PART II – Chapter 19

Small forest-based enterprises in The Gambia: Opportunities and challenges

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Abstract: The Gambia is a pioneer in the implementation of participatory forest management in Africa and, in particular, in the use of community forestry (CF) as a mechanism by which forest ownership is transferred from the government to local communities. As a result of this process, various small forest enterprises (SFEs) have been formed. This qualitative, multiple case study assessed the opportunities and challenges facing 16 SFEs located in the Western region of The Gambia in February and March, 2010. These enterprises focused on different forest-based activities: firewood, branchwood, beekeeping, handicrafts (furniture), and ecotourism. Results show that all but one of the studied SFEs were profitable. Community-owned businesses invested profits in village development, whereas individually owned enterprises allocated revenues to meet household needs. All SFEs – except branchwood businesses – had received training in forest management and enterprise development. The government and other non-state actors were revealed as key stakeholders in the provision of capacity-building activities. Concerning financial services, most SFEs had adequate access to deposit accounts. However, while a number of enterprises had received loans from credit unions and other non-financial institutions, none had accessed financing from commercial banks. Wood-based enterprises still faced some challenges, especially related to illegal competition, corruption at road checkpoints, and updating CF management plans. This case study shows that fostering SFEs as a means of generating income for forest-dependent communities in developing economies can be an effective strategy; however, there must also be ongoing support from government (and other actors) in the forms of capacity building and rational policies that serve to create an enabling environment for these enterprises to thrive.

Keywords: The Gambia, community forestry, small forest-based enterprises, livelihoods, capacity building, financial services, corruption, illegal activities

19.1 Introduction

Small forest-based enterprises (SFEs) are seen as a potentially important source of income, employment, and well-being for forest-dependent communities. At the same time, they are viewed as an important means of promoting sustainable forest management (Kozak 2007). However, in many developing countries, SFEs face a number of significant challenges, not the least of which are: a lack of clear and secure access to forest resources; low levels of managerial, technical, and business capacity; and deficient access to finance and capital for starting up, running, and upgrading businesses (Arnold et al. 1984, Fisseha 1987, Mead and Liedholm 1998, Mayers 2006).

As a result of varying definitions, it is difficult to articulate a universally accepted description of SFEs, other than to say that they share an engagement in a wide range of forest-based activities as
their primary sources of income and that they are indeed small. They generally employ fewer than 100 individuals, have annual turnovers of less than USD 1000 per year, consume little in the way of raw materials, and have limited access to capital (Macqueen 2004a, 2004b; Spangitagi and Springfors 2005, Mayers 2006). Very often, these businesses occur at the individual or household level with only one or a few workers (Spangitagi and Springfors 2005). For the purposes of this chapter, this is what we are assuming – enterprises employing no more than 10 people that typically use family or community members as labour. Business structures and arrangements tend to be simple but can take on many forms, including private ownership, limited partnerships, contracts and subcontracts, collectives, cooperatives, associations, and community-owned enterprises; the enterprises themselves can be part of either a formally recognised or an informal economy (Fisseha 1987, Kozak 2009). Importantly, SFEs tend to be intrinsically tied to the communities in which they operate, and as such, offer higher potential and ample opportunities for local communities to serve domestic markets with much needed forest goods and services in a sustainable manner, generate wealth that stays within the communities, provide local employment, and improve the livelihoods of the rural poor (Fisseha 1987, Kozak 2007).

The Gambia is acknowledged to be a leader in mobilising efforts to foster small community-based forest enterprises as a way to improve the well-being and livelihoods of forest-dependent communities and is seen as something of a success story in this regard (Bruni and Grouwels 2007). However, despite formal initiatives that have been in place for years, anecdotal evidence suggests that some SFEs in rural regions continue to face obstacles. That being the case, it makes sense to conduct case studies in The Gambia, the logic being that much insight can be gained from observing both successes and failures in this nuanced problem. Specifically, we sought to identify the opportunities and limiting factors facing SFEs in The Gambia.

19.2 Context

19.2.1 The Gambia’s people and forests

The Gambia is located on the west coast of Africa, bordered by Senegal to the north, east, and south and by the Atlantic Ocean to the west. At 11,300 km², it is one of Africa’s smallest nations (CIA 2012). Yet, it is densely populated with more than 1.8 million people, 40% of whom live in rural areas (Bojang 2001, CIA 2012). The Gambia provides an interesting and relevant backdrop for this case study for a number of reasons. First and foremost, it is one of the poorest nations in the world, ranking 168th out of 187 countries on the Human Development Index (UNDP 2012). Like many other developing economies burdened with poverty conditions, The Gambia has sought and continues to seek effective and equitable means of economic development and social change that serve to meaningfully improve the long-term health, viability, and sustainability of communities – especially those that are rural-based.

More than one-quarter of the land in The Gambia is designated as forested; these are mostly deciduous and semi-deciduous forests, with some evergreen forests, mangroves, and palms (DoF n.d.). A further 10% of land area consists of shrubs, wooded grasslands, and wooded wetlands (DoF n.d.). There is a long tradition of wood use in the country, with most of the timber allocated for industrial wood and fuelwood purposes and some used for charcoal production and carvings (DoF n.d.). This, coupled with the regular occurrence of bush fires, agricultural expansion, and a general over-exploitation of forest resources, has led to a high rate of deforestation in the country (FAO 2005), reflected by the fact that the vast majority of its forests, regardless of type, are in secondary successional stages (DoF n.d.). The latest National Forest Inventory (2008–2010) indicates that overall forest cover has been reduced by 7% in the past decade, largely within mangrove ecosystems (DoF n.d.).

Perhaps the most compelling rationale for conducting a case study in The Gambia relates to the concerted efforts on the part of its Department of Forestry (DoF) to lift forest-dependent communities out of poverty vis-à-vis decentralisation efforts and the creation of SFEs. Since the 1990s, the DoF has been very active in initiating a process of land-tenure reform by devolving land and forest tenures into the hands of communities and encouraging collaborative approaches in the form of participatory governance (FAO 2005, Thoma and Camara 2005). This is very much in line with a larger global movement towards decentralised forest management.

19.2.2 Decentralisation in The Gambia and beyond

Decentralisation of forest management has been a major trend in global forest governance for the past three decades (Ribot et al. 2006, Agrawal et al. 2008). More than three-quarters of developing countries and countries in transition are in the midst of experimenting with decentralisation of natural resource manage-
This decentralisation trend is reflected globally in the rise of community forestry and other participatory forest management practices – particularly in the global south – as a way to alleviate poverty and improve living standards in rural communities. It is posited that decentralisation in forest management can be a tool for the empowerment of local peoples by giving them a greater stake in decision-making and authority over the natural resources that they use and the environments they live in or around. Decentralisation can also lead to greater community stability and resilience, as communities are more actively involved in strategies for their own local economic development (Ribot 2004). Furthermore, studies have shown that greater local participation in decision-making has led to positive outcomes for local incomes, forest biodiversity, carbon storage, natural regeneration, and vegetation cover (Agarwal et al. 2006, Chhatre and Agrawal 2009, Persha et al. 2011) and that community forest enterprises can be profitable and can deliver many additional socio-cultural and ecological benefits to local communities (Bray et al. 2003, Dev et al. 2003, Bray 2004, Molnar et al. 2007).

In The Gambia, decentralisation was a response to the state’s failure to manage the country’s forests effectively (Camara and Dampha 2007). Prior to decentralisation, the state had total control and ownership of forest resources. During this time, deforestation and forest degradation continued unabated, mainly due to bush fires, expansion of farmlands and plantations of gmelina (*Gmelina arborea*), and the unsustainable use of timber and non-timber products – in particular, firewood (Schroeder 1999, FAO 2005, Camara and Dampha 2007). Camara and Dampha (2007) state that decentralisation of forest management was a necessary strategy to involve rural populations – previously indifferent to forest destruction – in forestry and fire management. Schroeder (1999), on the other hand, argues that decentralisation, rather than being a populist gesture, was part of a deliberate financial strategy to decentralise costs of service delivery (such as mobilising the labour needed to establish firebreaks) and responsibility of forest management to constituencies. Local populations were also more receptive to the idea of forest management at this time due to increasing climate-related crop production shortfalls, as well as decreasing market prices and subsidies for groundnut production (Schroeder 1999).

In the early 1990s, the government of The Gambia began experimenting with participatory forest management approaches in pilot cases. The intent was to increase local participation in forest management and allocate legal ownership and/or exclusive user rights to local stakeholders (Thoma and Camara 2005). After restructuring its administration in 1994, the DoF created the country’s first forest policy in 1995, which emphasised the involvement of local communities in forest management. The legal framework for formalising public and private participation in management was further strengthened by a revised Forest Act and Regulations (1998) (Thoma and Camara 2005). A National Forest Fund was also established in 1996. The 2010–2019 Forest Policy reinforces this push for decentralisation of responsibilities and community engagement in forest resource management; one of its primary objectives is explicitly stated as improving living standards through poverty reduction and forest resource enhancement initiatives (Republic of The Gambia 2010).

The establishment of community forests (CFs) was one of the instruments by which the government placed forest tenure in the hands of communities. The DoF is the institution responsible for planning, organising, monitoring, and implementing community forestry in The Gambia. For purposes of the CFs, the organisational hierarchy includes the following: 1) the head of the Participatory Forest Management Unit, whose primary function is to coordinate, support, and monitor the implementation of CFs at a national level; 2) regional forest officers (RFOs), whose main task is the planning, organisation, and implementation of CFs in each region of the country (see footnote 1); 3) administrative circle (AC) heads, who monitor and support CF forest extension and field activities in each administrative circle (e.g. the Western region is divided into three administrative circles); 4) implementation area (IA) heads, who, among other activities, report CF matters within each IA to the AC Head (e.g. each administrative circle

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1. The country is now divided into six forest administrative regions – Banjul, Western, Lower River, Middle River, Upper River, and North Bank (FAO 2011). Each region is subdivided into implementation areas for more efficient service delivery and to bring the forestry sector closer to rural populations (Camara and Dampha 2007).

2. Other tenure types that promote participatory management include joint forest park management and community-controlled state forests.
in the Western region is divided into three or four IAs; and 5) CF extension and support staff, who execute CF-related activities in the field (DoF 2005).

CFs were implemented with the objective of engendering local peoples’ interests in the conservation and sustainable use of natural resources. Communities were entitled to be involved in CF management within their traditional lands so long as an agreement with the DoF was in place (Camara and Dampha 2007). The establishment of CFs focuses on training and preparing villagers and ensuring their meaningful participation. The process takes several years to be completed and is implemented in three main phases: 1) the start-up phase, where villagers organize themselves, identify and demarcate the forest area, carry out a forest assessment, and prepare an initial forest management plan; 2) the preliminary phase, where communities demonstrate their capacity to manage resources in a sustainable manner; and 3) the consolidation phase, where villagers finally acquire the rights over the forest resources (DoF 2005). This phased implementation is used so that each community’s technical and managerial capacity corresponds to the new responsibilities gained.

A representative village committee (the CF management committee) is also charged with the responsibility of the day-to-day management of the CF. The committee, one-third of which is meant to be women, is the pipeline between the DoF and the village. The DoF helps this committee implement the first two phases by, among other things, organising training sessions and setting up a simple three-year management plan. After the three years, if the community demonstrates that it can successfully implement the preliminary management plans on its own, a community forest management agreement (CFMA) is issued. The CFMA permanently transfers the exclusive rights to local communities to use the forest and trees, along with the responsibilities for their management. The government reserves the authority to partially or fully revoke these rights if a major clause of the CFMA is violated (Camara and Dampha 2007). As of 2005, more than 260 villages in The Gambia were involved in this initiative (Thoma and Camara 2005), impacting approximately 6% of Gambia’s forests (Bojang et al. 2010). This does, however, fall short of the target of 75% of forests in The Gambia being under community or private control, which was set in the government’s 1995 policy. As of 2013, the number of CFs has only increased slightly, meaning that the process has been slow and most forests are still under government jurisdiction.

Despite these tenure changes, the government of The Gambia has arguably retained some managerial control over CFs. Schroeder (1999) states that several conditions included in the CFMA contract constrain community management plans and allow the DoF to control many details of forest management. Camara and Dampha (2007) note the continued need for a large supervisory role for the DoF, as many local management committees still lack skills and experience, and there remains a requirement for strong oversight to avoid illegal activities. However, villagers’ participation is still central to the development of CFs. At the local level, villagers participate in forest demarcation and assessment, in decisions regarding the utilisation of the forest, and in the development of CF management plans, among others (Camara and Dampha 2007).

Monitoring and evaluation (M&E) are integral to the success of the CF process, as stated in Gambian legislation. According to the 2005 Community Forestry Implementing Guidelines, evaluation activities should take place at various levels, from the local villages to the DoF offices in Banjul. Forestry officers are meant to carry out participatory sessions at local levels to gather and discuss information related to activities being planned and undertaken, problems and constraints encountered, initial and current expectations, and future plans. In addition, the CF management plan is meant to be used by the communities as an assessment tool for evaluating the different activities and goals achieved in relation to the CFs. The M&E unit of the DoF is meant to closely monitor the CF program and to generate annual progress reports (DoF 2005). In addition, some community-based organisations conduct participatory impact-and-monitoring visits to member CFs as a means of ensuring compliance with community-developed forestry and business plans, as well as local by-laws.

Capacity-building processes are also an essential part of the CF strategy in The Gambia. The Community Forestry Implementing Guidelines (2005) of the Participatory Forest Management Unit stress the importance of action learning and incorporating local knowledge into the training of community members, with the goal of achieving self-reliance and self-management. The DoF’s community forestry extension and support staff are meant to assist and guide members in their acquisition of managerial skills, including communication, leadership, conflict

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1) The frequency with which the IA heads reach villages is erratic due to inadequate logistical support, namely mobility, fuel, and extension materials. In some cases, IA heads are based in CF villages.

2) This study did not explicitly assess how these M&E activities are put into practice in the studied villages, nor their respective efficacy.
PART II: CASE STUDIES

19.3 Case study: small forest-based enterprises in The Gambia

Fieldwork for this project was carried out in The Gambia during February and March 2010. A multiple case-study strategy was employed with semi-structured interviews conducted with business owners and/or staff from a wide range of forest-based enterprises, community members, village leaders, and association representatives. In total, 16 SFEs from four villages were included, encompassing five distinct forest-based business types: firewood, branchwood, beekeeping, handicrafts (furniture), and ecotourism (Figures II 19.1–II 19.3). The villages were selected based on three criteria in order to ensure that the enterprises in the study had experienced some degree of success. First, they had to be located in the Western region of The Gambia, since enterprises there have greater proximity to infrastructure, including financial services. Second, the villages (but not necessarily the enterprises) had to be associated with an officially sanctioned CF, meaning that access to forest resources was likely assured. Finally, most of the villagers engaged in forest-based business activities had to have undergone some degree of formal business training, either in the form of FAO’s MA&D model (FAO 2005) or some other capacity-building initiative.

Interview data from these primary sources was supplemented by additional interviews conducted with financial institutions, most of which were located in the capital, Banjul. In total, representatives from six commercial banks and eight microfinance institutions (four non-bank institutions and four government projects) were asked a series of questions related to the financial services that they offer and their willingness to engage with SFEs. All of this information was triangulated with other sources, including field observations, relevant documents, and policies. NVivo 8 qualitative data analysis software was used to code the data and identify emergent themes in an enumerative process. For further methodological details, the reader is directed to Tomaselli (2011) and Tomaselli et al. (2012).
This data was used to inform our discussion on the different challenges and opportunities facing SFEs in The Gambia. In this section, we describe the main results concerning the case study enterprises – their activities, their rights with respect to forest resources, their access to support services such as training and finance, and their contributions to individual and community livelihoods. In addition, we describe the key impediments that many of them face, mostly related to corruption and illegal competition but also the need to streamline bureaucratic processes related to CF management.

19.3.1 Case study enterprises

The selected case study enterprises focused on five different activities. A brief description of each is given below and Table II 19.1 illustrates the numbers and types of SFEs studied in each of the four villages.

**Firewood** – The main undertaking of these businesses is to split wood of different species (e.g. keno – *Pterocarpus erinaceus*, kinkeliba – *Combretum micranthum*) from dead trunks to sell in local markets as fuelwood. The enterprises in this study used resources from CFs and were community-owned.

**Branchwood** – The principal activity consists of collecting dead branches of different species (e.g. keno – *Pterocarpus erinaceus*, kinkeliba – *Combretum micranthum*, gmelina – *Gmelina arborea*) from the forest floor to sell as fuelwood in local markets. Each enterprise in this study had one proprietor and, in general, did not use resources from CFs.

**Beekeeping** – These businesses install wooden boxes in mangroves and orchards near the villages as beehives for the production of honey (and occasionally wax). All of the studied beekeeping enterprises were individually owned, except for the business located in Village B, which was community-owned.

**Handicrafts** – This individually owned business focuses on the production of furniture (i.e. chairs, tables, beds) from the leaves of rhun palm (*Borassus aethiopum*). Raw materials were not collected from a CF but from single palms found close to village houses.

**Ecotourism** – The main purpose of this community-owned venture is to lodge tourists and provide them with various recreational experiences revolving around the CF, the nearby river, and traditional cultural activities.

19.3.2 Access to forest resources

Access to forest resources varied depending on the activities that were undertaken by each enterprise. For instance, CF-based SFEs in The Gambia, such as the firewood and ecotourism businesses in this study, were regulated under very specific conditions as a result of their close ties to CFs. In these situations, CF committees prepare special by-laws that include, among other information, the umbrella rules and regulations that govern the CFs. These by-laws...
must be in agreement with The Gambian Forest Act and Regulations and endorsed by the district chief. A copy of the by-laws should be forwarded to the DoF. In addition, CF committees are required to develop a three-year preliminary management plan that focuses on protection activities such as fire management, reforestation, and monitoring of illegal activities. Once a CFMA has been achieved, a five-year management plan must be developed. This plan should specify the activities to be carried out in the forest, the species and quantities to be used, harvesting procedures, and other information. These plans are expected to be grounded in a forest assessment that provides information on forest accessibility, vegetation types, and topographic characteristics, based largely on visual cues and traditional knowledge.

The CF management plans are prepared with the assistance of the local forest officer and staff of collaborating institutions, yet final approval resides with the DoF (DoF 2005). Villagers can access CF resources for subsistence uses so long as these practices are approved by the forest committee and are in accordance with the CF management plan. Similarly, commercial use must be anticipated in the CF management plan; nevertheless, communities also require additional licenses or permits, which are issued free of charge by the regional forest officer. For the transportation of products, a removal permit is needed, which is issued by any forest officer upon presentation of a valid license (DoF 2005). With the revenues obtained from the commercialisation of forest products, CF committees are required to establish a local fund. By law, 15% of the proceeds of this fund should be directed to DoF’s National Forest Fund, about 40% should be invested in local forest-management activities, and the rest can be used for community development activities.

Other enterprises included in this study did not obtain their resources from CF areas (5) and were subject to different regulations. For instance, as explained by a DoF representative, beekeeping is primarily governed by the Forest Act and related regulations (6). In the case of the handicrafts enterprise, its owner had free and open access to raw materials and was not required to obtain any authorization for their collection. On the other hand, branchwood enterprises explained that they do require licenses for gathering and transporting the resource, although many revealed that they operated without these in place.

While this study did not delve into the condition of forest resources in The Gambia (7), various respondents discussed this in the context of benefits that they have enjoyed due to establishment of CFs and the concurrent changes in rights of access to their villages’ forest resources. For instance, some villagers described how the forest used to be: “It was open to everybody…there was no control. The forest was all the time in destruction.” They clarified that when they were granted forest rights, they

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(5) All SFEs included in this study were located in villages that owned community forests; however, not all of them (e.g. branchwood, beekeeping, handicrafts) obtained their raw materials from CF areas.

(6) Although there are no specific clauses that refer to beekeeping or honey production in the 1998 Forest Act and Regulations, the use of fire in forests is regulated. Wild honey collectors use fire for collecting honey, and by doing so, they often kill the bees and jeopardize forests.

(7) Notably, the last monitoring assessment documenting the impacts of CFs on forest conservation in The Gambia was conducted in 2003–2004.
became more actively involved in the sustainable use of their resources and began to protect their CF areas from illegal intrusions and wildfires. Members from all of the firewood enterprises detailed how they applied the concept of sustainable forest management by practicing zoning, selective harvesting, and replanting. Certain interviewees also recognised the different benefits that a well-maintained forest had generated for their livelihoods: “With the management and protection of the forest and the wise utilisation, we are able to add some income ... It has brought a lot of incentive to our community.” Moreover, members from one firewood enterprise recognised that the sustainability of its business absolutely depends on the sustainability of the forest. This data is supported by other studies that detail the positive effects that CFs have had on forest cover, biodiversity, frequency of bush fires, and increasing the environmental awareness of local communities (Thoma and Camara 2005, Government of The Gambia and German Agency for Technical Cooperation 2003 in Romano 2007).

Nevertheless, a few respondents also expressed some concerns regarding sustainability issues. For instance, one villager explained that there is currently great demand for forest products in The Gambia and expressed his concern about the potential impact that this market pressure may have on the sustainability of the forest: “Buyers are always interested in us to sell [to] them, so if we are not careful..., especially when you don’t have much money you are easily tempted and then you are used to do the wrong thing.” A member from one firewood enterprise also perceived that more trees were disappearing relative to the ones being replaced, and another respondent questioned the long-term viability of the enterprise that he is involved in: “One way, it may not be sustainable... the density of the forest is reducing and they are not doing any active planting.”

### 19.3.3 Access to capacity building

With the exception of the branchwood businesses, all of the studied enterprises had taken part in some sort of capacity-building activity. This is an integral part of CF implementation in The Gambia and it has benefited many SFEs, even those that do not obtain their raw materials directly from CF areas (Thoma and Camara 2005). Our data shows that different stakeholders played key roles in the provision of this support service, notably the government and other non-state actors. For example, the DoF of The Gambia was cited as an important provider of training on multiple aspects of forest management and enterprise development for both community and enterprise members. With the support of FAO, the DoF was also responsible for implementing the MA&D methodology in the studied villages. Four enterprises explicitly mentioned being positively impacted by this training.

Many of the firewood businesses also mentioned receiving guidance from the DoF on issues related to forest management, reforestation, and maintenance of CFs. In addition, the handicrafts enterprise owner twice received technical training on furniture development. This entrepreneur further described the additional support that he received from the DoF: “After the training, they [DoF] gave us all the tools that we will need for the work and also they provided us with at least some nails to kick-start. They gave us everything except the rhun palm.” One of the beekeepers interviewed in this study similarly characterised the support and assistance that he had received as much needed.

Associations of producers were also mentioned as instrumental in the provision of training to some of the studied enterprises. Various beekeepers mentioned that capacity-building activities were one of the most important services offered by their beekeeping association. One of the entrepreneurs stated: “They trained them [the beekeepers] to prepare the hive..., how to harvest the honey and process, and produce it into good quality.” Additionally, some enterprises were given guidance on wax processing methods as a means of diversifying their production. Likewise, some of the firewood respondents discussed the value of their association’s role in the provision of technical advice and training in reforestation. Other enterprises explained the important roles of two other stakeholder groups – NGOs and local businesses – in the delivery of capacity-building activities.

Developing business skills is one of the most important factors influencing the success of a business (Macqueen 2010). Although this is an important pillar of the community forestry strategy in The Gambia, and many of the cases included in this study received ample guidance and training on multiple issues, all of the enterprises mentioned the salient need to receive training on an ongoing basis. Most of the businesses studied needed to continue developing their capacities, especially with respect to forest management, technical skills, and general business and financial administration. Our data shows that capacity-building activities should not be restricted to one-time events but rather provided frequently since enterprises are dynamic entities that must address new needs and/or refresh already acquired skills on a continual basis.
19.3.4 Access to capital and other financial services

At the time of the study, many financial institutions in The Gambia – especially banks – were expanding rapidly into rural areas of the country. However, they did not offer a full range of financial services to the studied enterprises, particularly credit. That said, most of the studied SFEs had adequate access to deposit accounts according to our data. The majority kept their accounts in local cooperative credit unions, while others kept them in banks (in spite of the fact that opening an account with a bank was five to 10 times more expensive than with a microfinance institution). The president of a CF expressed the appreciation of having access to savings services in his community: “Thank God for the credit union. It is a logical coincidence; comes the forest with resources and comes the credit union to save our money.”

A number of the studied enterprises had accessed credit; however, none had received it from a bank. One executive from a microfinance institution explained that although banks were expanding into rural areas in an attempt to remain competitive, they were focused mainly on the collection of deposits. To fill this gap, cooperative credit unions and other non-financial institutions, such as government agencies, NGOs, and producer associations, were taking the lead on delivering credit to SFEs. While many of these agencies (except credit unions) did not require savings as a condition for lending, the interest rates on these loans varied between 10% and 30%, depending on the institution. In addition, one of the more successful community enterprises accessed capital by winning a National Award on Environmental Management, which was used to complement the village savings.

It is well acknowledged that a major impediment to accessing credit from formal sources is a lack of collateral (Helms 2006). Indeed, most financial institutions in this study required collateral as a condition for lending, with microfinance institutions being more flexible in this regard. One microfinance executive explained: “We look at what you have as collateral and that’s what we take. Some collateral … [is] just psychological. They [clients] cannot provide you any guarantees, but they might have some intrinsic value to whoever is giving that collateral.” Certain microfinance institutions even rely on local knowledge (Helms 2006) and the character of individuals (UN 2006), while others ensure clients’ repayment capabilities by delivering loans gradually. In contrast, banks tend to be more stringent about collateral requirements, as explained by one executive from a commercial bank: “Collateral is always a condition. At the very least you need to have a personal guarantor, so the issue of collateral is important.” A few respondents from financial institutions identified other important barriers that might hinder SFEs from accessing credit. The first was related to the possibility of sudden policy changes in The Gambia (particularly forest policy), which may impact enterprises’ operations and their ability to repay loans. This concern was described by a respondent from a microfinance institution: “These groups or individuals who are focusing their activities on the forest eventually might face some challenges because either the government might come up with an embargo or they might come with new rules and regulations against the use of the forest…” The second limitation related to the future availability of raw materials from forests if activities are not carried out sustainably. One executive articulated his thoughts about this issue: “Yes, there is a real challenge in forestry in the rational use and sustainable use of resources.” Finally, another challenge mentioned related to the formality and legality of forest-based businesses in The Gambia. One microfinance officer explained that his institution insists on firewood businesses presenting their licenses from the DoF as a requirement for extending loans. The officer added that this strategy reduces the risk of their products being seized while also potentially helping to ensure the sustainability of forest resources.

19.3.5 Enterprise profitability and contributions to livelihoods

All but one of the SFEs included in this study were profitable (i.e. generating revenues in excess of costs) at the time of the study. The ecotourism camp had, by far, the highest revenues, with annual profits exceeding USD 5000, while the handicrafts business had the least, with approximate annual profits of USD 90. Most respondents seemed satisfied with the profits generated by their enterprises. For instance, many of the beekeepers mentioned that revenues from honey sales represent an additional source of income for them and that they invest comparatively little time in this seasonal business. A branchwood entrepreneur described the contribution of her business to the livelihood of her family: “…I am a woman; the children, I am able to educate [them] with this enterprise until they have all finished their high school…”

Notably, the studied enterprises distributed profits according to whether they were community-owned or individually owned, both of which were

\[10\] One branchwood enterprise started operations in the year that the study was conducted and was not yet profitable.
found in most of the case study communities. Communal enterprises allocated their profits towards the well-being of the community and the maintenance of the local ecosystem, while individually owned SFEs spent their profits primarily on individual and family needs. For instance, respondents from the community-owned firewood businesses described some of the activities that had been carried out with the financial returns of their enterprises, including, among others, construction and maintenance of community water systems, tax payments for all of the homes in a village, purchase of a vehicle for villagers’ transportation needs, payments of school fees for some of the local children, and provision of food for community celebrations. A village leader expressed his satisfaction with the benefits generated by the communal enterprise: “…Everybody appreciates it because everybody has benefited… everybody needs water, everybody needs to pay rates and taxes… The village is very happy about this enterprise.” On the other hand, individually owned enterprises spent most of their incomes fulfilling more singular and basic needs, such as food, education, medicine, and shelter. Our data illustrates that, even though both types of SFEs could play an important role in improving the quality of life of forest-dependent peoples in developing economies, communal enterprises seem more inclined to satisfy the medium- to long-term needs of a larger group of people while profits from individual businesses tend to be directed towards the short-term and urgent requirements of particular households.

### 19.3.6 Challenges for enterprise development

Some of the SFEs included in this study – mainly wood-based businesses – faced significant challenges that threatened their development. These obstacles revolved around corruption, illegal activities, and the requirements for updating CF management plans.

#### Corruption

A major concern for most firewood and branchwood businesses was the incidence of corruption at roadside checkpoints. Various respondents revealed that police and forestry officers requested illegitimate payments during the transportation of forestry products along Gambian roadways. One branchwood merchant detailed: “It is a very good business and it leaves profit, but then…every police stop, she pays to the police, she pays to the forestry officers.” Another enterprise owner explained that she had virtually stopped trading branchwood outside of her village simply to avoid these roadside checkpoints.

Various respondents claimed that they encountered this problem regardless of whether or not they had licenses to operate. One representative from a CF association believed that road officers lacked information on the rules governing CFs and, therefore, did not recognise CF licenses. This respondent was deeply concerned and thought that this situation might threaten the establishment of future CFs:
“More communities want to be involved in the CF [process], but if the concept continues like that…, those people will be discouraged.”

Corruption of this sort has been an ongoing issue in The Gambia (FAO 2005). It is a symptom of profound institutional weakness (Hellman et al. 2000) and is a major obstacle to achieving sustainable forest management (Ferguson and Chandrasekharan 2005). Where SFEs are concerned, corruption at this level can jeopardise the formation of CFs by deterring communities and individuals from getting involved in these sorts of decentralisation processes. In addition, corruption can lead legal enterprises to become part of the informal shadow economy should they not realise any tangible gains by acting lawfully.

**Illegal activities**

SFEs in this study cited a number of illegal activities in The Gambia that were taking place and impeding their development. For example, firewood businesses complained about competition from illegal producers. Members from two enterprises explained that illegal traders affected the competitiveness of their businesses by selling firewood at drastically reduced prices, thus distorting the market. This was especially problematic for CF firewood enterprises since they were also legally obliged to dedicate 15% of their profits to the DoF’s National Forest Fund, which increased their prices even more. This was further exacerbated by the fact that several firewood enterprises had agreed to maintain a fixed price for their products as a means of increasing their collective bargaining power.

An additional challenge affecting communal SFEs was the incidence of illegal activities within and outside CF boundaries. One respondent explained that trespassers encroached into the CF to harvest products to supplement their incomes. This issue was of great concern to some since it has the potential to weaken the ability to conserve forests. Along with bush fires, this illegal harvesting by intruders was one of the most frequently mentioned threats to the sustainability of CFs.

Illegal activities reflect a weak enforcement capacity by the government. Like corruption at roadside checkpoints, illegality – if left unchecked – could undermine the development and survival of some CF enterprises by hindering their ability to compete fairly. Many villagers have exhorted the government to increase control over illegal activities. Some respondents even proposed the creation of a “common marketplace” for CF products, where all goods and merchandise that originate from CF areas (honey, handicrafts, firewood, etc.) could be safely and legally sold. They argued that this strategy might help the government identify illegal activities more readily and could even promote the establishment of new CFs.

To some extent, the government of The Gambia is addressing the issue of illegal activities within its forests. However, our data suggests that certain policy measures may be somewhat misguided and ill-conceived. For instance, a ban on the use of chainsaws in Gambian forests has been imposed to curb illegal activities. A representative of the DoF explained that this embargo was implemented in 2008 when timber and log exploitation became uncontrollable, due in large part to high demand for timber from China. The efficacy or impacts of enacting this prohibition are not yet documented and the policy explicitly exempts CFs with valid management plans; however, some respondents expressed concerns. Some villagers explained that the ban penalised individuals or groups that were attempting to manage their forest resources sustainably but who logged with chainsaws. Respondents from two firewood enterprises explained that it had halted the operations of related CF timber and log enterprises, bringing negative economic consequences to the community as its overall sources of income were reduced. This suggests a misinterpretation of the ban by some villagers who may be unaware of its exemptions for CF activities and/or misinformed about the underlying reasons for ceasing timber and log operations within CFs (i.e. it is more likely related to the lack of valid management plans).

**Requirements for updating CF management plans**

Management plans are required for the legal utilisation and commercialisation of CF products, but members from two firewood enterprises expressed frustration over the length of time that it took to update their CF management plans (more than two years at the time of writing). Respondents in one community explained that the local forestry officer obtained the villagers’ input for the design and content of such a plan and was supposed to write a first draft for validation with the community. However, he never returned. This problem is not uncommon and management plans have expired in a number of communities (Thoma and Camara 2005, FAO 2011b). Our data suggests inadequate support from and institutional capacity of the DoF to facilitate the development and/or updates of CF management plans.

The absence of a CF management plan proved challenging for some communities because it restricted their ability to plan and carry out certain activities. For instance, one enterprise could not access credit from a financial institution since presentation of this document was a key requirement (in effect, collateral). Enterprise members clarified that...
they were able to fulfil all the requisites for a loan except this one. Respondents from another enterprise explained that in the absence of a CF management plan, they had to request authorisation from the local forestry officer every time they sought to commercialise any forest products. This sort of situation might put the sustainability of forests at risk as decisions regarding use are not in accordance with a long-term plan but are left to the discretion of the villagers and forest officers. Moreover, these sorts of ad hoc arrangements may encourage illegitimate dealings between these actors.

### 19.4 Conclusions

The Gambia is frequently cited as a pioneer and successful example of the implementation of participatory forest management in Africa and the concomitant development of CFs and SFEs. The case study presented here on SFEs’ operating in the rural forest-dependent communities of The Gambia shows that the establishment of CFs and the creation of an enabling environment can foster business success and ultimately generate a series of positive outcomes for local actors, including a higher degree of empowerment, improved capacity building, and continued access to forest resources. Moreover, SFEs have contributed to villagers’ livelihoods by generating additional sources of income, thus contributing to the fulfilment of basic family needs and the success of community development projects. Although this study did not assess the direct impact of the establishment of CFs on forest cover and forest health, there is some evidence to suggest that this initiative has, indeed, promoted forest conservation, democratisation (vis-à-vis local institutions), and improved community livelihoods.

Despite these accomplishments, some of the studied enterprises – mainly wood-based businesses – faced serious challenges that threatened their development. For instance, the studied SFEs still had limited access to financial services. While they were successful in accessing deposit services, many were unable to acquire loans, especially from commercial banks. Our data shows that cooperative credit unions, NGOs, associations, and government projects have each played a major role in filling this gap and satisfying credit demand from SFEs. Corruption and the presence of illegal activities were, and continue to be, ongoing issues in The Gambia, reflecting weak institutional and enforcement capacity on the part of the government. Another concern revolved around the arduous processes and difficulties inherent in updating CF management plans. Delays on this front not only restrict a community’s ability to plan and carry out certain activities but also mean that access to much-needed credit from a financial institution can be delayed as well. One less obvious repercussion of the above challenges is that many also have the potential to negatively influence sustainable forest management efforts in the region.

Many of the requisite conditions for success of participatory forest management are currently in place in some areas of The Gambia – access to forest resources and well-defined user rights in CF areas, clear forest management strategies, and capacity building (Thoma and Camara 2005). Some of these outcomes are the result of implementing synergistic policies like the 1998 Forest Act, the 2003 Local Government Act, and the 2010–2019 Forest Policy, all of which promote the transfer of forest management to local communities. In 2011, this success was recognised by the World Future Council and its Future Policy Awards by conferring the Silver Award to The Gambia for its Community Forest Policy. However, while the government of The Gambia has invested considerable time and effort in the establishment of CFs and in transferring capacities in forest management and business skills to villagers, the future of this process appears uncertain, given the limited growth in the number of CFs to date and the generally slow process of decentralisation.

While it was not the intent of this case study to explore inefficiencies and obstacles within government, it is worth noting that several factors still impede the DoF from fully implementing its policies, including increasing population pressures, a need to balance demand and supply of forest resources, uncertainty over land tenure, and inadequate marketing of forest products (Republic of The Gambia 2010). In other instances, arduous administrative procedures hamper the DoF from easily accessing resources from the National Forest Fund, compromising its financial capabilities (Thoma and Camara 2005). Crucially, the DoF also appears to lack adequate funds to continue with the implementation of its plans for promoting sustainable forest management (Thoma and Camara 2005). Additionally, the Gambian government’s implementation guidelines for CFs stress the need, as yet unmet, for external funding to facilitate capacity-building programs, establish basic infrastructure, and build a network of operational forest stations and field offices across the country (DoF 2005). However, current national development strategies in The Gambia do not explicitly link forestry activities with poverty alleviation strategies, thus affecting the potential access to future donor funding in this domain (Thoma and Camara 2005).

Without proper funds in place for long-term capacity-building programs, this central aspect of CF implementation in The Gambia is threatened. The provision of business skills training on an ongoing basis is fundamental to the success of CFs (and their
associated SFEs). Businesses are dynamic, markets are evolving, and the political economy within which enterprises are situated is a moving target. In short, entrepreneurs need to be continually acquiring new skills in order to deal with the changing realities of running small forest-based enterprises. Indeed, many enterprises in this case study had taken part in some kind of capacity-building activity. However, the data also indicates that capacity-building activities should not be restricted to one-time events but rather should be provided frequently and in a continual manner. The 2010–2019 Forest Policy echoes the importance of capacity-building activities, highlighting the need to continually develop the institutional capacity of rural communities to assume increasing responsibilities for natural resource management, through farmer training, community-based resource management, educational campaigns, and the dissemination of resource management technologies, among others (Republic of The Gambia 2010). While there is intent on the government’s part to scale up the MA&D capacity-building approach across the country, it is unclear how this will unfold without adequate funds.

The research presented here provides insight on the opportunities and challenges of a small number of functioning SFEs operating in villages with community-owned forests located in the Western region of The Gambia. However, it is important to note that the majority of SFEs in this region do not operate within the context of a CF and/or are located in more remote areas and with less infrastructure (Tomaselli 2011). Therefore, the results from this study should not be generalised to other SFEs in the country, which may face additional challenges to the ones identified in this investigation. A broader survey of SFEs across The Gambia, including those not associated with a CF, could strengthen the findings of this exploratory work. Likewise, future investigations could examine SFEs that have ceased operations in order to identify some of the factors that contributed to their failure. We also recommend conducting a policy analysis to elucidate the underlying causes of the weak enforcement, corruption, and illegal activities observed in this study, so that viable solutions that address these issues in a meaningful manner can be brought forth.

In spite of the challenges facing the future of some SFEs in general and CFs in particular, our research shows that local people in our study sites are benefitting in diverse ways from the establishment of CFs and forest-based enterprises. There remains a strong foundation for participatory forest management in The Gambia, and it would be prudent for those developing poverty reduction strategies and policy reforms to take this into account by promoting interventions that create an enabling environment for SFEs and CFs to flourish.

References


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