

Associations for business partnerships

Tool

Purpose:

Associations for business partnerships is a tool for migrant or other marginalised forest-dependent communities. It helps smallholders to engage with, compete in, and benefit from market economies.

Activities:

Migrant communities can solidify their control over forests, manage them sustainably and maximise benefits from them through joint action of many private smallholders.

This tool tackles five key problems in migrant communities:

- 1 Lack of information (little knowledge about local natural resources and the legitimate and efficient use of them).
- 2 Lack of political influence (little credibility with local authorities and support services such as finance agencies and legal services).
- 3 Lack of market power (small scale of resources with which to negotiate and poor knowledge of markets for produce).
- 4 Lack of administrative experience (no history with the bureaucracy of their new environment).
- 5 Lack of collective confidence (few joint experiences on which to establish mutual trust and from which to take calculated risks).

Keep in Mind

Preconditions for this process include:

- ★ Individual smallholders with tenure over separate lots
- ★ Available forest or other natural resources
- ★ Willing NGO and business partners (e.g. forest management NGO, logging companies or other processing industries)
- ★ Economic viability where profits from the joint activities exceed costs



The six activities below culminate in a formal contractual agreement about sustainable forest management between a smallholder association and an established business (e.g. a logging company). But the process provides much more than that – it develops community capacity, builds a support network and fosters self-sufficiency.

- 1 **Community sensitisation** – link to an external catalytic NGO to demystify what forest management involves and find out what legal steps to take to formally allow commercial forest activity.
- 2 **Association formation** – investigate which forms of association best suit community action and strengthen a subset of community members who agree to form such an association to undertake joint actions together.
- 3 **Management formalisation** – agree exactly what pre-harvest, infrastructure development and harvest activities are required in the joint land area and over what timeframe.
- 4 **Partnership negotiation** – negotiate potential sub-contracted management agreements with an established service provider, paying particular attention to monitoring and get-out clauses.
- 5 **Contractual obligation** – develop a formal contract following a model outlined in the expanded tool guidance – building in an initial trial phase.
- 6 **Revised affiliation** – use the success of the initial trial phase to draft in further community members and renegotiate with the established company.

★ Collective action requires trust. In migrant communities building trust can take time – so allow plenty of it during the community sensitisation phase

★ There is a risk that some community members will want to be free riders (benefiting from management infrastructure without contributing to the joint action) – so make sure to create special benefits for association members

Further information

Find full tool and other related tools and resources at:

www.policy-powertools.org

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