target group members to obtain and analyse the required information so that they can make their own decisions about their future enterprises. If the facilitator performs a step for the future entrepreneurs, it could deprive them of key information that may later be critical to the selection and to the management of the enterprise.

Some of the facilitators should be selected from the same region where the project is located. This is particularly important when knowledge of local dialects is essential. Some facilitators might be extension staff from partner government agencies or non-government development organizations.

Facilitators are supported by information gatherers and local-level motivators from target communities. The facilitator builds their capacity, supports them and monitors their progress throughout the MA&D process. These men and women quite often end up becoming entrepreneurs and are eventually able to support replication of the MA&D process in new locations.

The facilitator should first introduce the objectives and process of the project and then raise community awareness on the meaning of enterprise development. Because the facilitator is an important link between the community and the local institutions, he or she will also have to participate in activities that aim to sensitize intervening implementing partners.

The facilitator(s) should work with the targeted communities from the very beginning of the process in order to support the implementation of the socio-economic and livelihoods survey and to identify the existing patterns of resource use and any threats to biodiversity. In the case of forest or biodiversity conservation-oriented projects, if (as is often the case) the poor and disadvantaged members of the community are those most dependent on biodiversity resources, the facilitator will need to ensure that these community members are not left out and that they receive equitable benefits from the enterprises even though they may have lower literacy levels and less capacity for entrepreneurship development.

Within the planning framework of MA&D, the facilitator will:

- Introduce the project to key stakeholders, community leaders, representatives of existing community-based organizations and representatives of organizations already active in the community. The facilitator will cooperate with them throughout the project and involve them in activities such as selecting meeting sites and identifying potential entrepreneurs, or for encouraging the participation of members in disadvantaged groups.

- Strive to align directives of intervening support organizations, for example, in order to avoid differing interest rates for loans or for policies on daily allowances given to participants who attend training.

- Ensure that there are no disadvantaged target groups marginalized during the process (when the project has not targeted a specific group of communities as future entrepreneurs).

- Assist future small entrepreneurs in conducting all the steps of the MA&D process (a summary review of the main tasks to be achieved by the facilitators within the framework of the MA&D process is presented below in Box 1).

E x a m p l e
Facilitators using MA&D in the Integrated Food Security Project (IFSP) in central Viet Nam applied these techniques with good results (see the case study in booklet F). For instance, producers of brooms made from grass flowers realized that this traditional activity faced enormous market constraints. As a result, they decided to diversify to other, more profitable activities such as beekeeping in order to increase their incomes.

Learning and the capacity-building process

The participation of future small entrepreneurs addressed in the previous section can be initiated and maintained by skilled facilitators and other support institutions only if adapted *capacity-building* activities are undertaken.

The qualities of an adapted successful capacity-building programme are:

- the capacity-building objectives and expected outputs are clearly defined in order to design a well-focused programme with results that can be measured;
- a needs assessment of the knowledge and skills of the target group and of the support staff is conducted at the beginning of the project, on which the programme will be based;
- MA&D materials are adapted to specific country conditions;
- it emphasizes institutional development of a diversity of institutions, ensuring that user groups or community enterprises will be independent and sustainable after facilitators leave;

- the federated groups of entrepreneurs are trained so that they can communicate with market and support partners;
- it includes training courses; and
- it promotes institutionalization of the process for a wider and longer impact in the country.

These qualities are reviewed in more detail below.

Box 1: Summary review of the main tasks to be achieved by the facilitators within the framework of the MA&D process

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- Ensure that there are no disadvantaged target groups marginalized during the process (when the project has not targeted a specific group of communities as future entrepreneurs).

- Identify the target group(s) and support them in the selection of information gatherers.

- Explore mechanisms for linkages with existing microfinance groups in the community or other local area grant or grant- or loan-funding mechanisms.

- Prepare questionnaire formats and train information gatherers both for information gathering and for monitoring and evaluation (M&E) reporting.

- Help organize MA&D workshops, ensuring that the time and place permits good attendance of target group representatives.

- Facilitate formation of interest groups around defined products taking into consideration socio-economic and cultural factors, and support the selection of interest group representatives that will participate in MA&D surveys.

- Develop mechanisms where market information obtained by representatives is shared within the community.

- Be aware when conflicts emerge and facilitate dialogue to reach resolutions.

- Explore ways of establishing sustainable linkages between interest groups and service providers such as buyers, providers of equipment, trainers or other technical experts.

- Make sure that when consultants conduct surveys in the community that they also build the capacity of selected community members in the survey techniques and present a summary of their findings to community representatives before leaving.

- Develop mechanisms for the community to store and display the information generated by the MA&D process (workshop flip charts, consultant reports, photos, video, etc.).

- Provide coaching and encouragement to interest groups in order to give them confidence to get pilot enterprises established.

- Document challenges that take place during the project and the adopted solutions, and contribute to the collection of experiences learned by the end of the project.

Capacity building through adapting the MA&D materials to specific country conditions

In order to go through the MA&D process by themselves, community-based entrepreneurs and facilitators need to participate in a capacity-building training programme. Because MA&D is a general methodology that needs to be fine-tuned to specific country conditions, the first step in the capacity-building programme is to make the MA&D materials available to the target group in their language and in a form they can understand.

In The Gambia, this meant adapting the FAO manuals, field guidelines and form sheets to the national context, and interpreting and simplifying materials by:

- field-testing materials to gauge how easy they were for local communities to understand;
- modifying materials after field-testing when necessary; and
- translating parts of the guidelines into local vernacular languages.

Moreover, in The Gambia, the MA&D training material and the enterprise development plan were adapted and translated into the local language (Mandinka, Fula or Wolof) for village training. Additional efforts were also made to make the materials as visual as possible so that illiterate farmers could participate fully in the training sessions.

An adapted successful capacity-building programme through diversification

An implied objective of any capacity-building programme is that the target group will learn to conduct activities independently in the long term. MA&D aims to ensure that user groups or community enterprises will be independent and sustainable after facilitators leave by supporting institutional development at all levels, from the village target group to the national level.

Community-based enterprise development requires a multisectoral approach because often individual institutions do not have all the facilities necessary to meet the demands of prospective entrepreneurs, or because not all institutions have the experience of working at the village level using participatory facilitation techniques.

This is why, for example, in The Gambia, the priority of the community-based enterprise development project using the MA&D process was to build not only the capacity of the programme initiators and of the ultimate beneficiaries but also of the comanagement partners at the national level – division and district levels – in the use of MA&D participatory methods. The NGO, National Consultancy on Forestry Extension Services and Training (NACO), worked with the Forestry Department as the primary facilitator during piloting of the MA&D methodology. It was responsible for the organization and implementation of the project. FAO, in partnership with the Forestry Department, contracted NACO so that it would continue to support the project in the adaptation of training materials, train field facilitators and Community Forest Committees, conduct follow-up training courses, organize information/experience-sharing workshops, and integrate MA&D methodology into The Gambia's forest management.

NACO's involvement has given the Forestry Department the capacity to work towards its goal of empowering communities with the skills necessary to manage and utilize their forest resources.

Capacity building and support for small entrepreneurs' federated groups

In small enterprise development, individual or small groups of entrepreneurs generally face difficulties starting new activities and gathering the support they need for operating and growing their enterprises. This is why often the project strategy calls for encouraging entrepreneurs to form larger groups that will allow them to deal more efficiently with other market actors and with services providers. In The Gambia project, for example, the involvement of the Forestry Department, of NACO and of the target group members alone would not have brought the expected results for developing efficient small enterprises. MA&D facilitators had to put great emphasis on creating and training federations of interest groups throughout the implementation of the approach.

The purpose of the federations is to gather the collective power and strengths of the different interest groups. Federations are instrumental in mobilizing and coordinating their members in such activities as

building strategic alliances with key actors/organizations, and play an important role in increasing the overall capacity of the project and – more specifically – the efficiency of the enterprise activities.

In The Gambia, some federated groups, such as the Forest Kambeng Kafo in the Central River Division and Jamorai Timber and Firewood Federation (JATIFIF) in the Western Division, were formed by members of interest groups, while other preexisting organizations were incorporated into the MA&D approach. Annex 1 presents an example of capacity building and support for small entrepreneurs' federated groups in The Gambia. These federated groups have created marketing channels for forest products from rural communities that did not have the same access to marketing channels as urban traders. Promoting continuing collaboration with small entrepreneurs' federated groups is essential to the success of MA&D-related projects.

Building the capacity of all parties through training courses

The capacity-building programmes vary according to the projects' objectives, context and resources. The training programme generally includes one, several, or sometimes all of the following training components:

- Training project staff in coordinating, planning and managing small enterprise development projects using the MA&D process.
- Sensitizing the heads and staff members of implementing partners about the MA&D process and their important role in the project so that they are willing and capable to provide facilitators and small entrepreneurs with the required support.
- Teaching some of the project staff members or trainers from development organizations to train facilitators so that they will be capable to train field facilitators in using the MA&D process.
- Training facilitators from government institutions or development organizations at the provincial and district levels on the ways they can assist local communities in implementing the MA&D process and to follow-up on their activities.

At times, because of resource limitations, projects will adopt a multilevel training programme, where all participants – national project staff, future trainers of development organizations and facilitators at the province and district levels – are trained together. A more effective way would be training the project staff and national-level trainers first before training facilitators. Because there are two different types of training for these levels it could be difficult for field-level staff to understand certain concepts that programme staff pick up quickly. On the other hand, programme staff may not be interested in learning all the participatory tools and games that field-level facilitators need to learn.

MA&D is a process that includes three main phases. Training for MA&D usually takes place in a series of workshops, with at least one at the beginning of each of the MA&D phases. There is usually a two- to four-day session in a classroom followed immediately by a practical session in villages, ideally within a project context, so that once the training for each phase is completed, staff can immediately replicate what they have learned in villages. When several regions are involved, the workshops at the beginning of each new phase can include participants from each region so that they can share experiences together and learn about how they have adapted the tools to their particular situation. The course should combine formal training sessions with field follow-up and on-the-job-training sessions. Activities should be scheduled at the appropriate time, when the target group, the facilitator and the project coordination team are ready. The programme should be planned, but flexible and steady, respecting the learning pace of the target group and facilitators.

Integrating the MA&D approach into national core forestry curricula

Institutionalization of the methodology is a condition for the process to have a wider and a longer impact in the country. The integration of the MA&D approach in national core forestry curricula is a promise that the future forestry staff will integrate its principles, methods and tools in their support to the local population.

The formal training of a few foresters in using MA&D is the first step while pilot testing the process in the country. But this is insufficient if the positive results of the pilot experience call for an extension of the use of the methodology to other parts of the country. This was understood by The Gambian government, which first incorporated certain aspects of the approach into the Community Forestry

Implementation Guideline and Field Manual, but then felt that the MA&D approach should be integrated into operational concepts such as The Gambia forestry guidelines. After a review of the national Kafuta School for Forestry was carried out, the curriculum was adapted to include the MA&D methodology and introduced at the school in June 2004. The approach was a completely new concept for both the school and the students.

Importance of strategic alliances: potential partners

Support to natural resource-based enterprises can hardly be delivered by one service provider because several different types of expertise are needed, some linked to production or forest management, some related to marketing and enterprise management, and some associated with technology or even policy issues.

The value chain starts with the producer and ends with the consumer. Throughout the chain, there are two types of actors: direct actors, who are the members of the market chain through which the product moves (harvesters, traders, manufacturers and consumers); and indirect actors, who can influence the marketing of the product (such as policy-makers, technical researchers and environmental advocacy groups). These include both private- and public-sector companies and agencies.

Alliances are so important that if one of the parties in the chain is weak, the whole venture can be affected and may even collapse. The formation of effective alliances is, therefore, a key issue. The challenge is to help target group members identify strategic partners who will be in a position to contribute to the development of a sustainable enterprise.

When planning the development of a product, MA&D considers its entire subsector. Future entrepreneurs need to identify and create links with partners who will reinforce their leverage in the subsector. For example, the establishment of a cooperatively owned and managed cold-storage facility in a district centre could benefit many small groups of producers scattered throughout the area. This is preferable than to building small storage facilities in each village.

Target group members could link up with other actors in order to:

- negotiate technical assistance or business development services (indirect actors);
- negotiate purchase contracts between producers and manufacturers (direct actors); and
- arrange financial support contracts/short-term loans for working capital with local banks or the private sector.

Creating strategic alliances

In order to create strategic alliances, target group members need to:

- assess their main strengths and constraints;
- list the areas where external assistance is most critical;
- select other members in the chain who could also benefit from the alliance;
- identify indirect actors in each of the target areas of enterprise development who could assist in overcoming constraints (for example, partners who could solve technical problems or develop institutional structures);
- assess the nature of existing relationships and how they need to be changed;
- develop linkages with the selected key actors; and
- eliminate from consideration or give lower priority to actors with whom a relationship is not necessary.

E x a m p l e
Mushroom producers in northern Viet Nam benefited from forming an alliance with the National Mushroom Research Institute. They learned how to grow new species of mushrooms and had access to information on the quality required by consumers. Their alliance with a company that prepared salted mushrooms for export ensured that the producers had a buyer for the mushrooms they could not sell to wholesalers or restaurants, or on the retail market. The alliance also meant a guaranteed supply of raw materials to the company. Both parties benefited from the partnership.

Ensuring sustainable business development services (BDS) is an important approach for enterprises and enables the project to have a facilitating role instead of an implementing role in supporting capacity building in the production or marketing of a product. For example, imbedded services can be provided by the buyer of the product or the supplier of technology. In Uganda, the handicraft exporter that was attending craft fairs in Europe and the United States was also training producers in changing designs and resizing baskets based on evolving customer requests. Similarly, the supplier of mushroom spores was training producers on mushroom production. A market development approach to BDS includes several strategies that ensure that entrepreneurs will be able to eventually pay for services themselves (see BDS Market Development, USAID, 2001).

The MA&D process strengthens institutional capacity

The Gambian case is a good example of possible positive institutional impacts a project can obtain from small-scale enterprise development using the MA&D approach.

MA&D brings additional strength to government institutions in participatory forest management

The MA&D process contributes to raising the capacity of government institutions and non-governmental organizations at all levels regarding sustainable use of natural resources in a practical manner, including management and organizational issues. For instance, in The Gambian project, 14 facilitators and coordinators and 9 employees from the Forestry Department were initially trained in using and adapting the MA&D methodology. The Forestry Department developed a module for MA&D and integrated it into the curriculum of the National Forestry School.

The proposed integration of the MA&D approach into the overall Gambia forestry management concept is significant progress because it allows MA&D activities to be a routine part of the field activities of the Forestry Department staff.

MA&D contributes to improve the image of government staff with local communities

Implementing MA&D often contributes to enhancing the trust between the Forestry Department staff and local communities by promoting collaboration: in The Gambia, implementing MA&D helped to reduce cynicism regarding the financial benefits of participatory forest management, and encouraged other communities to become involved and join the community forestry management process. A villager from the Tumani Tenda village expressed: *"We thought the forest land would be fenced off by the government and we would lose our traditional rights. Cattle would no longer be able to graze and we couldn't fetch firewood. We thought it was a trick by the government to take our land. Now we have trust in the Forestry Department that they are working in our best interests when they sensitise and introduce new ideas. We can now clearly see the benefit of participatory forest management."*

MA&D reveals and helps to address constraints concerning policy issues

Access to forest products is one of the key requirements for developing small-scale enterprises. In The Gambia project, implementing MA&D revealed certain constraints concerning policy issues and led governmental institutions to propose solutions. For example, the Forestry Department field staff have been encouraged to enforce procedures at police checkpoints in order to reduce the competition generated by the illegal exploitation of forests. There were some cases where the "community forest" name was misused by outsiders to facilitate the transport of illegal products to the market.

The MA&D approach places a clear value on the forest and offers communities incentives to protect it. In The Gambia, many communities are now taking active measures to protect their forests and have set up patrols to stop illegal felling in their forests. In the past, many people used to fell trees commercially; some outsiders had licenses from the government, while many others operated illegally. The villagers never tried to stop them because they felt that they had no control over the issue. Now that the forest is in their hands, illegal felling has dropped dramatically, and the government can no longer issue outsider exploitation licenses in community forest and comanaged forest parks.

MA&D encourages diversification and strengthening of local implementation structures

Market, social and resource management performances are improved through collaboration with national and local NGOs, and through the creation or strengthening of small entrepreneurs' federated groups. In The Gambia, for example, two federated groups were formed by constituents of interest groups for the purpose of channeling their collective power and strengths. These federations have proven to be instrumental in mobilizing and coordinating their members in such activities as building strategic alliances with key actors and organizations (e.g. fuelwood wholesalers, private sawmills, national commercial organizations), which made the marketing of community-forest products feasible as they play an important role in increasing the efficiency of the enterprise activities. One federation, for instance, defined its objectives and tasks as to improve communication and create common understanding between and among federated members, gain maximum profit from sustainable and ecologically adapted forest utilization by minimizing production cost, standardize pricing and scaling systems, improve monitoring of forest product utilization, and create linkages to support institutions.

Enterprise development using the MA&D process can be a source of revenue to government forestry institutions

Although governments often express their commitment to environmental protection and sustainable natural resource management, they generally lack substantial financial means to achieve these goals because forestry is generally not a national development priority, so the sector does not receive long-term donor support from multilateral organizations. MA&D pilot initiatives can contribute to increase the allocation of more funds to the forestry sector if they can show the potential value of trees and forest products.

One of the biggest challenges of forestry institutions is providing the necessary funds for conducting multilevel training courses and adequate logistical support not only for following up the MA&D approach but also for continuing participative forest management in general.

The Government of The Gambia tried to address this constraint by institutionalizing a mandatory savings scheme for products produced from forest resources. The scheme states that 85 percent of all proceeds of the sale of forest produce extracted from the 'community forest' must be paid into a local fund, with the remaining 15 percent paid as National Forest Fund (NFF) taxes to the Department of Forestry. The money paid into the NFF has substantially increased in recent years through the contributions of community-based forest enterprises. The achievements made in enterprise development, which has created considerable income and employment in rural villages, increases at the same time the government revenue, and can attract the attention of politicians so that sustainable management of the country's forest resources will become a national development priority issue.

F. Preliminary planning phase for MA&D

Objectives and main activities

MA&D provides a framework for planning natural resource-based enterprises, which consists of a preliminary planning phase followed by the three main phases of the process. The process is designed to lead users through a simple and clear participatory process for enterprise planning and development.

The introductory sections of booklets C, D and E of the manual provide a brief introduction of the preliminary planning activities that need to be conducted before starting the actual implementation of each phase in the field. However, feedback from field-testing the MA&D process since the publication of the manual revealed that more detailed guidelines were needed about these preliminary planning activities. This section is designed to fill in the gap by describing the preliminary planning phase of the MA&D process, and includes a recapitulation of the elements already existing, although briefly, in the other booklets.

The objectives of the preliminary planning phase are to establish the project team, carry out a rapid overview of subsectors that offer potential opportunities to the participants of the MA&D process, design the institutional framework of the project, and gain an understanding of the role of enterprises in supporting sustainable livelihoods in each site.

These preliminary planning activities should be conducted by the institution(s) initiating the project. In this phase, the project staff will prepare the groundwork for ensuring that all the elements usually required for the success of any development project are in place, such as for example, a clear institutional set up, realistic objectives (including site selection and defined target group), and the sensitization and approval for the involvement of implementing partners. At the same time, the project initiators will make every effort to create the positive circumstances for ensuring support from key stakeholders as well as ensuring that all the essential elements and services for supporting entrepreneurs are in place.

The main preliminary planning activities before implementing the three phases of MA&D are:

1. Identify the project team members who will formulate clear work plans.
2. Adapt the MA&D materials for the local level, including the translation of materials into the local vernacular language.
3. Compile a general overview of:
   - the market demand at national or international levels for products that have existing trade channels; and
   - potential key stakeholders and service delivery organizations in the enterprise sector.
4. Survey the region in which the project is located in order to compile a brief overview of opportunities and constraints for enterprise development in the region, including past experiences in enterprise development in the area, existing service providers, livelihoods strategies in the selected sites, and an inventory of potential resources and products with comparative advantages for the region.
5. Select sites.
6. Organize MA&D sensitization workshops for other implementing partners who might be involved so that they generate realistic expectations and establish clear commitments on contributions.
7. Introduce the project to community leaders and to community members at the sites so that they become aware of the project.
8. Formulate a strategy for a market development approach to BDS.
9. Develop the monitoring and evaluation system (M&E).
10. Formulate the facilitators training strategy, including the criteria for selecting facilitators.
11. Organize the first training session for facilitators of Phase 1.

These preliminary planning activities are discussed in greater detail below.

There are a number of ways to conduct the preliminary planning activities depending on the initiating institution, the project objectives and strategy, and the national context. This introduction to the manual and to the Field Facilitators Guidelines does not provide a ready-to-use sequence of activities that should be applied blindly. It offers a series of activities that users can put together to meet their specific objectives when planning the MA&D component. Depending on the context, the project team may have to change the order of the activities if one of them needs more emphasis and time than another because of the specific project or country's condition. The project team may skip some of the activities if they do not fit the particular context.

1. Identify the project team members who will formulate clear work plans

At the beginning of the process, the project initiator needs to form a project team. Whenever possible, he or she will try to identify individuals who share the same objectives of enterprise and sustainable development and who are able to allocate sufficient time to MA&D activities.

Once the team is formed, members are introduced to the MA&D process through an MA&D information workshop. Afterwards they meet to formulate the implementation strategy, define the expected results within given time-frames and assign responsibilities, taking into consideration the provisional schedule for initiating the MA&D phases mentioned in the project document.

The initial work plan should cover all the activities in the preliminary planning phase up to and including the first MA&D Phase 1 workshop. The schedule of visits of international experts providing technical inputs should also be provisionally determined. The planning should also take into account local factors such as major holidays, the seasonal work calendars of the villagers and annual weather patterns, which can limit field mobility (e.g. rainy seasons or winter snowstorms that can close off vehicle access routes). Strategies should be worked out for high priority activities and need to be realized immediately, especially the sensitization workshop, the selection and training of facilitators, and the adaptation and translation of MA&D materials.

2. Adapt the MA&D materials for the local level, including the translation of materials into the local vernacular language

The facilitators need to have a translation of the Field Facilitators Guidelines for MA&D. In addition, it might be useful to prepare a simple manual for distributing to communities. This version could include more graphics, which are better understood by community members with basic literacy skills.

While going through the process, users might realize their gap in some aspects as, for example, a technical know-how for processing a resource or lack of knowledge in financial bookkeeping. Because the MA&D support materials, strictly speaking, do not include these elements, the facilitator may use booklets or manuals already available in local languages that have been developed by other organizations – examples include guidelines for sustainable harvesting and forest management or simple manuals on financial bookkeeping and record-keeping.

3. Compile an overview

Overview of the market demand at national or international levels for products that have existing trade channels

Before starting the MA&D process, the project staff need to acquire a basic understanding of the global country situation for enterprise development and for the type of products focused in the project.

For compiling this overview, the project staff need to conduct a survey of product opportunities by organizing an information search about natural resource-based products at the national level. The aim is to identify general opportunities, constraints, existing experiences, trade channels, stakeholders and potential products that have or could have a comparative advantage in the region.

Using secondary information such as published reports of previous surveys and data on national and international trade from the Forest Department, the Commerce Bureau or other institutions, the overview survey needs to include such information as:

- the type of natural resources and natural resource-based products that are traded in the country, and the map of the most important production sites;
- product demand and value; management strategies; and policy framework;
- the players involved in production, processing and trading of the main natural resources and natural resource-based products, their priorities and issues and the role of these resources in their livelihood strategies;
- the geographic profile: population and administration (maps, statistics, etc.);
- the issues and priorities of the sectors to develop from the perspective of the main governmental players;
- the policy framework for extraction, management, transportation, processing and trading of natural resources and natural resource-based products (including tax policy) in the country;
- the existing value-added operations in the country; and
- the main conditions in the country and means of transportation.

In many cases, this will not be a time-consuming survey because most of the time implementing organizations or projects already have a certain degree of familiarity with these issues, or have easy access to this type of information.

Overview of potential key stakeholders and service delivery organizations in the enterprise sector

An efficient way to obtain much information in a short amount of time is to organize a stakeholders' awareness-raising workshop at national and/or at regional/district level depending on the country context. The workshop's objective is to identify key stakeholders and service delivery organizations in the public or private sectors who would serve as potential strategic alliances to future entrepreneurs later in the project.

The project staff need to identify participants by making a list of all the stakeholders who may be interested in enterprise development. Part of the stakeholders should be the included potential donor organizations, especially those that have small grant programmes. The private sector should be represented, particularly by companies that have experience in trying to procure products from rural areas.

During the workshop, participants should first be informed about the project, and then collect information on past experiences and best practices related to enterprise development. They should identify other possible stakeholders, and also make a quick assessment of the major opportunities and constraints in the rural enterprise development sector in terms of marketing and technology, environmental issues, policy issues and social/institutional issues, including credit and financial support opportunities for rural entrepreneurs. This is easily done by breaking up participants in several small groups and assigning one of these areas to each group. Each group should make a list of opportunities and constraints affecting enterprise development at all levels in their chosen topic. Participants should also inform other team members about any existing training manuals or guidelines prepared by other organizations on one or several of the discussed topics related to enterprise development and resource management.

4. Survey the region in which the project is located

The objective of this survey is for the project staff to compile a brief overview of opportunities and constraints for enterprise development in the region where the project is located, including taking an inventory of potential resources and products. The survey should include:

- past and current experience in enterprise development;
- local and regional markets, areas served, local movement patterns, public services and status of infrastructure;
- potential natural resources and products (both existing products as well as new product ideas that might be introduced) with potential market demand and comparative advantages;
- key actors in government, NGOs and private sector, as well as organizations working in the project sites or potential sites;
- potential strategic alliances, including potential sources of investment and financing mechanisms for micro or small enterprises;
- regulatory and policy environment for forest-based enterprises; and

if the sites have not already been selected by the project staff:
- listing all potential sites; and
- listing existing opportunities and constraints that can influence site selection.

This information can be collected from informants in government agriculture and forestry agencies, from development organizations and from lending officers at local banks.

The results of this overview will serve as background information to document decisions that need to be taken later in the process, for example, about the way to finance the initial capital needs of the future enterprises.

Example
Micro and small-enterprise financing mechanisms
In The Gambian project, the initial overview revealed that each of the community Forest Committees involved in the project had already set up cash boxes for start-up capital to be used for such things as school buildings, medical emergencies and so on. Later, however, at the time of making decisions

related to the funding of the equipment for their enterprises, given that some of the products projected fast turnover of capital, had assured markets and relatively small risks, the respective community forest committees decided that it was safe to use the funds from the cash boxes as short-term loans for enterprises instead of bank loans, especially for investments in equipment or labour costs that were generating income for committee members.

5. Select sites

This is an optional step as it depends on the context of the project: oftentimes, projects have already begun a set of activities when they realize the need to start a component on enterprise development. In this case, most of the time, sites have already been selected.

In other cases, the project will want to start the MA&D activities in new sites even though it may have started other kind of development activities in a different area of the region. Finally, there are also projects setting up a project, especially with the purpose of developing enterprises, using the MA&D process.

When the site has not been selected, the site selection process is as follows:

An inventory of potential sites is developed as an output of the regional overview presented above, in section 4. The project staff should call a meeting with project management, local stakeholders and key informants. In this meeting, criteria for site selection are agreed upon, sites are shortlisted based on these criteria and the shortlisted sites are then visited in order to finalize selection. If the project's objective is conservation of biodiversity, the selection of sites has to be strategic in order to achieve maximum impact towards that objective. If the objectives are poverty alleviation other criteria will be important. Sites may also be selected because they qualify as good pilot sites and will be used as demonstration models so that later the process can be replicated in other sites with similar characteristics.

Example
In FAO's MA&D project at Mt. Emei World Heritage Site in Sichuan, China, 16 villages were exerting pressure on natural resources within the area. With limited project resources, only four villages from the group could be selected as pilots in the first two years of the project. A workshop was organized with stakeholders and with representatives of nine shortlisted villages. Ranking exercises were carried out using the following criteria:

- The poorest villages within the park were prioritized.
- Traditional use and economic importance of NWFPs for the villagers or involvement of village inhabitants in activities linked to the use of forest resources (e.g. conversion of agricultural lands to forest lands, handicraft-making and tourism).
- Interest of the villagers in the programme.
- Local leaders are capable and are respected by villagers.
- Road access.

It was expected that if the project went into a second phase, additional villages among the 16 villages would be covered by the project and also include a number of villages outside the park that also exert pressure on the park's resources.

6. Organize MA&D sensitization workshops for implementing partners

After sites have been selected, the project staff should introduce the project to partners in the region where the project is located and ask them to support various activities.

Having reliable partners at the local level is very helpful during the implementation of MA&D. Therefore, one of the first preliminary planning tasks is to sensitize implementing partners; organizing a workshop was thought to be the most efficient way to inform potential implementing partners about the concepts and process of MA&D and the human and financial resources needed.

In this workshop, once partners are convinced of the benefits that can possibly be generated by implementing MA&D in their region, they will clearly define their contributions in terms of staff,

logistical support or funds, and ensure integration of MA&D activities into their annual calendar of operations. Staff contributions from partners should be gender balanced if possible. In many cases, government agencies representing the forestry, agriculture, cottage industries and tourism sectors are critical stakeholders to involve from this stage on because they may eventually provide the licenses for formalizing the use of natural resources, the support for the registration of enterprises, and provide or supervise the extension staff who may play a facilitating role in the project.

Once the MA&D implementing team of project staff and partners is formed, a workshop will be organized to develop a work plan for the results to be achieved in Phase 1. This plan should also take into account the seasonal calendars of production of potential commercial products and work calendars of men and women in the communities.

Example
In Uganda's MBIFCT/FAO project working with villages around the Bwindi National Park, the MA&D implementing team for Phase 1 and Phase 2 was composed of district- and village-level agriculture, forestry and fisheries extension officers, the Community Tourism Officer from the Uganda Wildlife Authority, and village-elected representatives supported by the Project Enterprise Development Officers. Their understanding of the socio-economic dynamics of the communities and knowledge of local natural resources was critical in the early stages of the process, but not so important in Phase 3. The reason was that once enterprise interest groups were formed in Phase 3, the village-level interest group representatives became the main implementers because the groups were involved mostly with marketing activities that were beyond the experience of the field facilitators. However, the facilitators continued to play an important role for providing technical assistance in specific products selected by entrepreneurs in which they had production management or marketing experience.

7. Introduce the project to community leaders and members at the sites so that they are aware of the project

During the preliminary planning phase, the project staff have already arranged the production of MA&D materials in the local language. Regional and national overviews have helped them to select appropriate sites for starting small enterprise development activities, and the staff have gained the support of the implementing partners in the region where the project will take place. They are now ready to approach the community leaders at the sites in order to introduce the project to them.

The objectives of the initial meeting between the project staff and local community leaders are to:

- introduce the project and implementation methods to local leaders;
- invite them to participate in the various activities;
- request their support, especially in identifying local stakeholders and key informants related to the project topic; and
- obtain from them, key informants and local stakeholders' information about the general situation at the local level, which will contribute to complete the local overview.

If local leaders express a willingness to participate in the project then the project staff will plan a meeting between the leaders and the facilitators, who will assist them in conducting the MA&D process at the local level.

The meeting will be an opportunity to specify the differences between an enterprise development project and other types of community development initiatives, for example, in terms of policies for meeting allowances. Participants usually expect grants from projects, so it must be made clear to them that in enterprise development their contribution in terms of capital or labour as initial investment is also expected. This point will again be repeated by the facilitators in Phase 1 of the process, during the first workshops or meetings organized in the villages in which the target group of future small entrepreneurs are identified within the local community.

Once the local leaders have agreed to participate in the project, the facilitators will intervene. One of their first tasks will be to sensitize the local community about enterprise development benefits and the importance of protecting their natural resources. This might be done by following the methods that are described in booklet C of the Phase 1 manual.

Example
In the MA&D project in Uganda, a local drama company was contracted to conduct performances at target villages touching on issues such as the meaning of enterprise and the importance of sustainable environmental management. Performances also included humorous role playing and traditional music and dance from the area.

8. Formulate a strategy for a market development approach to BDS

One of the characteristics of the enterprise development using MA&D is that its target users traditionally do not see themselves, nor are they perceived to be, potential entrepreneurs. In fact, community members who depend on natural resources for their livelihoods are perceived as people who have limited education, who do not know the rules and policies, and who live in remote places where reliable market, price and technical information is difficult to obtain; needless to say, they face many problems. This is why many community members lack confidence in their capacity to develop new things and are reluctant to adopt new ideas coming from outside the area. Their attitude has also been reinforced by having had negative experiences with unsuccessful activities promoted by 'officers' or 'the government'.

Undergoing the MA&D steps, rural community members progressively change their perceptions concerning their capabilities. They develop the confidence that is needed to become successful small entrepreneurs. MA&D is relying on the fact that rural community members believe what they see directly more than what they hear, and that they trust their rural-area peers more than the messages given by 'outsiders'.

In every community participating in the MA&D process, 'leader entrepreneurs' emerge as individual men and women who happen to embody the characteristics of a successful entrepreneur. They tend to have higher than average numerical and basic literacy skills, demonstrate determination and a willingness to use initiatives, and take calculated risks with their time and resources. These individuals often are catalysts for other community members as they encourage them to attend meetings and to become involved in the enterprises. They play the role of leaders, demonstrating different ways to develop activities. Realizing the benefits obtained from the new activities by one of their village members, other community members who at first are reluctant to take risks will be attracted to start as well.

The leader entrepreneurs are those who generally motivate others to create producers' groups and facilitate the federation of these groups into strong entities. During the MA&D process, linkages and relationships are developed between these individuals and district- or national-level service providers, such as trainers, for the expertise needed for a particular product. Market information or policy and regulation issues can also be disseminated through these mechanisms. These leader entrepreneurs become the focus and the medium-services providers will use to reach the groups of entrepreneurs. Usually, these leader entrepreneurs, alone or as leaders of the federated groups of producers, carry out research and develop products that are appropriate for the locations and train others in the same site.

Most of the time, if the activity is new in the location, entrepreneurs will link to another support institution as, for instance, a development organization working in the area in order to prepare appropriate training materials translated into local languages and using graphics whenever necessary.

Entrepreneurs will identify the services they need during Phase 3 of MA&D, while formulating the enterprise development plan. At this time, entrepreneurs identify the needs for the service and propose mechanisms for financing the services. The financial plan of the enterprise will also demonstrate whether the costs of the services are justifiable given the volume of sales and profit margins.

By the time the enterprises or federated groups of enterprises are formed, these leaders can form the basis of a community-level BDS mechanism, offering support services to other community-based enterprises. Since MA&D ensures that products selected offer visible economic returns and have growing markets, there will also be a market at the community level for these support services and a willingness to pay for affordable assistance. If the MA&D initiatives are replicated to other areas and communities select similar products, these individuals can be sent by the project to share their

experience and knowledge with future entrepreneurs in other areas. This villager-to-villager learning has proved to be an efficient way of learning in several projects. The village-to-village learning can also be engaged to support product development in new sites.

Example

In the Enterprise Development Project implemented by MBIFCT and FAO around the Bwindi National Park in South West Uganda, farmers were introduced to growing oyster mushrooms. It was a new product for them, with potential local markets in the tourist lodges. The interest groups formed during Phase 2 of MA&D were given training by a mushroom-growing expert based in the district capital. Given that it was a new product, production was started on a pilot basis with a demonstration grow room. The initial pilot indicated a lot of interest from the market and confirmed that a significant profit margin could be earned. Follow-up refresher training sessions and study visits were then organized for representatives of the interest groups. During the enterprise development planning workshops, these representatives agreed to act as local service providers and transfer their skills to other farmers so that they too could start new production groups; these new groups agreed to allocate funds from their earnings in order to provide compensation to the service providers. This product fulfilled the conditions for establishing BDS because it had growing market potential, a fast turnover of capital so that producers had the means to pay for services, generated significant profits, and required technical backstopping that was relatively simple yet effective for guaranteeing high production; therefore, producers were able to see the value of investing some of their earnings into continuing training.

9. Develop the monitoring and evaluation system (M&E)

The project staff need to establish an M&E system based on the specific objectives of the project. Enterprise development projects should focus on monitoring the performances of individual enterprises, groups of enterprises and community-level service providers, while capacity-building projects should concentrate on monitoring the performance of people who have been trained so that they will be able to continue to acquire new knowledge and skills and the ability to use them. In addition, enterprise development projects will also need to measure the development performances of the project in the socio-economic and resource conservation areas regularly.

Choosing the right indicators is the first step in a good M&E system. Meaningful indicators can only be developed if done with the participation of entrepreneurs. Monitoring should be done at the output, effect and impact level. Each level will require different kinds of indicators, which should be linked to the objectives and strategies of the enterprise.

Annex 2 lists examples of indicators projects can use to monitor the performances of projects, individual enterprises, group enterprises, and community-level service providers. While developing a monitoring system, it is important to keep in mind the resources available for implementing the system at the village level, and for inputting the data and analysing it to draw conclusions. A number of indicators are presented in Annex 2: examples here have been kept to a minimum on purpose because it is expected that users of these guidelines may add other indicators based on the specific objectives of the project.

An example of indicators for monitoring the beekeeping enterprises in Uganda is presented in Annex 2. Indicators of the performance for a new enterprise begin with no existing production or sales, while if it is an existing enterprise (as in the example of a beekeeper shown in Annex 2), the indicators need to start with a baseline of the existing volume of production and sales before project interventions begin. The example illustrates a situation where project interventions consisted of providing additional improved hives, organizing the training on processing honey and establishing a collection center.

The monitoring system should also include tools for gathering information for a baseline survey and then analysing that information on a regular basis in order to understand trend changes and to make appropriate decisions regarding what must be done to ensure achievement of the projects' objectives.

Assessing impact

In order to assess changes in farmers' perceptions (regarding improvements in management practices as a result of enterprise development) and to measure improved entrepreneurship capacity, qualitative

indicators should be developed for a baseline survey. This baseline survey needs to be carried out with community members who become involved in enterprise groups in the early stages of the enterprise and followed up with a similar survey after a significant period of time has elapsed. An example of an impact assessment tool for measuring changes in perception and the capacity of farmers who are participating in the activities of an enterprise development project is presented in Annex 3.

10. Formulation of the facilitators' training strategy

As mentioned earlier in section E, every project will have a different capacity-building programme according to its own objectives, context and resources. All projects, however, will include a component for training the facilitators from government institutions or development organizations at the provincial and district levels about the ways to assist local communities in implementing the MA&D process and to follow up on their activities.

The training programme should be designed by the project staff. At this stage, field facilitators can be consulted about the training programme but they cannot become deeply involved as they do not yet know the MA&D process.

The strategy includes the definition of the criteria the project staff will use to select appropriate facilitators to pilot the implementation of the MA&D process. Suggested criteria for the facilitators' profile include:

- minimum educational requirement is high school graduation;
- affinity for working in rural communities;
- experience with facilitating participatory processes;
- knowledge of culture and languages of the target communities;
- basic budgeting and financial reporting skills;
- reasonable writing ability;
- gender sensitive;
- project planning and reporting experience; and
- able to work well in a team approach.

The strategy adopted for building the capacity of facilitators usually includes at least four main stages, two corresponding to the two initial phases of the MA&D process and two for Phase 3. Each stage consists in a training workshop held in an indoor venue, where facilitators will receive a conceptual overview of the content, methods and tools related to a particular phase, and participate in a practical field session afterwards.

If possible, facilitators should receive training for only one phase at a time because the content of each phase depends on the results obtained from the previous phase.

If a national project is located in several sites within the country, a regional training session in a central location can be organized for the conceptual part of the training and participants from the other projects areas can be invited. After the regional training, a practical training session for all participants will be held in one of the field sites. An example of a training plan for facilitators of MA&D that has been used in several MA&D projects is presented in Annex 4.

11. Organize the training of facilitators for Phase 1

This is the first of the four series of training activities. Facilitators will attend a training workshop held in an indoor venue and be given a conceptual overview of the content, methods and tools related to Phase 1. Immediately following the workshop they will participate in a practical trial run of the Phase 1 tools.

The conceptual part of the training can be organized at the regional or national level. This course should introduce the project objectives and modality, and an overview of the MA&D process, principles and main marketing concepts used in MA&D. Then the outcome of the preliminary planning phase should be reviewed, and the national or regional/local overviews shared. Facilitators will also be asked

to give their feedback on the draft of the M&E system. The MA&D support materials will be presented to them, prior to learning Phase 1 objectives, steps, expected outputs, tools, and recording formats for M&E used in Phase 1. By knowing the different methods and tools of Phase 1, facilitators will then be in a position to prepare a work plan for the next stage of Phase 1 training – the practical trial run of Phase 1 tools.

The practical trial run of tools after the conceptual learning session is usually done in one of the project sites. It is important to remember, however, that this is an exercise done for training purposes and cannot replace the actual implementation of the process, which will require more time and thoroughness than what can be done in a limited training context. This should be clearly explained and understood by both the village target group and the facilitators. After facilitators have tried Phase 1 tools, they will be in a position to develop a work plan for implementing Phase 1 in the project's site.

G. Overview of the three phases of the MA&D process

The MA&D process: three phases

MA&D provides a framework for planning tree and forest products enterprises. It consists of the preliminary planning phase presented in section F followed by the three main phases of the process, which are designed to guide participants in communities through a simple and clear participatory process for enterprise planning and development. The user of the MA&D manual or the field guidelines is guided through a sequence of systematic steps in all phases, which serve as a checklist to ensure critical elements are not overlooked, thereby reducing the risk factor in establishing enterprises.

A graphic representation of the process is presented in the separate MA&D map in the manual.

Following the preliminary planning phase, the three main phases of the process are:

Phase 1: Assess the existing situation.
During Phase 1, participants learn the livelihood strategies of the local community, identify the target group of small entrepreneurs within the community, obtain an overview of the available natural resource and products, define the problems and opportunities, and shortlist a range of products. Village motivators who will be further trained in MA&D are also identified.

Phase 2: Identify products, markets and means of marketing.
In this phase, participants gather information for analysing the feasibility of shortlisted products and decide on the most viable enterprises that can be developed.

Phase 3: Plan enterprises for sustainable development.
In Phase 3, after participants formulate an enterprise development plan and implement a pilot phase in which the enterprise is established, training is organized in order to be able to adequately respond to the needs of targeted markets.

The three phases are presented in more detail below.

PHASE 1: Assess the existing situation.

This is an exploratory phase that aims to generate an understanding of the key issues of the existing situation. Members of the target group in the community are trained on the tools and methods for conducting Phase 1 and provided with relevant field-recording forms. The type of information collected includes:

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

This phase gives some first indications of the possibilities and scale that enterprises can realistically aim for, taking into account such factors as available financing, market demand and potential investors.

The MA&D process starts from what already exists, considering products that are already traded and that provide income to the target group. In addition, opportunities for introducing new value-added technologies to existing products or introducing new products are assessed. Community members will describe their experience with production, processing and trade of tree and forest products. For example, they will answer the following questions:

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

The goal is to help villagers discover viable products that are best suited to their economic expectations and yet that also offer possibilities of expansion and long-term sustainable exploitation. In order to ensure viable enterprises and to reduce risks, community members learn to select enterprise ideas, always taking into account social, environmental and technological factors in addition to the marketing aspects of a product. Otherwise common mistakes occur, such as overestimation of the availability of raw materials or lack of proper skills for using and maintaining equipment.

As a result of the information gathered and the analysis of Phase 1, products will be shortlisted for in-depth feasibility studies in Phase 2.

The steps in Phase 1 are:

- STEP 1   Identify the target group
- STEP 2   Determine the financial objectives of the target group
- STEP 3   List existing resources and products
- STEP 4   Identify key constraints of the existing market system
- STEP 5   Shortlist a range of products
- STEP 6   Raise awareness of the benefits of working together

The outputs are:
- A shortlist of products that will be evaluated in the next phase of MA&D.
- Understanding of the social, environmental and technical constraints of a range of products.
- Formation of a team of target group members to undertake Phase 2.

PHASE 2: Identify products, markets and means of marketing.

In Phase 1, the most viable products were prioritized. In Phase 2, the shortlisted products are submitted to in-depth feasibility studies. The result of these surveys will be clear identification of potential markets and the scale and trends of market demand as well as any constraints with accessing those markets (these could be policy issues, social, environmental or technology-related problems). By the end of Phase 2, the shortlisted products from Phase 1 can be compared with each other in terms of their opportunities and constraints, and with that information another round of selections is done by the target group communities.

A number of problems can occur if an attempt is made to develop an enterprise without going through the steps of Phase 2. These problems include:

- unsustainability of the resource and/or the market;
- economic dependence on one product or type of product;
- erratic supply;
- poor product quality;
- low income from the product (poor return);
- lack of capital either for initial investments or for overhead costs;

- non-compliance with current rules and regulations;
- unawareness of important rules and regulations;
- unawareness of sources of assistance (such as credit or technical expertise); and
- destruction of the environment.

In Phase 2, the following questions are asked:

- Which products have the best current and market potential?
- What kind of technology, organizational structure, capacity and capital would be necessary in order to access potential markets?
- Which products generate a net return and fit the expectations of the target group?

The steps in Phase 2 are:

- STEP 1   Analyse the four areas of enterprise development
- STEP 2   Select the most promising products
- STEP 3   Create interest groups for the selected products

The outputs are:

- Identification of the most promising products and gathering information for the design of enterprise development plans.
- Formation of interest groups for the selected products who will undertake the activities in Phase 3.

PHASE 3: Plan enterprises for sustainable development.

As a result of the work carried out in the two preceding phases, products and markets that are socially and environmentally sustainable as well as financially promising should have been identified.

The aim of Phase 3 is to formulate a plan that integrates all the strategies and services needed by the enterprise in order to be successful (see example below). This will include market, environmental, social/institutional and technological strategies. A pilot phase is implemented in Phase 3 in order to establish linkages with business service providers, and to begin training activities and refine operational and organizational mechanisms. In addition, the capacity of entrepreneurs will be strengthened so that they will be able to monitor their target markets and foresee the changes in demand, identify new rivals competing for the same buyers, and continue to explore new market opportunities. They are also trained to be able to manage the stock of natural resources: they learn how to monitor the natural resources intake regularly and to supplement it with resources from other sources in order to meet the demand requirements.

The steps in Phase 3 are:

- STEP 1   Examine the business environment of the selected products/enterprise
- STEP 2   Define the enterprise mission, goals and objectives
- STEP 3   Develop strategies in each of the four areas of enterprise development
- STEP 4   Formulate action plans to implement the strategies
- STEP 5   Calculate financial projections for the enterprise
- STEP 6   Obtain financing as specified in the capital needs statement of the financial plan
- STEP 7   Initiate the pilot phase and training
- STEP 8   Monitor progress and deal with change

The outputs are:

- Identification of markets and development of strategies for accessing the opportunities
- Formulation of an enterprise development plan for the selected products
- Development of an action plan and implementation of a pilot enterprise
- Financing, as specified in the capital needs statement of the enterprise development plan
- Implementation of an ongoing monitoring and planning system for the enterprise

Entry points

Though the MA&D process is a logical sequence of steps, the processes of decision-making and selection within it are iterative, depending on the information flow and analysis.

Phases 1 and 2 are diagnostic and serve to identify opportunities and motivate community members, while the goals of Phase 3 are planning, training and monitoring.

Generally, it will be necessary to go through all the steps in each phase of MA&D, and each phase should be completed before the next phase is undertaken. For example, before conducting a feasibility study in Phase 2 on a potential new technology to improve a product, it is important to know if long-term access to the natural resource is secure; similarly, before developing the operation plan for a new enterprise, it is necessary to study the market and identify the costs and potential benefits. The outputs of each phase are the foundation of the next phase; each phase is the consequence of the results of the previous one.

However, there are some situations in which it is possible to enter the process at different points.

For example:
- If the target group is identified, but the products/enterprise ideas are not identified, it is possible to start at Step 2 of Phase 1.
- If the products/enterprise ideas have been clearly identified, but the target group is not clear, it is possible to skip Steps 3 and 5 of Phase 1 and Step 2 of Phase 2.
- If the target group is identified, the financial objectives of group members are clear, they have already inventoried the raw materials, they understand the key constraints of the market system, and they have selected potential products on which to base their enterprises, then it is possible to skip Phase 1 altogether and begin the process at Step 1 of Phase 2. This might be the case for existing enterprises facing problems and in need of diversification or reorientation.

For existing enterprises, one can do a diagnostic of their status using Phase 3 as a guideline. Then they might find that in order to solve certain problems, they have to address some of the issues in Phases 1 or 2.

Adapting the Phase 3 process to the needs of a project

A single manual or guidelines cannot address the exact needs of all the different projects' contexts and scale of enterprises. The manual's authors had to opt for methods and tools that would be applicable by a large range of projects or easily adaptable by those whose conditions would slightly differ. The facilitators and project staff should analyse their own situation and adapt the Phase 3 process accordingly. Once Phases 1 and 2 are completed, the project staff should have already analysed the situation enough to be able to adjust the methods and tools of Phase 3 to their needs.

The factors that may influence the adaptation of Phase 3 include:

Appreciation of the scale of enterprises and their level of complexity to understand whether the project staff will support the development of micro or small-scale enterprises: the scale of enterprises and their level of complexity will dictate the level of sophistication of the tools – for example, microenterprises will require less financial projections than small enterprises and their enterprise development plans will be simplified.

The amount of information available after Phases 1 and 2 are completed. If information is lacking, the facilitators may have to plan additional study tours at the beginning of Phase 3; however, if all information is collected, they can begin to develop the enterprise development plan directly. The information requirement is also related to the scale of the enterprises.

New beneficiaries join the process at a later stage. Project staff/facilitators may need to do a diagnostic of the situation of newcomers, and may find out that they have to address some of the issues of Phase 2.

Other factors to consider that may influence the way the Phase 3 methodology might be used includes whether the working capital of the future enterprises will be available, or the time limitations of facilitators (part-time facilitators from government will require a longer time-frame).

Main methods and tools

MA&D provides a basket of tools that are intended to be used in a flexible manner so that facilitators can select tools at a given moment that respond to the needs of the participants, address specific local opportunities or challenges, and correspond to the time available. The tools, designed especially for use with natural resources, have been refined as a result of field-testing. However, experience shows that MA&D can also be used with agricultural products and agroforestry management systems, and in the development of enterprises linked to coastal marine resources.

Success of the implementation of the MA&D process often depends on the ways in which participatory tools and methods are used, and the way in which the information required for selecting enterprise ideas and preparing enterprise development plans is gathered. These two aspects are presented in more detail below.

Using participatory methods and tools

Many of the MA&D tools may seem familiar to the facilitator – in many cases they have been adapted from participatory rural appraisal guides or entrepreneurship development manuals. Rather than striving to invent something new, MA&D has come about as a result of sharing experiences and best practices among practitioners in many countries who had tried to use a participatory process with communities to plan enterprises. It is a continuously evolving methodology as facilitators regularly look for ways to adapt or improve tools to fit their particular situation and products.

This manual and the field facilitator guidelines assume that facilitators will have existing knowledge and expertise in the use of participatory assessment tools, since they will be required to adapt these tools considerably.

The MA&D process can only be implemented effectively when it is based on the active input of all target group members in the community involved. This means that the success of a meeting or workshop heavily depends on the ability of the facilitator to effectively guide the communications and dynamics in the group. In other words, facilitators need good facilitation skills so that effective sharing, learning and participatory decision-making can take place.

Facilitators need to consciously use a process of assisting the target group members to successfully achieve its task while functioning as a group. They need to facilitate the learning process through collection of information, analysis and understanding, and the processes of communication, sharing and participatory decision-making.

There are a great number of future small enterprise groups whose members really want to voice opinions, share their insights, listen to each other's experiences and come up with interesting new ideas. But people will take an idea that is explained in an easy and attractive way more seriously. This is why they need the support of the facilitator using good facilitation techniques.

The role as a field worker in supporting the learning process of future entrepreneurs during the MA&D process is presented in Annex 5.

Gathering and analysis of information in MA&D

The MA&D process generates useful information. This information should be safely stored to ensure it is not lost and be made available to village entrepreneurs, organizations involved in planning projects at district, regional or national levels, and buyers or trading organizations looking for backward linkages to producers.

MA&D uses the screening of the four areas of enterprise development for gathering and analysing information

Gathering information and designing an enterprise development plan are essential for reducing risks and taking advantage of opportunities.

The main strength of the MA&D process is its systematic inclusion of all aspects of enterprise development. It takes into account environmental, social and technical factors, as well as the commercial and financial aspects of a product. The focus on social and environmental issues means that long-term development of an enterprise will occur only if it meets the needs of the target group members, if they have the required capacity to operate the enterprise, and if it is adapted to their environment. Early assessment of needs and expectations reduces the risk of developing an overly complex product, for example, developing rattan furniture for the international market when the same objectives could be achieved through a more simple enterprise such as the production of dried mushrooms for the local market.

In the MA&D process, the methodology used to gather and analyse the necessary information is known as 'screening the four areas of enterprise development' (see Figure 1). The areas are:

- market and economy;
- resource management and environment;
- social and institutional; and
- science and technology.

Information in these four areas is gathered and analysed throughout the process. The tools in MA&D for information collection aim to ensure only relevant information is gathered at each stage so that precious financial resources are not wasted.

Screening the four areas of enterprise development is a technique that will enable the facilitator and the interest group members to focus their activities on information gathering and analysis and avoid wasting time in gathering unnecessary information.

The process may initially seem rather overwhelming, particularly to those who have never been involved in an exercise that requires information gathering prior to decision-making.

Gathering information during each phase requires the development of skills, especially in the review of printed materials, interviewing and observation. These skills and related tools are discussed in detail later in this booklet.

Levels of information collection in MA&D
The collection of information on the economic, environmental, socio-institutional and technological aspects of enterprise development is a process that takes place at three main levels (see Figure 2):

- the macro level: surveys at national and international level;
- the meso level: surveys at the district/province level; and
- the micro level: surveys at the community/village level.

Often, an intervention at one level will require investigation at a higher level. For example, developing a product at the community level will require a study of potential buyers at the district level and, if supply exceeds demand at the district level, an investigation may be necessary at the national level.

Figure 1: The four areas of enterprise development
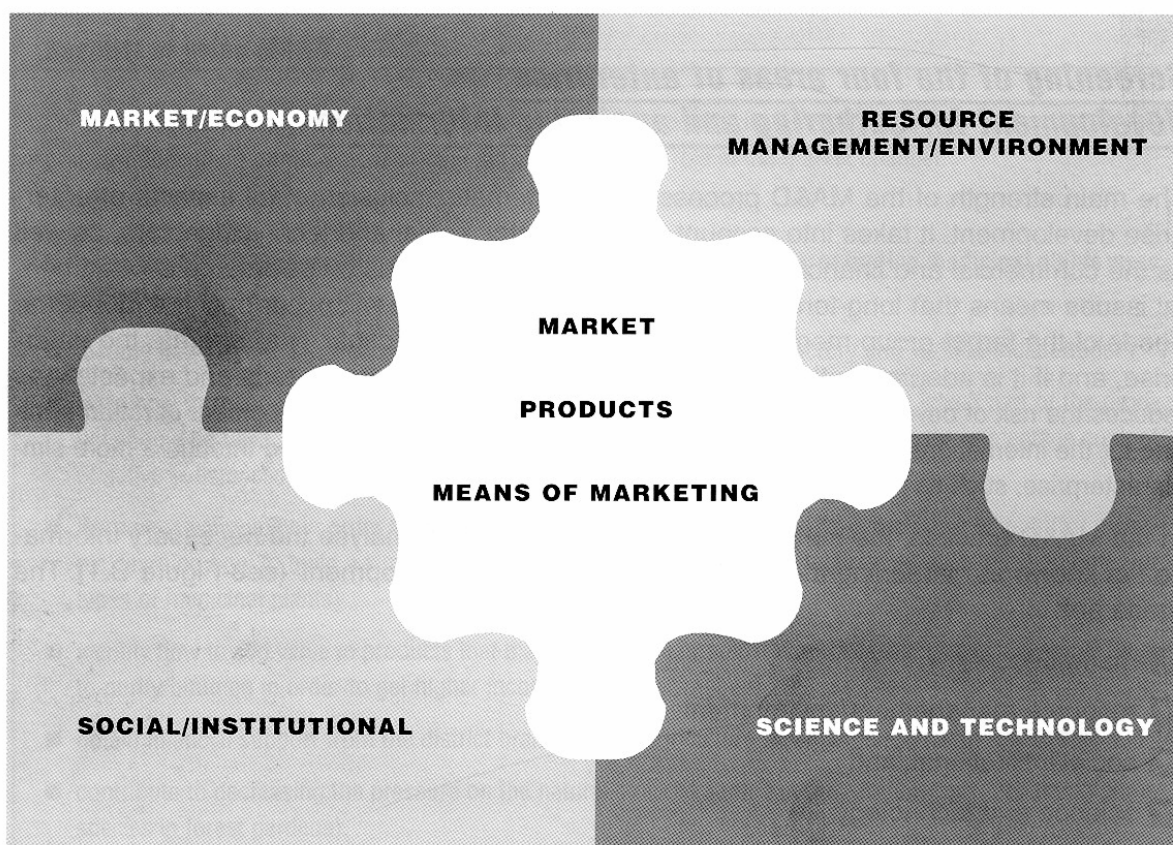

Figure 2: Levels of information collection in MA&D

Macro level
During the preliminary planning phase, project staff will initiate collection of information at the national/international level in order to design the institutional set up of the project, to obtain an overview of potential key stakeholders and service delivery organizations in the enterprise sector, and

to get an understanding of the market demand at national or international levels for products that have existing trade channels. This will involve reviewing existing literature and interviewing key informants. For more detailed information, refer to point 3, section F of this document.

Collection of information at the national/international level is also done during Phase 2 so as to select the most promising products and in Phase 3 to develop the enterprise development plans.

Meso level
During the preliminary planning activities and Phase 1, project staff will provide an overview of the district/province where the project will be piloted. This will also involve reviewing existing literature and interviewing key informants. Additional information needs to be collected during Phase 2 and 3 to select the most promising products and in Phase 3 to develop the enterprise development plans.

Micro level
During the participatory village workshops of Phase 1 (see Phase 1, Step 3), the information collected by the project staff so far is combined with the information gathered by community/village members in order to shortlist potential enterprises ideas in the targeted project sites. During Phase 2, additional information is collected on the shortlisted products. Phase 2 describes how this additional round of information collection (at macro, meso and micro level) can be conducted.

The collection of information continues even after the final products have been selected and enterprises set up. During Phase 3, information will need to be collected at the three levels in order to review the business environment of enterprises, define enterprise strategies and action plans, and monitor the progress of enterprise performance.

The same methods are used in the MA&D process, whatever the scale of the enterprise (for example, both for a microenterprise and for a medium-scale industry), and whatever the context and whoever the target group members. The only difference may be in the time (depending on the amount of information needed and the location of the information sources) and the skills required for obtaining that information.

Access to information and cost-efficiency in MA&D

The time and costs involved in identifying and developing an enterprise are generally of considerable concern to local people. They usually do not have the time or resources to collect vast amounts of information, and they need clear guidelines for a systematic approach that ensures collection of only relevant information at any given phase of planning in order to avoid wasting time.

Local people will often begin their information gathering in a context where very little formal information exists. The MA&D process adopts the perspective of the local people, recognizing that information is to be collected for practical purposes and not for research. It is a practitioner-oriented methodology aiming to assist local people in collecting a feasible amount of relevant information in a cost-effective way.

MA&D aims to simplify the complexity of information requirements by:
- identifying the priority areas for gathering information and providing checklists of the minimum amount of information required for sound decision-making; and
- using indicators that are relevant to, and easy to understand by local people.

In MA&D, local knowledge is recognized as an important source of information:
Local people already have extensive information about local resources and the existing situation. It is important to recognize this knowledge and to help draw it out during the process of reviewing the information available in each of the four areas of enterprise development.

Local people are trained to gather information and to rely on specialists for selected tasks only:
Decision-making will often depend on information gathered by rapid appraisal techniques and simple research tools. Local people should be able to conduct a local market survey by following simple instructions. For example, producers of raw materials would simply follow the physical movement of their products to the final market.

In a project context, it may be necessary to include a short training session on methods for information gathering, such as interviewing skills, observation, and analysis of secondary sources of information available at local level. Trained local information gatherers can usually get a good picture of the local market system within a short time, thus making it unnecessary to employ a costly specialist. (See details on tools for information gathering in Annex 6.)

Alliances are built with appropriate institutions or individuals in order to gain access to information:
In certain circumstances, it may be necessary to conduct more in-depth studies, which the local people cannot undertake by themselves. Lack of access to national or international information can be overcome by linking with other individuals or institutions that may be in a better position to get the required information at low cost.

Simple tools are provided for saving time and money:
In Phase 1, the elimination of products is a tool used as a short cut to avoid spending further time, effort and money on products that are obviously non-viable.

Identifying sources and gathering information
Gathering information during each phase of the MA&D process requires the development of new skills, particularly related to the review of secondary information (written information), interviewing skills and observation.

During the MA&D process, teams of information gatherers will be formed from among the members of the target group. The facilitator will need to train target group members in basic information-gathering techniques before embarking on the MA&D process.

The three main ways to gather information during the MA&D process are by:

- reviewing written/printed materials;
- interviewing; and
- using observation.

Each is discussed in Annex 6, and guidelines for gathering valid and reliable information are provided. These guidelines can be used by facilitators in order to develop training sessions for the information gatherers.

H. Resources required for implementing MA&D

The amount of time, money and human resources needed for the MA&D process depends on the size of the proposed enterprise. In conventional enterprise-development methodology, the time spent for a 'feasibility study', and the costs induced, are included at least partly under the 'investment budget' lines of the enterprise.

Preliminary planning phase

Location. Although the work takes place mainly in the project office, an overview of potential key stakeholders and service delivery organizations in the enterprise sector and of the market demand at national or international levels for products that have existing trade channels may be needed. A visit to the region where the project will take place will be also needed.

Time. Two to four weeks, or more may be needed, depending on the project's institutional set up and the level of experience in initiating projects of the project staff involved. This encompasses obtaining an overview of the local and national situation, selecting the sites, finalizing the institutional set up, and involving partners. Training the project staff and facilitators about the MA&D process, methods and tools is also included.

Team. Members of staff of the initiating institution(s).

Budget. This includes the staff time and the cost of collecting information to compile the required overviews and a visit to the project site's region. Costs for initial training of the staff and of the facilitators on Phase 1 methods and tools should also be included.

PHASE 1   Assessing the existing situation

Location. Although the work takes place mainly in the field, information might need to be gathered at the regional level.

Time. One to three weeks may be needed, depending on the size of the target group, the accessibility of the area, the complexity of the natural and human environment, and of the potential markets.

Team. Usually a team comprises one to three facilitators, and assistants and interpreters if necessary. The size of the team will vary according to the size of the target group and the number of sites.

Budget. This includes the cost of training village motivators (one to two days), information gathering and analysis, participation in regular workshops organized by the natural resources' users (up to 12 days), and surveying the market system within the district or province (two to three days).

PHASE 2   Identify products, markets and means of marketing

Location. A series of surveys, including a market analysis, is required outside the locality, at the provincial, national and sometimes international levels in order to assess the potential of a product.

Time. One to four weeks may be needed, depending on the complexity of the marketing channels for the shortlisted products, and the availability or accessibility of market information.

Team. This is the MA&D team from Phase 1. Alliances may be formed if market surveys need to be conducted outside the locality.

Budget. This includes the time required for the market survey by the team, or facilitation of a survey by a marketing specialist, and the significant transportation and communication costs.

PHASE 3   Plan enterprises for sustainable development

Location. This is the production site and sale site.

Time. This may require one to three weeks for one product and one group of entrepreneurs, plus a pilot phase (one year or more) and time for ongoing monitoring and evaluation.

Team. This is the MA&D team formed in the previous phase. During the monitoring period, there is less need for outside expertise.

Budget. This includes the cost of workshops for entrepreneurs and the time required to analyse the data, develop the enterprise strategy and enterprise development plan, and secure funding. Costs of tours for entrepreneurs who need to link with other actors in the marketing channels and with other services providers are also included.

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List of Annexes

Annex 1. Example of capacity building and support for small entrepreneurs' federated groups in The Gambia

Jamorai Timber and Firewood Federation (JATIFIF)

In 2003, representatives from 11 interest groups in communities surrounding Kafuta village held a number of workshops evaluating the effectiveness of the MA&D approach in their region. During their initial analysis of timber and fuelwood, a serious technological constraint was identified. At the time, the communities had neither access to, nor training, in the operation of such equipment as chainsaws and sawmills. This led to a massive reduction in profit, which was reaped by entrepreneurs from the capital town coming with their chainsaws and depriving communities of an income. These urban contractors did most of the work, including operating chainsaws, coordinating trucks, and marketing. A single truckload of timber, which contains an average of 30 pieces, was valued at 27 000 dalasis. However, unscrupulous contractors used this to their advantage, playing the communities against one another because the communities could not agree on a fixed price. It is why, on average, for every three truckloads of timber produced, the communities were paid only the value of one, equal to about 9 000 dalasis. The community members seemed to have no solution to overcome this obviously inequitable arrangement.

However, during the MA&D workshops, the interest groups realized that if they had no power to overcome this constraint alone, they might resolve it by joining forces. The 11 communities decided to form a federated group called JATIFIF. They built their capacity through receiving technical training, setting fixed prices and monitoring their resource base. They collectively negotiated a flat price with the contractors and now receive 17 000 dalasis per truckload of timber, taking on the responsibilities of cutting the trees and preparing them for transport. The interest groups, which are now empowered by having more responsibilities, have rented chainsaws and are paying the labour costs themselves, negotiating with private sawmills and sharing out the work within the community. The price increase has made no effect on the high demand for timber as contractors are still making a large profit. This new arrangement has almost doubled the interest groups' profit and has led to the creation of many additional jobs in the community.

Through the federation, members of JATIFIF have created a number of linkages to other institutions, most notable of which is FAO. In November 2004, JATIFIF met with representatives of FAO to discuss a proposal to increase its members' technical capacity further. JATIFIF had plans to purchase a number of chainsaws, which would be operated and paid for by the affiliated interest groups. It had already trained members on basic operation and maintenance skills, and was preparing to cut out the intermediaries completely, taking on the additional responsibilities of hiring trucks and transporting the timber itself. JATIFIF is also implementing similar strategies for fuelwood and is actively involved in other MA&D activities such as handicrafts and beekeeping.

Annex 2. Indicators for monitoring the enterprises – example of beekeeping in Uganda

The example below illustrates a situation where the project interventions consisted of providing additional improved hives and organizing training on processing of honey as well as establishing a collection center.

Individual enterprise performance:

- Number of beehives per entrepreneur before project intervention
- Number of beehives per entrepreneur colonized before project
- Number of hives per entrepreneur received from project
- Number of hives per entrepreneur received from project that were colonized
- Volume of raw honey produced per entrepreneur before project (kg)
- Volume of sieved honey produced per entrepreneur before project (kg)
- Volume of wax produced per entrepreneur before project (kg)
- Volume of production of raw honey per entrepreneur in each season of the project (kg)
- Volume of production of sieved honey per entrepreneur in each season (kg)
- Volume of raw honey delivered per entrepreneur to collection center and to other buyers in each season (kg)
- Volume of sieved honey delivered per entrepreneur to collection center and to other buyers in each season (kg)
- Volume of wax delivered per entrepreneur to collection center and to other buyers in each season (kg)
- Sales of raw honey per entrepreneur to each buyer before project intervention ($)
- Sales of raw honey per entrepreneur to each buyer in each season of the project ($)
- Sales of sieved honey per entrepreneur to each buyer before project intervention ($)
- Sales of sieved honey per entrepreneur to each buyer in each season of the project ($)
- Sales of wax per entrepreneur to each buyer before project intervention ($)
- Sales of wax per entrepreneur to each buyer in each season of the project ($)

Group enterprise performance (collection center):

- Volume of collection center sales of raw honey (kg)
- Volume of collection center sales of sieved honey (kg)
- Collection center sales of raw honey ($)
- Collection center sales of sieved honey
- Number of buyers for collection center honey
- Collection center profit (or loss) per season

Monitoring indicators for the sustainable management of natural resources (example of collection in the wild):

- Number of community forestry groups formed
- Development of environmental management plans with stakeholders in the area
- Hectares of forest land handed over to farmers by government
- Number of plantations initiated
- Trainings given and guidelines prepared on improved harvesting techniques

Example of indicators for project performance:

A. Environmental conservation and awareness:
- Number of awareness-raising workshops
- Number of training manuals adapted to local needs and culture
- Number of reports on the overview of the region
- Number of inventories of resources

B. Community development:
- Number of surveys conducted for the overview of the socio-economic status of sites
- Number of households surveys of economic objectives (Phase 1, Step 2)

C. Social capital:
- Number of agreements with the counterpart institutions

D. Enterprise development:
- Number of staff of partner agencies (men and women) who receive training related to environmental awareness (MA&D or other)
- Number of community men and women who attended MA&D workshops
- Number of product surveys
- Number of community men and women who went on market study tours
- Number of enterprise development plans prepared
- Number of men and women enterprise group members
- Numbers of men and women holding elected positions in the enterprises (president, vice-president and secretary)
- Number of skill-development product-based trainings
- Number of men and women who participated in skill-development product-based training
- Number of leader entrepreneurs identified
- Number of training given by leader entrepreneurs
- Number of men and women participating in training given by leader entrepreneurs

E. Dissemination of experiences:
- Number of case studies, publications, etc.

Indicators for measuring performance of leader entrepreneurs playing the role of community-level BDS providers*:

Service: description of service, i.e. training on production, manufacturing or processing

Who provides it at the beginning:
- identify who delivered the service (commercial provider, someone in the supply chain, facilitator, etc.) at the beginning of the programme
- the total number of village-level providers
- numbers of service providers from outside the area

Who provides it at the end:
- identify who delivered the service (commercial provider, someone in the supply chain, facilitator, etc.) at the end of the programme
- the total number of village-level providers
- numbers of service providers from outside the area

Who pays for it:
- identify who paid for the service (provider, client, facilitator, or a combination of the three)

Coverage of the service:
- Number of clients of the service at the beginning and at the end of the programme

How is the service delivered:
- identify if the service was:
  o delivered through a stand-alone arrangement;
  o embedded in another transaction; or
  o bundled with another service.

Total earned revenues/year from village service providers (list separately funds earned from entrepreneurs and funds obtained from grants or donor contracts)

Effectiveness of service:
- Percent of clients reporting high satisfaction with the service
- Percent of all clients who paid for the service at least twice

Sustainability concerns about the service**:**
- Describe if there are any concerns with the long-term viability of the service – such as lack of capacity of community service providers or lack of marketing linkages for making updates on changes in the market environment for a product.

*Adapted from the United States Agency for International Development (USAID), 2003, Request for Applications (RFA) Number M/OP/EGAT/EMD03-1610, Microenterprise Implementation Grant Programme-Business Development Services.

Annex 3. Example of impact assessment tool for measuring perception and capacity changes of farmers who are participating in the activities of an enterprise development project*

Date:_____

Facilitator:_____

Respondent gender: Male ___   Female ___

Indicators (questions that the respondent answers)	*True*	*False*	*Don't know*
The community is doing fine on its own and does not need projects			
The long-term development of the community is more important than short-term benefits			
The community needs new production activities			
The quality of life of community members will be negatively affected by the introduction of new enterprises			
The existing production activities are sufficient to fulfil our needs			
It is easier to make progress by working alone with just one's family			
We can earn more income by working together in a group			
It is good to have to work all day in order to earn better income			
The whole family should help with production activities			
It is our own responsibility to implement development projects in order to have progress			
It is better that we stick to enterprises that we are already familiar with			
We need a lot of information and capacity in order to develop new enterprises			
Establishing enterprises is very complicated			
It is better if others commercialize our products for us			
The community needs to build its capacity so that it can commercialize its products			
It is easier to work with existing products			
It is less risky to work with nearby markets than those that are far away			
We only need to work every day if we are in desperate need of money			
We need to improve our skills if we want to increase our production			
Our existing production methods are not adequate to provide us with a good harvest in every season			
Agricultural production is a good enterprise			
We need to get organized in order to get better income			
It is better if more people can participate in community organizations			
We need modern equipment for our production activities			
We can learn from people who are not from the community			
We need to make financial projections before starting a new enterprise			
We do not need to find out about the experiences of other community members			
We can trust other entities who offer to support our enterprise			
We need money in order to start a business			
If we think a business is viable then we can take the risk of borrowing money			
If communities have a lot of needs they should look for support from entities or people outside of the community			

*This tool should be used with a random sample of community members who participate in project activities. Interviews should take place at the beginning of the project and the information will serve as a baseline. Then the exercise should be repeated at the end of the project. A spreadsheet needs to be used together with this format in order to add up the results of each sampling and compare that with the result obtained at the end of the project.

Annex 4. Example of a MA&D training plan for facilitators

Training activity	Location of training	Number of days	Expertise needed
Training for Phase 1 (Concepts) • Overview of project modality • Overview of MA&D process, principles and main marketing concepts used in MA&D • Review the preliminary phase outcome • Share the national or regional/local compiled overviews • Obtain feedback on the draft of the M&E system • Introduction of the MA&D support materials • Review Phase 1 objectives, steps, expected outputs, tools and recording formats for M&E used in Phase 1 • Preparation of the work plan for the field portion of the facilitators' Phase 1 training	Regional indoor venue	3 to 5	MA&D advisers
Training for Phase 1 (Practical) • Practical trial run for facilitators of Phase 1 tools • Develop the work plan for implementation of Phase 1 in each region	Community Village-level workshop	3	MA&D advisers
End of Phase 1, beginning of Phase 2 training (Concepts) • Share results and experiences of implementing Phase 1 • Review Phase 1, Step 5 (Elimination Tool) using actual community level information • Review Phase 2 objectives, steps, expected outputs, tools and recording formats for M&E used in Phase 2 • Plan potential needs for feasibility studies, agree on expected outputs (in terms of MA&D process), develop modality of studies and allocate budgets • Preparation of the work plan for the field portion of the Phase 2 facilitators training	Regional indoor venue	3 to 5	MA&D advisers
End of Phase 1, beginning of Phase 2 Training (Practical) • Review Phase 1 Elimination Tool with participants, Step 5 if necessary • Practical trial run for facilitators of all Phase 2 tools • Develop the work plan for implementation of Phase 2 in each region	Community Village-level workshop	2	MA&D advisers
End of Phase 2, beginning of Phase 3 (Steps 1 to 5) Training (Concepts) • Share results of the different Phase 2 surveys • Assess results and experiences of implementing Phase 2 • Review of Phase 2, Step 2 (select the most promising products) analysing reports from feasibility studies and determining if any information is still missing	Regional indoor venue	3 to 5	MA&D advisers, Product experts

• Review Phase 3 objectives, steps, expected outputs, tools and recording formats for M&E used in Phase 3 • Plan how to share the results of the feasibility studies with community-level participants • Preparation of the work plan for the field portion of the Phase 3 steps 1-5 facilitators training			
End of Phase 2, beginning of Phase 3 (Steps 1 to 5) Training (Practical) • Review Phase 2, Step 2 tools with participants using information from feasibility studies in order to make a selection of the most promising products for Phase 3 • Practical trial run for facilitators of all Phase 3 tools with product interest groups • Develop the work plan for implementation of Phase 3, Steps 1 to 5 in each region	Community Village-level workshop	2 to 3	MA&D advisers, Product experts
Mid-Phase 3, Completing Phase 3 (Steps 6 to 8) Training (Concepts) • Assess results and experiences of implementing Steps 1 to 5, Phase 3 • Review Phase 3, Steps 6 to 8 objectives, steps, expected outputs, tools and recording formats for M&E used in Phase 3 • Share results and experiences of implementing Steps 1 to 5, Phase 3 • Preparation of the work plan for the field portion of the Phase 3, Steps 6 to 8 facilitators' training	Regional indoor venue	2	MA&D advisers
Mid-Phase 3, Completing Phase 3 (Steps 6 to 8) Training (Practical) • Review Phase 3, Steps 1 to 5 with participants • Develop the work plan for implementation of Phase 3, Steps 6 to 8 in each region	Regional indoor venue	2	MA&D advisers (optional)

Annex 5. The role of a field worker in supporting the learning process of future entrepreneurs during the MA&D process

The field worker who supports the learning process of future entrepreneurs during the MA&D process

Is Not like a lecturer or expert who:

- Comes with a preset mind about what the villagers' needs are
- Is the expert and has all the answers
- Does not believe in knowledge or experience of the villagers with trading and marketing
- Focuses on theoretical contents and theories of marketing
- Is fully in charge of contents and process
- Talks most of the time
- Only allows questions at certain times

Is Not like an extentionist who:

- Comes with preset ideas about which are promising products and which are not
- Highlights the advantages of these products and ignores the disadvantages
- Tries to sell his/her ideas about promising products like a salesman
- Is in charge and influences the decisions made by the villagers
- Allows questions but answers them in a biased way
- Is not really interested in the experience, practices, problems or ideas of the villagers

But is like a FACILITATOR who:

- Listens most of the time to experiences, practices, problems and ideas of the villagers
- Builds confidence of villagers to become entrepreneurs by building on these experiences
- Support villagers in information gathering to help them in better decision-making
- Support the farmers in sharing, analysing and learning by themselves
- Ensures equal participation and mutual understanding between villagers
- Avoids controlling the outcome.

Annex 6. The main ways to gather information during the MA&D process

1. Reviewing written/printed materials

Much information about the market environment can be obtained from written and printed materials. The first step is to determine where to gather accurate and timely information. This can be difficult in many contexts, particularly in countries where access to official written information may be restricted.

The next step is to review the available materials, bearing in mind the limitations of particular sources. For instance, data recorded by official trade agencies tend to be overly optimistic in order to promote the country's products. In some cases, most of the available information will come from multilateral, bilateral or international non-governmental organization sources. Because the interest in marketing tree and forest products is fairly new, particularly in a project context, it is not surprising that relatively little has been written on the subject. However, in the process of identifying products and markets, exact figures are not necessary. Even approximate information can be useful in providing a general picture of the situation.

Examples of possible sources of written/printed information are presented below:

Background information
Sources of information include various documents, minutes and reports from relevant experts, departments and agencies, communication services, universities, libraries, local communities, and special interest groups, such as local traders, import/export companies, industrial units, trade promotion centres, research institutions and professional groups.

Information sources
Potential sources of tree and forest product marketing information would include:

International-level information
- International data banks on trade of selected tree and forest products
- Libraries and communication departments of selected research institutions
- Tree and forest product producers, manufacturers and traders

National-level information
- Decrees and laws of the Forestry Ministry, or Agriculture Ministry, on product extraction, trade and processing
- National inventory of tree and forest products; specific branch of the Forestry Ministry
- Trade and industry-related centres and trade promotion centre statistics
- Chamber of Commerce data
- Semi-public or private companies' product transactions
- International non-governmental organizations' or multilateral agencies' experiences and studies on tree and forest products
- Universities and research institutions
- Tree and forest product literature review
- Botanical gardens and plants and wildlife museum libraries and archives

Regional-level information (within the country)
- Regional inventory of products
- Research and project reports in the region
- Maps, botanical herbarium, regional forest and agricultural statistics (e.g. taxes collected for tree and forest products)
- Main traders and marketplace transactions

Community-level information
Baseline surveys concerning production, collection, transportation, post-harvest activities and selling of tree and forest products; dependency of the community members on the products for household use and income.

2. Interviewing

Information gathering from direct sources through interviews and observation is one of the most difficult tasks for the users of the MA&D process. A common problem is that not enough care is given to the preparation of different exercises, and not enough thought is given to the purpose of the information. Before including information in a report, information gatherers must make sure that it is valid and reliable.

It is important that the facilitator spends time with information gatherers to train them in interviewing and observation techniques. If information gatherers are sent out unprepared, they are likely to obtain inadequate and unreliable information that will be of no use in later decision-making. Proper training is also key for enabling them to continue gathering information after the facilitator's departure in order to ensure that the enterprises can expand their markets and grow. The main interviewing techniques will be discussed in greater detail below.

How to conduct an interview

The following is a checklist that can serve as a guide for conducting an interview:

- Make the interview informal; only some of the questions should be predetermined in the form of a topic checklist. During the interview, other relevant questions will arise from observation, responses, and topics the people being interviewed want to discuss.
- Select the key informants, who may include individual small producers, processors, wholesalers or retailers; leaders of a product association; large-scale producers, processors, wholesalers or retailers; and government officials.
- Develop interviewing skills and information-recording techniques. The most useful information can usually be obtained by asking questions indirectly and linking the questions to what can be observed.
- Write down all information. Practise asking questions among the team members, based on the 'six helpers': who, what, why, when, where, how. Obtain more significant responses by asking probing questions, such as 'But why?' or 'Please, tell me more' or 'Anything else?', and determine if responses can be judged as fact, opinion or rumour. Always listen patiently; let the person being interviewed talk, even if at first the answer may not directly address the question.
- Select an appropriate time. If an appointment is made, it is important to be punctual and to explain the purpose of the visit on arrival. Ask permission to take notes. Make the person being interviewed feel comfortable (for instance, make pleasant conversation about the shop, factory, farm, house, weather). Interviews should not last more than one hour.

- Select an appropriate location for the interview. If possible, it should be conducted at the place where the activity occurs. For example, if the subject of an interview is forest products, then the interview is best conducted in the forest; if it is about farm products, conduct the interview on the farm; about factory production and marketing, at the factory; and about the retail market, at the shop.
- Respect the informants and learn from them. Do not make negative comments about the activities of the people being interviewed. For example, it would not be appropriate to comment negatively on their harvesting methods even if these might be judged destructive. The task of the information-gathering team is to learn. Therefore, it is important to explore the issues important to the people being interviewed in-depth.
- Prepare daily and long-term field plans (section 4 below).
- Compare notes. There should be a daily review of the information gathered (see section 4) with results written up.

Interviewing techniques
- Information gatherers need to know how to conduct interviews and how to use a range of techniques for validating information.

Semi-structured interview

- This is an informal interview that starts off with a checklist of issues the interviewer wants to learn about. Some people prefer to have detailed checklists so they do not forget what they want to ask, while others feel comfortable with only a broad outline. In either case, the interview should be as relaxed and friendly as possible. How the questions are asked depends on what the participants have to say. This allows the conversation to be more natural and to flow more freely. It also allows the person being interviewed to bring up new issues not anticipated by the interviewer.

Key informant interview

- At several points in the MA&D process, the need for more precise information will become apparent. At these points, it can be very useful to conduct semi-structured interviews with carefully selected people who have a particular knowledge of the topic of discussion. These people are known as 'key informants'. Key informants can include individual small-scale producers, processors, wholesalers and retailers; leaders of a product association; large-scale producers, processors, wholesalers and retailers; and government officials.

Some useful interviewing tools

What's wrong with this question?

- Information gatherers should be encouraged to avoid using ambiguous or leading questions during interviews. Leading questions illicit a yes or no response, whereas an open-ended question that uses what, when, where, who, why or how opens up the conversation. However, there is debate about whether an unclear or a leading question is always inappropriate. This is a good opportunity to stress that there is no absolutely correct or incorrect question. The way questions are framed will depend on the topic and the context of the interview, but it is important to be aware of the need to word questions carefully.

But why? An interview tool

- In order to obtain clear and reliable information, a good interviewer will probe during an interview. Probing is like peeling away the layers of an onion, the objective being to get to the centre or, in this case, the point. Examples of a few good probing questions include 'But why?', or 'Please tell me more about that', and 'Anything else?' By using the six helpers (who, what, where, when, why and how), the interviewer will progress towards learning the underlying reason for the initial statement. This tool can be a real help in conducting a good interview and in assessing the value of asking open-ended, non-leading questions.

Techniques for validating information

Triangulation

This is a way to cross-check information for accuracy. It means looking at any problem from as many perspectives as possible, but from at least three. Triangulation is achieved by using different tools to gather information on the same issue (e.g. maps, transects and trend lines to examine environmental changes), and by listening to different people with different points of view about the same topic (e.g. women/men, young/old, wealthy/poor, about food production). Notes made during interviews should be compared during a daily review of the information gathered.

Judging the reliability of the responses

It is better to gather a small amount of reliable information than large amounts of ambiguous or unreliable information. To avoid gathering unreliable information, the interviewer should judge the responses and react to them immediately.

The information gathered should be classified in one of the following categories:
- *act,* a commonly agreed time- and place-specific truth;
- *opinion,* an individual's or group's view on a topic; or
- *rumour,* unsubstantiated information from an unknown source.

All information that falls into the categories of opinion and rumour needs to be cross-checked.

3. Using observation

Physical observation is not commonly used in information gathering. The usual tendency is to sit and carry out the interview without physically observing things. However, it is important to ensure that interviews are conducted on the spot and relate to what can be seen there.

For example:
- Walking through a community can provide information on such aspects as land use, local economy, division of labour (who is doing what?) and seasonal activities.
- Walking through a factory can provide information on such aspects as technology, labour, quality of product and storage.
- Walking through a marketplace can provide information on such aspects as the number of sellers, quality of products and infrastructure.

Information gatherers can also link what they see with the questions asked during the interviews.

For example:
- They can point to a product and ask questions about where it came from and how long it will last.
- If there are trees around the house that produce products that are marketed, they can ask about the products and their uses, about who planted the trees and who manages them, and about how much is sold and how much is consumed (general estimates are all that is needed).
- If products are being processed, information gatherers can ask if they are for home consumption or for sale, who processes them, who sells them and to whom they are sold.
- When in a forest, information gatherers can point to trees and ask when (or if) they were planted, how old they are, and what their uses are. They can also ask about forest products (such as mushrooms, animals, medicinal plants) and about how the forest is used (for grazing, timber, construction material, etc.).
- When in a shop or at a market stall, information gatherers can ask such questions as where the products came from, whether the trader bought them directly from the producer or from a trader, how much of the product will be sold that day, who will buy it and in what quantities, and whether the transactions are in cash or credit.

4. Preparing a field plan

In order to make the best use of the time spent in gathering information, it is important to have a field plan that includes a schedule, topics and which informants are going to be interviewed. There should be both a preliminary long-term plan and a daily plan. Both the long-term plan and the daily field plan will need to be continuously revised as information is obtained and analysed. The field plans are therefore meant to serve as guidelines for planning and checklists rather than as rigid schedules.

In developing the field plan, it is necessary to:

a. Identify:

- the topic areas for which there is little or no information
- issues, constraints and opportunities
- which tools to use

b. Design a field plan that includes:

- a daily schedule of activities
- a clear outline of who will do what (the community members/key informants that are needed for the activities)
- logistical needs (transport, food, etc.)
- enough unscheduled time for potential delays, new activities

Daily review. Coming back from the field
The objectives of the daily review are the following:

1. To assess the performance of the interviewer
- Were the questions open-ended?
- Did the questions follow a logical sequence?
- Was there a good follow-up and exploration of information?
- What went well?
- What needs improvement?

2. To answer the following questions (using the day's notes and worksheets)
- What new information was gathered?
- What was learned?
- Has the same information been gathered from more than one source?
- Is the information accurate?
- What new issues arose from today's fieldwork?
- How could information on this new issue be gathered (tools)?
- What information still needs to be gathered?

3. To discuss (based on the information gathered) whether any product(s) should be eliminated. In particular, factors that are key barriers should be considered. They include the following questions.
- Are there any policies/regulations that would prevent the collection or harvesting of a product (access to the resource)?
- Is there a monopoly in control of the product?
- Are entrepreneurs not interested in expanding production?
- Is the product currently being overharvested? Is it becoming more difficult to find and collect?
- Is there oversupply of the product (too many plantations, trees, etc.)? Is this keeping prices low?
- Is there low and declining demand for the product?

4. To plan ahead:
- What are the field activities for the next day?
- Who will do what?
- Which informants will participate?
- What logistical arrangements (transport, food, etc.) need to be made?