

**Breakout Group 1**  
**Exploring the Value Chain:**  
**Opportunities and Constraints**

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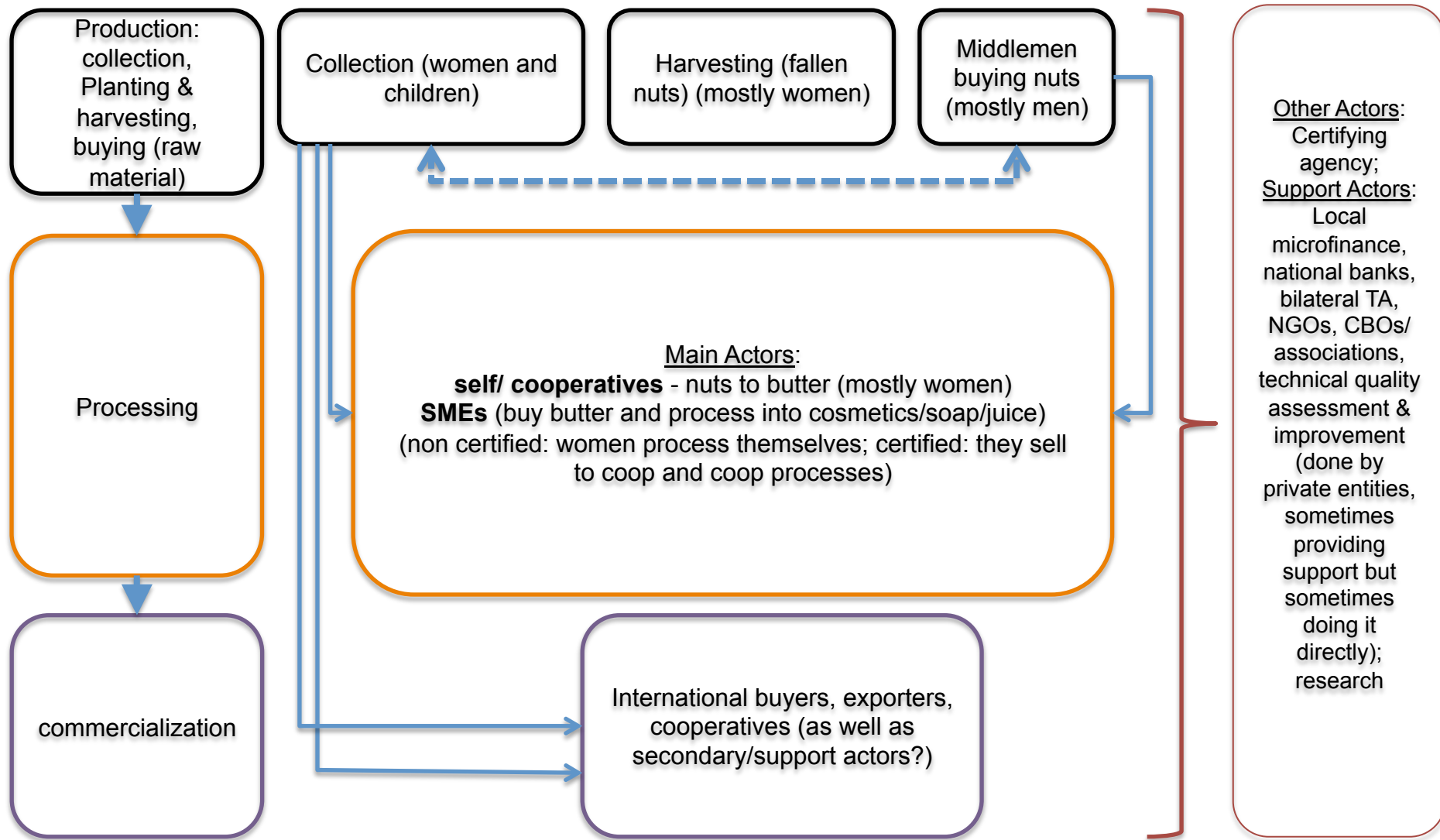
# Exploring the Value Chain: Opportunities and Constraints:

## Three Value Chains:

- **Shea Products** (filière karité)
- **Timber/Fuelwood** (Bois de Charpentes/Bois de Chauffe)
- **Land-use changes/decisions**

## Questions:

- Based on your experiences or/and what you saw in the field, what is the value chain? (A partir de vos expériences ou / et ce que vous avez vu dans le domaine, quelles sont les différents éléments/composante d'investissement)
- What are the opportunities for advancing the value-chain? (Quelles sont les opportunités de développement ? )
- What are the main constrains (in policy/services/market) for advancing the value-chain? (Quelles sont les principales contraintes (au niveau des politiques /des services/du marche) au développement ?)



**POLICY**

- Decree protecting resource (state) – strategy for value addition (2010)
- Easy to create women’s group; agency for promotion of NTFP
- Diminishing source (raw material);
- Enforcement, illegal harvesting of immature fruit; (being driven by market demand (they accept green fruit so even if chefs say you shouldn’t now, it’s too strong of demand)
- lack of awareness of legislations/guidelines outside cooperatives
- Weakening of traditional practices (marking trees)
- Tenure? Can’t harvest from “private land” (is this community members’ farms, with legal title or is it state land?)
- Upcoming bill that states that actors in different chainlinks can’t be the same (mixed blessing)

**TECHNICAL/ MARKET SUPPORT**

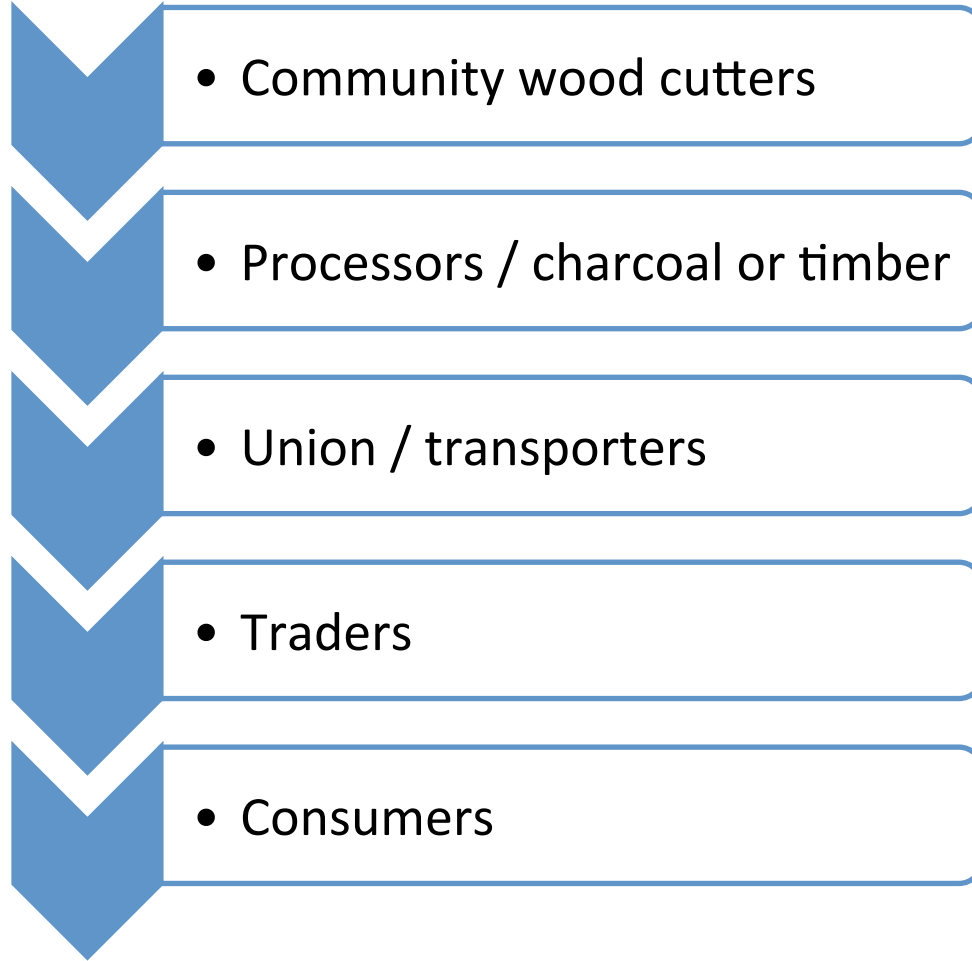
- Trade fairs
- Financial support: short term support
- Non-holistic NGO support
- Cost of technology/equipment (not aligned with financing)
- Market access

# Group 2

Fuelwood / charcoal / timber value  
chain

# Wood value chain

Governance



Service provision

# Constraints

- Community
  - Perception of forests and wood as a free unlimited resource
  - Slow natural regeneration / climate change
  - Lack of forest land transfer to communities
  - Bureaucratic process of getting commercial use rights
  - Competition for land from foreign investors
  - Social tensions between traditional chiefs and union structures
  - Lack of capacity and organisation to run businesses well

# Constraints

- Union
  - Lack of efficient processing technology for timber / charcoal
  - Lack of diversity in product sales (e.g. no NTFPS / ecotourism etc)
  - Difficulty in attracting finance
  - High interest rates (2% per month)
  - Price too low (2200 CFA/cubic metre)
- Trader
  - Easy profits!
- Consumer
- Local government
  - Poor knowledge of forest management and decentralisation laws.

# Opportunities

- Community
  - Develop agroforestry to grow wood on farm
  - Think of how to regenerate resource
  - Capacity building / organisation / literacy training
  - Need a price increase
- Union
  - Explore carbon financing to add value to wood and create incentive for sustainable management
  - Think about plantations – do research
  - Invest in efficient processing of timber / charcoal
  - Explore certification to gain access to high value markets
- Trader
  - Sensitive consultations and negotiations on price so that an increase is not passed on to poor consumers



# Opportunities

- Consumer
  - Work to spread efficient stove use
- Local Government
  - Translate law into local languages
  - Build feeder roads
  - Speed up transfer of forests to communities
  - Build on willingness of Mayor to support communities
  - Explore wood-based rural electrification
- NGOs
  - Helpo gain access to international investment funds
  - Update figures on forest resource and use with government

# Breakout Group 3

Land Use Changes: agricultural land,  
agroforestry, tree crops etc.

# Value Chain Components

- Capital
- Tenure
- Laws / regulations
- Value system (Knowledge, Skills & Attitudes)
- Market

# Issues in land use change

- Tenure
  - Can anybody acquire / register land?
  - How much does it cost?
  - Is literacy required?
- Capital investment
  - Irrigation, clearance, improvement
  - Ability to experiment with different crops

- Market knowledge & connections
  - e.g. value addition through processing
  - Crop selection & specialization
- Technology: know-how and access
  - Openness to innovation
- Local control
  - Is aggregation and purchase of land by investor a precondition for capital investment?
  - How was purchase negotiated? (FPIC)

- Land Use Investor still dependent on local people for labour, local knowledge, co-operation.
  - Will classic capital / labour relationship work?

# What holds back investment by smallholders?

- Entrepreneurs seek risk & reward – small farmers may not be able to afford the risk
- Scale – role of subsistence
- Knowledge, Skills, Attitudes
  - incentives, needs, ambition (my family rather than my bank balance)
  - Literacy
  - Why is formal tenure necessary?

- In context of free (non-market) resources, is investment by local communities mis-directed? Does specialization make sense?
- Is tenure pre-condition for capital investment, or does “development” from improved income (e.g. through processing) lead to more knowledge that formal tenure is important?
- Trade-offs – total control (and less income) may be preferred to loss of control (and regular labour income, or higher risk)



- Is “social business model” holding back communities?
- CSR-led investment may not be all it appears
- Soft investment should create organisations and institutions that protects endowments and entitlements, and helps communities leverage those into sustainable enterprise development on their own terms.