

Supporting small forest enterprises

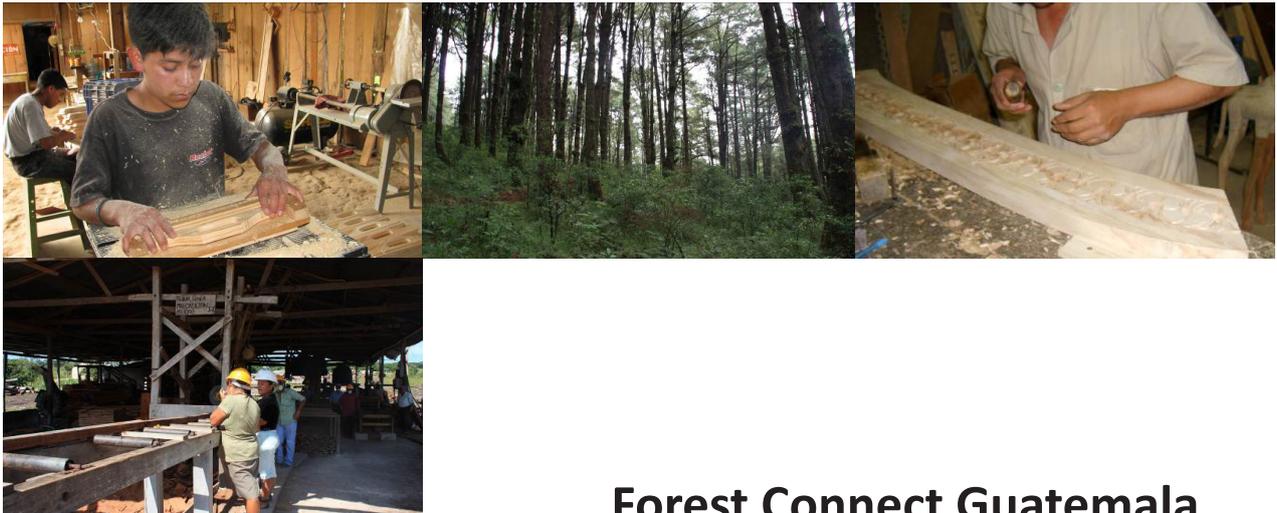
Reports from the field



Guatemala



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Forest Connect Guatemala

An initiative to support micro,
small and medium community
forest enterprises in Guatemala

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1. Background

The Forest Connect initiative arose out of the international conference on 'Small and Medium Forest Enterprise Development for Poverty Reduction: Opportunities and Challenges in Globalising Markets', held in Costa Rica from 23 to 25 May 2006, under the auspices of the Food and Agriculture Organization of the United Nations (FAO) and the Tropical Agricultural Research and Higher Education Centre (CATIE).

This conference involved a large number of speakers with experience of Small and Medium Forest Enterprises (SMFEs) engaged in forest work in developing countries. Following the analysis and debate that took place at the conference, the International Institute for Environment and Development (IIED) and FAO decided to develop an initiative to support SMFEs. It would draw on the lessons learned in recent decades and would seek to contribute more effectively to the growth of these enterprises in developing countries.

That same year, FAO chose Guatemala as one of the countries in which to introduce the initiative and began talks with the Guatemala National Forestry Programme (Programa Forestal Nacional de Guatemala (PFNG)) to establish an operating mechanism. It was decided that PFNG would act as coordinator and would implement the initiative through its partners.

2. Context

2.1. International context

Forest Connect was started up in March 2007 and began programmes of work in Burkina Faso, China, Ethiopia, Ghana, Guatemala, Guyana, Laos, Mali, Mozambique, Nepal and Uganda (subsequently expanded to include several others such as Chile and Malawi). The aim of the initiative is to reduce poverty and increase sustainable forest management by better linking SMFEs to each other, to markets, to financial and business development service providers and to policy and decision-makers. In Guatemala work has focused on bringing SMFEs together with a series of key actors, by means of:

- The creation of a stable, functional network of services, information and support for SMFEs in Guatemala. This network will be responsible for evaluating and adapting methods and practices to enable forest SMFEs to establish a relationship with the other parts of the National Forest Programme (nfp) and with the markets and service providers (finance, training, markets, and so on) in their respective countries.
- Participation in the development of an information 'Toolkit', based on practical experience, that guides the nfp on how to set up their own information services and support networks for SMFEs. This is a collaborative endeavour with other Forest Connect partner country teams.
- The testing and enriching of this Toolkit to maximise the impact of such information services and support networks for SMFEs both within Guatemala and throughout the world.

At the international level, the major results of the initiative have been:

- The development of functioning and stable information services and support networks for Small and Medium Forest Enterprises (SMFEs) in a range of countries – with facilitated support models and initiatives which can then be adapted to connect small and medium forest enterprises to national forestry programmes, markets and service providers.

- The development of an information Toolkit, drawing on practical experience to guide national forestry programmes and form the basis of an information service for SMFEs and a network to support the economic, social and environmental sustainability of the SMFEs.
- The testing, application and analysis of the Toolkit in partner countries, and countries with a national forestry programme facility, to maximise the global potential of these information services and support networks for SMFEs.

2.2. National context

The introduction of the Forest Connect initiative in Guatemala dates back to April 2007. It was then decided that the body responsible for implementing the first stage would be the Associated Environmental Impact Institute (Asociación Instituto de Incidencia Ambiental (IIA)), together with an advisory group made up of representatives of IIA, the National Forest Institute (Instituto Nacional de Bosques (INAB)), the National Council for Protected Areas (Consejo Nacional de Areas Protegidas (CONAP)), one representative of SMFEs and one from a non-governmental organisation (NGO).

At that time, organisations such as the Inter-American Development Bank (IDB) put the number of micro and small enterprises in Guatemala at close to 80,000, which meant that at least 50 per cent of the economically active population (EAP) were employed by such enterprises. In addition, the Bank estimated that 70 per cent of jobs in Guatemala were generated by informal enterprises¹, whose workers were outside the scope of the social security system.

In terms of the sub-sector of those enterprises that were linked to forests and could be called SMFEs, the analysis carried out by Cluster Forestal in 1999, showed that, at that date, there were 534 industrial enterprises, 96 export enterprises and 3,000 furniture manufacturers; plus an indeterminate number of unregistered or informal enterprises. In addition, information from the National Forestry Register (Registro Nacional Forestal) of INAB in 2006 showed that 1,076 commercial enterprises had been registered – wood shops, sellers of building material and furniture manufacturers, amongst others.

2.3. Forests and the pressures on them

Over the period 1999 to 2004, Guatemala harvested approximately 3.4 million m³ of timber. Out of this total amount, 63 per cent was destined for national sawmills and pulp within the national forestry industry, 35 per cent was used as primary energy for burning (firewood) and the rest was used for local construction, charcoal production and other products. It is estimated that, in 2001, Guatemala's forest cover amounted to 4.3 million hectares (40 per cent of land area), most of which (55 per cent) was in protected areas.

Over the period 1991 to 2001 the country lost 563,176 ha of forest (net), a loss equivalent to 11 per cent of its forest cover. This means that it is losing 73,148 ha every year, an annual rate of deforestation of 1.43 per cent. If we compare this rate of deforestation with that of Mexico or Brazil, we find that Guatemala is losing four times more forest than Brazil and twice as much as Mexico, in terms of relative deforestation. We know that the main cause of deforestation has been the clearing of forest land for agriculture and livestock. The chief driving factors include: 1. the need for agricultural products and the lack of a forest management culture among farmers; 2. policies promoting the expansion of agriculture

¹ The 1993 resolution of the International Labour Organisation (ILO) defines the informal sector as “a group of production units which, according to the definitions and classifications provided in the United Nations System of National Accounts (Rev.4) form part of the household sector as household enterprises...These household enterprises are units engaged in the production of goods or services which are not constituted as separate legal entities independently of the households or household members that own them, and for which no complete set of accounts are available which would permit a clear distinction of the production activities of the enterprise from other activities of their owners.”

without integrating forests; 3. lack of tenurial or financial incentives for forestry; 4. lack of employment in rural areas – exacerbating illegal logging and firewood collection; 5. unplanned spread of urban areas and human settlements; 5. forest fires; and 6. unregulated grazing in forests.

Until now, forestry has played a marginal role in Guatemala's Gross Domestic Product (GDP). Recent years have seen growth in the forest sector which since 2001, has increased from 1.63 per cent to 1.68 per cent of GDP compared with crop and livestock farming that have continued to decline.

In 2003, Guatemala traded with 92 countries, but while it exported Q404 million worth of products, it also imported Q3,959 million, producing a trade deficit of Q3,555 million. Although, as noted above, exports of forest products have grown in recent years, this has also been overshadowed by a much sharper growth in imports, steadily increasing the trade gap. It should be added that the importation of paper and cardboard have a negative impact on the balance of trade.²

While timber is an important component of these trade figures, Guatemala also trades a number of important Non-Timber Forest Products, such as Xate (*Chamaedorea sp.* – ornamental palm leaves), Chicle (*Manikara zapota* – natural gum and fruit), and pimienta gorda (*Pimienta dioica* – allspice). These three remain the most important non-timber products in terms of export earnings. The export of the *Beucarnea* species of ponytail 'palm' ornamental plants and gallitos (*Tilandsias* – Bromeliad air plants) is also growing.

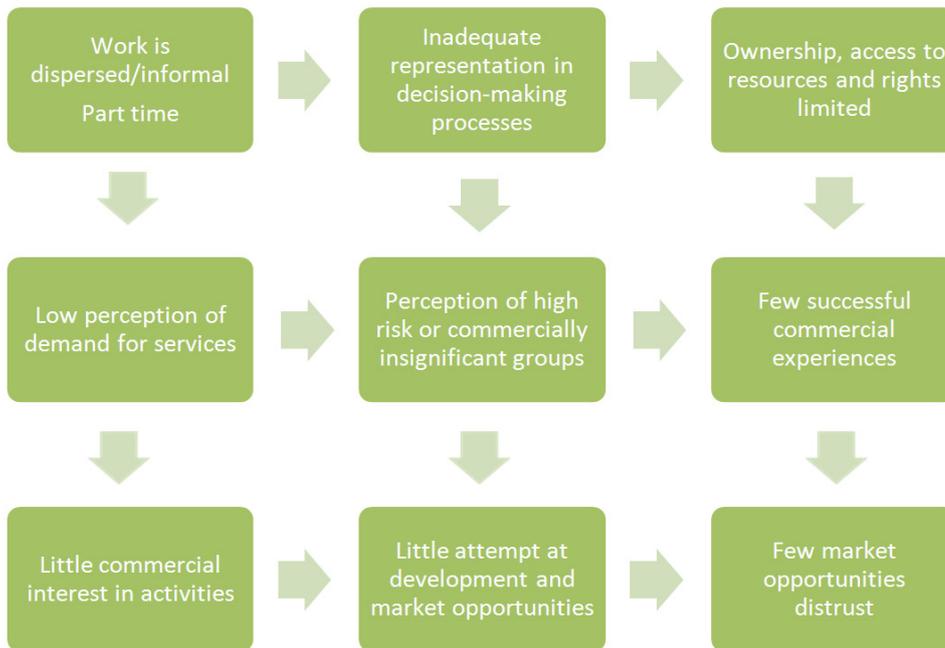
3. The problem

Small and medium forest enterprises (SMFEs) are critical to the poor. They generate local wealth, help to secure local resources and environmental accountability, promote local creativity, and assist in preserving indigenous cultures and market niches. But while the number of SMFEs starting up in less developed countries is high, keeping them going sustainably is a major challenge. They face numerous problems, such as too much bureaucracy, unstable policies and regulations, insecure land rights, a lack of bargaining power, insufficient business knowledge, and difficulties accessing credit, market information and technology.

Some SMFEs work together in associations to help reduce transaction costs, adapt to new market opportunities and shape environmental policy in their favour. Many developing countries, however, either lack support structures for these forest associations, or the structures they have fail to reach those who need help most.

² Instituto de Agricultura, Recursos Naturales y Ambiente (IARNA), Universidad Rafael Landívar (URL) y Asociación Instituto de Incidencia Ambiental (IIA), 2006. Perfil Ambiental de Guatemala: tendencias y reflexiones sobre la gestión ambiental. Guatemala (Environmental Profile of Guatemala: trends and issues in environmental management).

Consequences of isolated work



SMFEs, particularly those that are community-based, are faced with a series of problems at local and national level. These include lack of capacity to develop products, access finance and wield political influence; poor communication and exchange of information and experiences between themselves; and problems such as those relating to the competitiveness of the country, excess bureaucracy, poor condition of communications networks (roads, internet, and so on), and insecurity.

It was for these reasons that Guatemala was in favour of implementing the Forest Connect initiative at the national level, as this would offer better assistance and ongoing support to SMFEs, particularly those that are community-based.

4. Description and analysis of the initiative

In Guatemala the Forest Connect initiative has gone through three phases, with one remaining phase to be implemented. All phases have been conducted with the ongoing support of the National Forestry Programme and its various partners, as set out below.

4.1. Phase 1: Description of situation

The Forest Connect initiative was launched in Guatemala in March 2007. The core activity of this first phase was the compilation of key data on the primary needs of SMFEs in Guatemala. It also included an initial attempt to establish mechanisms for connecting these enterprises with the various services they needed, and forging a link with the National Forestry Programme.

It was decided that the Associated Environmental Impact Institute (IIA) would be the best body to implement this phase, with the ongoing support of the National Forestry Programme.

Phase 1 included the following activities:

i. Identification of the main institutions and bodies that had a role to play both in the task ahead and in strengthening the country's active SMFEs.

ii. Organisation of a workshop on 23 November 2007 to present the project to the identified group of institutions and bodies, ending in the setting up of an advisory group to monitor the second phase of the project. This group also helped suggest the main means and mechanisms for consultation that would be needed to develop the analysis. The group was made up of:

- The Chamber of Commerce of INAB
- Clúster Forestal Guatemala (an industrial network of Guatemalan forest industries that runs trade fairs such as those noted below)
- The Associated Environmental Impact Institute (IIA)
- Tourist Office
- The Association for Community Forestry of Guatemala (Asociación de Forestería Comunitaria de Guatemala), Ut'z Ché
- AGEXPORT - The Guatemalan Exporters Association (a private non-profit entity, established in 1982; that represents, promotes and develops non-traditional exports of Guatemalan companies.
- The Rainforest Alliance

iii. Identification of documents and key sources of information for developing the analysis, based on the recommendations of the advisory group.

iv. Compilation of information on SMFEs, based on secondary documentation.

v. Organisation of four regional consultation workshops, covering seven of the nine INAB administrative regions, with the support of the Forest Policy Round-Tables of the National Forestry Programme, within the framework of the National Forest Institute (INAB):

- First regional consultation workshop, held 12 March 2008 in La Antigua Guatemala, Sacatepéquez;
- Second regional consultation workshop, held 28 March 2008 in Cobán, Alta Verapaz;
- Third regional consultation workshop, held 15 April 2008 in Santa Elena, Petén;
- Fourth regional consultation workshop, held 29 April 2008 in Quetzaltenango.

vi. Compilation of information from members of community forest enterprises working on timber products, microenterprises dealing in non-timber products, and local communities benefitting from the programme of forest incentives (PINFOR) in the department of Petén, in their different work places. Field visits including the following:

- Nuevo Horizonte Cooperative and Community, municipality of "La Libertad", Petén: forestry and management of protected forests, community tourism.
- Santa Rita Community and Farm, municipality of "La Libertad", Petén: forestry and management of protected forest.
- Town hall of municipality of San Francisco, Petén: promotion of plantations in deforested areas and PINFOR incentives for common land.
- Integrated forest microenterprise run by women, which processes flour from fruit of the woodland breadnut tree Ramón *Brosimum alicastrum*, to make food items, such as biscuits and bread, in the village of El Remate, Petén.
- Aldea Carmelita Cooperative and Community, municipality of San Andrés, Petén: forest

concession and ecotourism.

- Cruce a la Colorado Forestry Association, municipality of San Andrés, Petén: forest concession.
- San Andrés Integrated Forestry Association (AFISAP), municipality of San Andrés, Petén: forest concession.
- Arbol Verde Community Forest Enterprise, Petén: forest concession.
- Impulsores Suchitecos community group, municipality of Melchor de Mencos, Petén: forest concession.
- Custodias de la Selva community group, municipality of Melchor de Mencos, Petén: forest concession.
- Laborantes de Bosque community group, municipality of Melchor de Mencos, Petén: forest concession.
- El Esfuerzo community group, municipality of Melchor de Mencos, Petén: forest concession.

vii. Presentation of results of the analysis to members of the advisory group at a closing workshop.

viii. Writing up of the analysis of SMFEs in Guatemala.

4.2. Phase 2: Development of case studies

The analysis undertaken in the first phase identified the Community Forestry Association of Guatemala, Ut'z Ché, as an organisation of national scope, whose policies and functions included supporting the business development of its member forest communities. As a result, Ut'z Ché was chosen as the organisation to implement the second phase. This phase lasted from February 2009 to July 2010 and covered the following activities:

- i. Preparing a case study on at least one successful experience of product marketing; of a business cluster; and of a value chain of members of Ut'z Ché.
- ii. Putting together material for a web page to facilitate communication and interaction between SMFEs.
- iii. Strengthening the organisational capacity of Ut'z Ché.
- iv. Developing the marketing of at least one of the products currently being produced by members of Ut'z Ché and analysing this experience.
- v. Increasing the political impact of SMFEs by disseminating results and institutionalising the Steering Committee of Forest Connect.

4.3. Phase 3: Linking Forest Connect to the National Forestry Financing Strategy

Much importance was attached to linking up the activities of Forest Connect with those of the National Forestry Programme and the Growing Forest Partnerships initiative (which FAO was also co-ordinating within Guatemala). One of the FAO programmes, the National Forestry Financing Strategy (Estrategia Nacional Financiera Forestal), was directly involved with the work of the SMFEs of Guatemala.

In addition, during this phase the National Alliance of Forest Organisations of Guatemala, the 'Alianza' (Alianza Nacional de Organizaciones Forestales de Guatemala), started to act as the Steering Committee for Forest Connect and brought on board eleven secondary-level organisations (including Ut'z Ché). The Alianza itself decided that, in the light of its experience in developing the initiative, Ut'z Ché should continue as the lead organisation. It requested, however, that its group of SMFEs be widened to take in all those in the Alianza. This phase was launched in December 2010 and ended in November 2011. Its purpose was to:

- Enhance access of SMFEs to the planning of forestry business, and thus boost their financial leverage.
- Strengthen the participation of SMFEs in technical, trade and business discussions of the forestry sector.
- Establish a communications and positioning strategy for SMFEs, as well as a strategy for their products and services.

In the last phase the plan was for the Toolkit developed by FAO and IIED to be used as the basis and point of reference, but this short phase in which the instrument will be put to the test is still being planned.

5. Results

The implementation of Forest Connect has been very successful in, for example, promoting community SMFEs; producing documents and studies detailing their experiences; supporting their participation in business dealings and the development of policies; linking them up with support services (training, financial and technical); and enabling microenterprises to share their experiences. We present the most significant of these outcomes below.



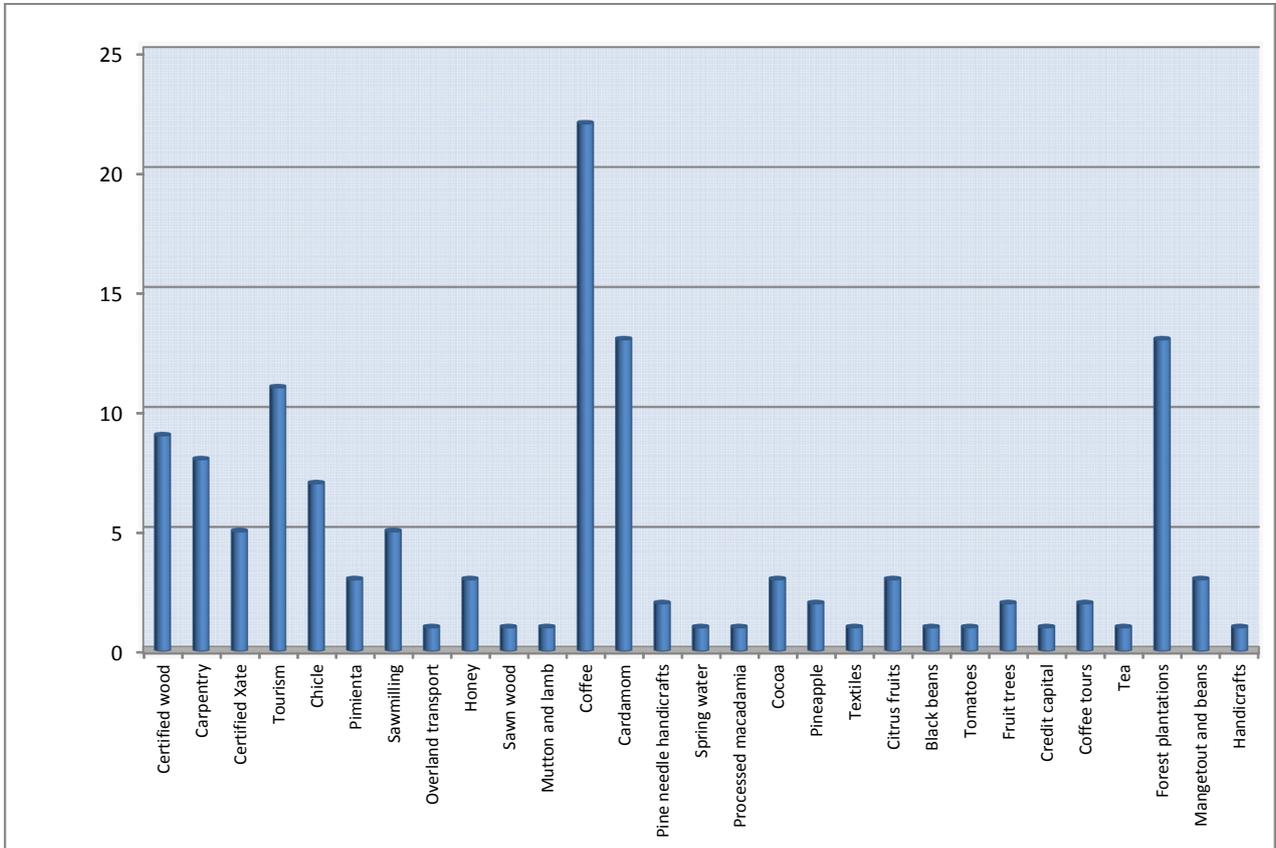
5.1. Documents and publications

The following publications and analyses have come out of the Forest Connect initiative in Guatemala:

- A booklet on “Challenges and opportunities for small and medium forest enterprises (SMFEs) in Guatemala”.
- A published analysis of the “Experience of marketing a product developed by the Tikonel Association, San Martin Jilotepeque, Chimaltenango, Guatemala”.
- A published analysis of the “Experience of a forestry cluster. Tikonel Association, San Martin Jilotepeque, Chimaltenango, Guatemala.”
- An inventory of the numbers of community SMFEs within the framework of the Alianza (see table below).
- A communications strategy and positioning of community SMFEs within the framework of the National Alliance of Forest Organisations of Guatemala. Guatemala, April 2011.
- A strategy to strengthen the bargaining power of the SMFEs within the Alianza.



Consolidated table of the number of product and service SMFEs in the Alianza National Alliance of Forest Organisations of Guatemala



5.2. Promotion of micro, small and medium community forest community enterprises and their products

In addition to the published reports and analyses listed above, Forest Connect Guatemala has also produced a range of more promotional materials as listed below:

i. Publicity and promotional material



ii. Electronic material (www.mipymecomunitaria.com)



LA MIPYME COMUNITARIA:

La Alianza Nacional de Organizaciones Forestales Comunitarias de Guatemala -ANOFCG-, es una organización, que alberga a 11 entes organizativos de segundo nivel representantes de más de 300 organizaciones comunitarias de bases, 77mil socios y más de 388,000 beneficiarios indirectos de los bosques, una de sus acciones se enmarca en buscar el desarrollo y fortalecimiento de la MIPYME Comunitaria de Guatemala.

La Asociación de Forestería Comunitaria de Guatemala Ut'z' Che', es miembro activa de la -ANOFCG- quien vela por el manejo y aprovechamiento sostenible de los recursos naturales, así como la comercialización de bienes y productos de plantaciones forestales

Además, las pocas estructuras de apoyo que existen no logran llegar a ellas que son quienes más la necesitan, ante esta realidad de la MIPYME Comunitaria, la Organización de las Naciones Unidas para la Agricultura y la Alimentación -FAO- y la Asociación de Forestería Comunitaria de Guatemala Ut'z' Che', juntamente con la Alianza Nacional de Organizaciones Forestales Comunitarias de Guatemala ANOFCC, unieron esfuerzos para facilitar el desarrollo de actividades de comunicación entre las micro, pequeñas y medianas empresas con los procesos de los programas forestales nacionales, los mercados y los proveedores de servicios así fortalecer la capacidad de gestión y negociación de la MIPYME.

En el marco de esta iniciativa, se ha desarrollado algunas herramientas que al implementarse puedan acercar a la MIPYME Comunitaria a

Reporte su visita

Nombre*

E-Mail*

Su mensaje

AFOCG UT'Z' CHE' miembro de la ANOFCG 6a. calle 0-29 zona 3, Barrio San Antonio, Patín Escuintla, Guatemala

5.3. Participation in commercial events

The National Alliance of Community Forest Organisations of Guatemala (Alianza Nacional de Organizaciones Forestales Comunitarias de Guatemala (ANOFCG)) is an umbrella organisation for 11 secondary level organisations representing over 300 community-based bodies, with 77,000 members and more than 388,000 indirect forest beneficiaries. One of its aims is to seek to develop and strengthen the SMFEs of Guatemala.

Ut'z Ché is an active member of ANOFCG which monitors the sustainable management and use of natural resources as well as the commercialisation of forest plantation goods and products.

Both organisations are aware that community SMFEs in developing countries are expanding their means and forms of production at a rapid pace, but face a major challenge to keep going, since many have to confront problems such as too much bureaucracy, unstable policies and regulations, insecure land rights, difficulties accessing finance, lack of information on markets, inadequate technology, poor infrastructure, weak bargaining power and insufficient knowledge about business activities.

In addition, the few support structures that exist do not reach those who need them the most. To tackle the situation facing SMFEs, FAO, Ut'z Ché and ANOFCG joined forces to facilitate the development of communication between the micro, small and medium enterprises and national forestry programmes, markets and providers of services to strengthen the management and bargaining capacity of SMFEs. Part of this work was to organise participation in a range of trade fairs.

i. INTERFER National Trade Fair 2009: This is an opportunity for national participation in the sale of products and services. INTERFER is an annual fair with craftspeople, producers and buyers interested in acquiring products or developing an alliance for trading and/or export. This four day event took place in the capital and was open from 09.00 to 18.00.

ii. Product Trade Fair 2010: This is an event aimed at all enterprises, organisations and people with raw material, products and services to sell to customers and buyers who specialise or are interested in trading. This event has both a national and an international focus and offers an excellent opportunity for forging



strategic alliances and finding markets. The event spanned a period of three days and was open from 9.00 to 18.00. During the course of the fair there were opportunities to attend workshops and courses and go on tours of the countryside looking at timber, production methods, local management, handicrafts and international markets.

Results:

- Sales of Q550.00 by Cooperativa El Bosque (El Bosque Cooperative) in INTERFER.
- Sales of Q355.00 in the Feria de la Proveeduría.



Contact with Fair Monkey:

Contact was made with Fair Monkey, a Swedish charitable enterprise selling products developed in local communities. Fair Monkey set out the aims of the organisation as well as its products, prices and the importance it attaches to generating income for local communities. It then went on to place an order for a total of Q6125.00 to be delivered on 2 August this year, broken down as follows:

Organisation	Products	Quantity	Total
La Guadalupana Association	Large bread basket	15 U	Q1,050.00
	Large basket	15 U	Q1,350.00
ADECRO Association	Blue, brown and green earrings	150 U	Q2,250.00
El Bosque Cooperative	Basket (no lid) 15	15 U	Q450,00
	Basket (no lid) 18	15 U	Q525,00
	Keyring	50 U	Q500.00
	Total		Q6,125.00

iii. Furniture trade fairs - Expomeuble and Expoforestal, Xela 2010: Expomeuble showcases the collections of the main furniture companies in Guatemala. These collections are commercial and are aimed at interior decorators and distributors, both wholesale and retail, in the sector. They represent a range of styles and prices. There was also a display by the various suppliers of machinery and other accessories used in forestry, of the kind carried out in Quetzaltenango. Six microenterprises that are part of the Alianza took part in this key event.

iv. Feria de la Proveeduría 2011: on this occasion fourteen community forest enterprises participated.

Results:

Expomeuble and Expoforestal 2010: Out of the seven SMFEs which had confirmed their attendance, six played an active part (see Table below).



No.	Name of MSME	Type of product and service
1	Nueva Era Carpentry of Nahualá, Sololá	Handicrafts using wood felled by hand, furniture and textiles.
2	La Guadalupana Association, Sololá.	Handicrafts made from pine needles, community tourism packages.
3	Nueva Alianza Community, El Palmar, Quetzaltenango	Organic products, macadamia, coffee and tourist packages.
4	Tikonel Association, through its brand Sacalá San Martín Jilotepeque, Chimaltenango.	Cooking accessories, textiles, tea boxes and baskets with wooden handles.
5	FEDECOVERA R.L. Cobán, Alta Verapaz.	Instant coffee, tea, oil made from cardamom and forest plants.
6	El Bosque Cooperative, San Pedro Pinula, Jalapa.	Pine needle handicrafts.

Fourteen SMFEs took part in the Product Fair.

No.	Name of MSME	Status of MSME
1	Caxaj Parcialidad Association	Potential
2	Chorti Regional Association	Active (agroforestry products)
3	El Rodeo Association for Community Enterprise Development	Active (pine needle handicrafts)
4	TIKONEL Association for Product Development and Services	Active (handicrafts made out of wood and textiles)
5	Nuevo Mexico Integrated Cooperative	Active (furniture)
6	San José Agricultural Cooperative, El Asintal	Potential (loose coffee)
7	Indigenous Community of Palín	Potential (cultivation of Xate)
8	Xinca Fe y Esperanza Association	Potential
9	(Union Cooperative, Huista	Active (coffee)
10	Joint Farmers Enterprise, La Bendición.	Potential (coffee)
11	Ethnotourism Association of Pamuc.	Potential (agroforestry)
12	Pixan Konob' Women's Association for Integrated Development	Potential (products made from Pinabete (Guatemalan Fir))
13	Federation of Cooperatives, Las Verapaces	Active (coffee, cardamom)
14	Laguna Lachuá Foundation	Active (coffee, cardamom)

With the support of Forest Connect, 109 people were encouraged to participate in the Feria de la Proveeduría. Of these, 29 represented the 14 SMFEs mentioned above and 67 represented members of Rainforest Alliance and Mesas de Concertación Forestal (Forestry Policy Round- Tables).

5.4. Participation in decision-making and business talks

Thanks to the support given by Forest Connect and through the channels of the implementing organisations and the Alianza, SMFEs have participated in:

- Cluster Forestal Guatemala (an industrial cluster network for forestry)
- Trade Association of Rural Enterprises
- ACICAFOP (A regional federation of community forestry)
- The Guatemala National Forestry Programme
- The implementation of the National Forestry Financing Strategy

5.5. Development of skills

Skill development was a central theme throughout the process of implementation. The following training has been provided to members of the Alianza:

- Organisation of three workshops: one with representatives from seven SMFEs to prepare for Expomueble and Expoforestal Xela 2010; and the other two (involving ten SMFEs) on marketing and sales, designed to sensitise and prepare SMFEs for strategic business planning within the context of their local objectives and skills.
- Training in strategic planning, and in access to markets and to financial and other services.

In addition, there were a series of opportunities to share experiences and technical assistance. Field visits were organised to a selection of communities and organisations chosen as having the best prospects for product development. Those to be visited were ranked after an exploratory trip was made to the organisations that had demonstrated commercial product initiatives. Priority was given to organisations with a project that had a production process and funds for product and business development donated by international bodies. Of the 27 organisations making up Ut'z Ché, ten are in the product development stage and therefore warrant their interests and needs being followed up.

Support was given to organisations that already had product development projects underway and could start financing themselves with money from a supporter -the Central Swedish Cooperative. Preference was also given to organisations with firm orders already on their books, such as an enterprise with an order for pine needle products from Fair Monkey Enterprise of Sweden. Orders were taken as an indication of seriousness and commitment to delivering high quality goods, in the quantities requested, and in uniform colours matching how they appeared in emailed catalogues.

List of organisations visited:

Organisation	Nature of involvement
El Bosque Cooperative, San Pedro Pinula, Jalapa	Observation of processes involved in cultivation of mushrooms and quality review of pine needle products (baskets and keyrings).
El Rodeo Association for Community Enterprise Development, Camotán, Chiquimula	Observation of furniture manufacturing process and quality review of pine needle products (earrings).

La Guadalupana Association, Santa Lucía Utatlán, Sololá	Observation of process involved in rearing rabbits and quality review of pine needle products (baskets and bread baskets).
Asociación para el Desarrollo Integral de la Gloria, Uspantán, Quiché	Visit to invite group to attend national trade fairs. Visit to cloud forest to explore tourism potential.
Asociación para el Desarrollo Integral de Chimel, Uspantán, Quiché	Visit to invite group to attend national trade fairs. Visit to cloud forest tourism project funded through international aid.
Pamuc Development Association, San Cristóbal Alta Verapaz	Providing management assistance (together with Agroexportadora) to the community in Alta Verapaz to re-launch project on community tourism and for cultivation of French beans for export.
Nuevo México Cooperative, R.L. San Vicente Pacaya, Escuintla	Identifying timber products and handicrafts to be included in trade fairs and business roundtables. Support given for development of logo, web page and promotional materials for the Cooperative.
Nueva Alianza Community, El Palmar, Quetzaltenango	Visit to tourism project, evaluation of manufacture of bamboo furniture funded through international aid Invitation to trade fairs.
Tikonel Association, San Martín Jilotepeque, Chimaltenango	Feedback on the experience, meeting with consultant to analyse the case and participation in bargaining processes.
Pacalaj Association, Salamá, Baja Verapaz	Support in drafting the production plan and opportunity for access to AGEXPORT business clusters.

6. Programmes contributing to the Forest Connect alliance

Many programmes were found to have contributed to the Forest Connect initiative in Guatemala, particularly those that allowed processes and instruments to be set up, as outlined below.

Guatemala National Forestry Programme

The Guatemala National Forestry Programme (PFNG) identifies, shapes and develops a consensus on a 'new understanding' of forest-based environmental development, through a comprehensive mechanism of analysis, study, planning and proposals for action.

The PFNG is based on (i) an agreed upon scenario of sectoral and intersectoral development (vision of 'Forests for Guatemala' in the next decade); (ii) a breakdown of the forest situation (an analysis of the forest subsector today, including a review of problems, analysis and comparative evaluation of these problems); (iii) identification of the breakthroughs required to be implemented by means of projects, studies and financial arrangements.

The aim of PFNG is to achieve a sustainable form of environmental forest management in Guatemala. One that is based on the existence, maintenance, improvement and expansion of forest activities, which are both productive and protective, as a means of contributing to the economic, social and environmental

development both of Guatemalan society and of the world as a whole.

The PFNG has played a supporting role in the Forest Connect initiative from the outset and together with FAO has helped guide its actions, and worked to ensure its effective implementation. It has also provided a platform for members to involve more people in their activities and generate synergies.

Forest Incentive Programmes

Forest law decree 101-96 brought in a new forestry process in Guatemala, in which incentive programmes played a key part, especially in boosting the participation of different groups in forest activities.

Two incentive programmes are worth mentioning:

Programme of Forestry Incentives (Programa de Incentivos Forestales (PINFOR)). The incentives take the form of cash payments, made by the State to owners of land designated as ‘forest land’, in order to implement projects on reforestation or management of natural forest land. The incentive is paid on a one off basis for each individual area, as set out in the management plan agreed by INAB. This programme was launched in 1997 and led to mass participation by owners of land designated as ‘forest land’. But in Guatemala many local communities do not have titles to their property and have holdings of less than 2 hectares (the minimum area to qualify for PINFOR), which excluded many, while others were able to take advantage of the programme.

In addition there is the **Programme of Incentives for Owners of Small Holdings of Land Designated as ‘Forest Land’** (Programa de Incentivos para Pequeños Poseedores (as) de Tierras de Vocación Forestal o Agroforestal (PINPEP)). This seeks to extend the cover to owners of smallholdings of land being reforested or managed as natural forest land. It incorporates small-scale producers who find it difficult to demonstrate ownership of their land using the certification issued by the Register of Ownership of Property – but are able to do so via certification issued by the municipal mayor who has jurisdiction over their land, or through an authenticated photocopy of the property sale deed. This programme started out as a pilot project with donor money but it boosted community involvement in forest activities to such an extent, that it brought about active participation by the public in its institutionalisation.

These programmes have had a significant impact in terms of increasing and motivating the involvement of many sectors of society in forest activities, including all levels of business.

Cluster Forestal (Expomueble and Feria de la Proveeduría)

Cluster Forestal is based on the joint relationship established between the Government of Guatemala and the private forestry sector. Participants include the National Programme for Competitiveness (PRONACOM), the Ministry for Agriculture, Livestock and Food through the National Forest Institute (INAB), the Forest Trade Association of the Chamber of Industry of Guatemala and the COFAMA-Committee of Furniture Manufacturers of AGEXPRONT.

This group was set up to improve the competitiveness of the national forest sector and aims to ensure that the Guatemala Forestry Sector always strives to find areas of synergy between the different bodies and the people who make them up. It seeks to increase competitiveness at the global level, whilst avoiding negative repercussions for future.

Its main role is to develop value chains and business clusters within the sector by organising business round-tables and trade fairs specifically for forest products. Trade fairs are those such as Expomueble and the Feria de la Proveeduría, in which big, medium, small and micro enterprises can promote and sell their

own products.

This collaboration has substantially increased national awareness of the work of the different community forest enterprises that have been supported by Forest Connect. In addition, these organisations have been included on the Steering Committee of Cluster Forestal, so that the communities that make use of forest resources have a say in the policies, programmes and action taken to promote competitiveness at the national level.

The Association for Community Forestry of Guatemala, Ut'z Ché

Ut'z Ché ('good tree' in the K'iche language) is a non-governmental umbrella organisation, made up of community organisations dedicated to the sustainable management of their natural resources, mainly forest, forest plantations and water sources.

Ut'z Ché was set up chiefly to give a legitimate voice to the demands and interests of its grassroots communities, within the various sector-based, union and decision-making fora, within discussions of public policies on forest and environmental management and rural development in general. The other fundamental strand of its mission is to strengthen the skills of its affiliated communities in conservation and the sustainable, productive use of their natural resources. It promotes good forestry and agroforestry practice, access to fair trade markets, training and skill development. It has an emphasis on youth, rural enterprise with social and environmental responsibility, gender equality and legitimate community leadership. The General Assembly is made up of community groups organised in a range of different juridical forms, chiefly Indigenous Communities, *Parcialidades* (historical form of inherited land ownership specific to Guatemala), Cooperatives, Joint Farmers Enterprises (*Empresas Campesinas Asociativas* (ECAS)), civil society organisations and Rural Administrative Areas.

Ut'z Ché played a key part in the implementation of Forest Connect. The action taken under this initiative reflected the objectives set for the development of its member groups. When the Alianza was later created, the Alianza decided that Ut'z Ché should take over the implementation of the Forest Connect initiative, but that it should widen its scope of operation to include all the community forest associations of the member organisations of the Alianza.

Growing Forest Partnerships

The role played by the Growing Forest Partnerships (GFP) initiative in the National Forestry Programme is to help improve communication and give a voice to actors and initiatives in the forest domain. Particularly targeted are groups that are most forest dependent and least able to express their point of view in any form of dialogue or on proposed forest policies. This initiative was led by the Food and Agriculture Organization of the United Nations (FAO), the International Union for Conservation of Nature (IUCN) and the International Institute for Environment and Development (IIED), with the financial support of the World Bank. In the case of Guatemala, FAO plays the main role in facilitation. The alliances and activities supported fall into four main pillars of work:

- governance and participation;
- funding mechanisms;
- information and training; and
- strengthening of forest services (public administration).

This initiative played an important role in supporting Forest Connect activities, especially in creating the conditions needed for its development, along the lines planned with GFP.

The National Alliance of Community Forest Organisations of Guatemala

In July 2009, the Association of Community Forest Organisations of Petén (ACOFOP), the Cooperative Federation of las Verapaces (FEDECOVERA), the National Network of Community Organisations (RENACOR) and Ut'z Che, called the First National Meeting of Community Forest Organisations in Guatemala. This gave rise to the 'San José Pinula Declaration', which recognises the need to join forces to manage and conserve national forests in a responsible manner.

The Alianza is a body made up of eleven secondary-level community forest organisations. It seeks to help local communities participate in dialogue, have more political impact and develop in a sustainable manner. It represents more than 250 grassroots community organisations, 64,000 members and more than 300,000 indirect beneficiaries of Guatemala's forests.

The Alianza put the Forest Connect initiative at the heart of its strategic planning, as part of its core theme of enhancing competitiveness, and it became the community group responsible for adopting the plans and actions to be developed by the implementing body.

7. Lessons learned

Micro, small and medium forest enterprises are involved in a wide range of activities that play a direct role in reducing poverty and improving the lives of their families.

Each of the community SMFEs is an individual body offering differing services and strengths, making it impossible to apply a single description to the help they offer. On-going support is vital to improve the conditions of the SMFEs, and it is better when provided by similar organisations, as they know the problems from the inside.

Leadership – both individual and institutional – is key to the development of these initiatives. Access to organisations and people who demonstrate positive leadership skills helps ensure proposals and work are taken on by the community organisations.

In the case of Guatemala, the Alianza played an important role in ensuring the initiative was adopted by these forest community organisations. It also ensures that the implementing organisation would have the support of a consultative group, which also monitored the communities receiving the programmes.

The technical support provided by the National Forestry Programme and the FAO contributed directly to its success in addition to maintaining a link with initiatives at the international level. It also provided tools such as the Toolkit.

8. Sustainability Strategy

A key aspect of the implementation of the Forest Connect initiative is sustainability; both of the initiative itself and of the community groups supported by it. In Guatemala, this means:

- Strengthening the implementation potential of the Ut'z Ché Toolkit, so that it becomes part of the process of implementation and support of the communities belonging to the association.
- Ensuring the strategic planning of the Alianza includes a support component for community

forest enterprises, as part of the central theme of enhancing competitiveness. This will enable communities to take responsibility for this and set up a committee in charge of monitoring and implementation.

- Promoting cooperation and sharing of knowledge between community forest enterprises to be able to maximise supply and reduce production risks.

9. Proposal to strengthen the process

It is vital to continue to test out the implementation of the Forest Connect Toolkit as soon as possible, as this is seen as a key way of SMFEs, especially in developing countries.

It is recommended that this includes arrangements for training leaders and promoting leadership – especially amongst the new generation – in order to be able to establish processes that are sustainable in the long run.

Community organisations need to be strengthened so they can implement programmes themselves.

Community organisation is key and should be one of the factors evaluated before this type of support is introduced; if it does not exist, it should be promoted and strengthened.

It is important to encourage more information sharing at the international level on the activities undertaken by SMFEs and initiatives such as Forest Connect, in order for local communities to learn from each other.