



Caribbean Natural Resources Institute
Guidelines Series

Facilitating community enterprise development: A guide for support agencies



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- Empowering rural women through improving livelihoods funded by the United Nations Entity for Equality and the Empowerment of Women (UN WOMEN).

It is intended to be used by agencies supporting development of livelihoods particularly in rural communities.

CANARI takes this opportunity to thank all our rural livelihoods stakeholders for their invaluable contribution.

CARIBBEAN NATURAL RESOURCES INSTITUTE GUIDELINES SERIES

Facilitating community enterprise development A guide for support agencies

Keisha Sandy and Akosua Dardaine Edwards



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Introduction

Community enterprises play a fundamental role in the overall economic and development landscape. There have been numerous attempts to support the growth and development of community enterprises with limited results. A number of programmes have been set up throughout the Caribbean at various levels to aid community development yet there still remains a gap in both the use and successes of these programmes.

The Caribbean Natural Resources Institute (CANARI) has worked over the past few years to test a methodology to develop community-based rural enterprises. This work builds on more than 20 years working in rural communities throughout the islands of the Caribbean to help them to use natural resources sustainably and still secure livelihoods. This has given CANARI a wealth of experience into best practices for developing community enterprises, particularly those that promote broader community benefits such as income generation and sustainable use of natural resources.

These guidelines have been developed to assist support agencies and individuals interested in supporting the growth and development of community enterprises that use natural resources and bring economic, social as well as environmental benefits.

The guidelines aim to provide support agencies - from governments, civil society organisations, inter-governmental technical agencies and international programmes - with an easy to follow, step by step guide to support the development of community enterprises. They provide real case studies showing lessons learnt, challenges and best practice in working with Caribbean community enterprises based on CANARI's experience.

What is a community enterprise?

A community enterprise is one that is located in a community and members of the community are the owners, managers and employees. In addition to the economic benefit, community enterprises often have the added dimension of trying to improve the communities in which they are based by bringing additional social benefits (for example improving livelihoods of members of the community, building community cohesion, drawing on the strengths of the community, promoting the community, promoting gender equity and youth empowerment) and

Case study: Aripo Youth Development Organisation - employing youth in its community

The Aripo Youth Development Organisation (AYDO) formed in 2010 by students from Heights of Aripo, Trinidad and Tobago, who attended a course on enterprises hosted by YTEPP Limited. They were inspired by one of their teachers to try to improve their community. They decided to focus on enterprises that could be based in Heights of Aripo to provide employment for the youth of the community. They also hoped to reverse the growing trend of persons leaving the community to seek employment.

Heights of Aripo is a rural community located on the foothills of the Northern Range. It is surrounded by forests and has a long history of agriculture. There are several acres of cocoa plantation in the community, a few of which are abandoned. The residents like to say that they are the second largest producer of watercress in Trinidad and Tobago. There are several streams passing through and around the community and there are nearby caves where oil birds are resident. Because of the resources around the community, AYDO is interested in enterprises such as eco-tourism, culinary tourism, heritage tourism and cocoa farming and chocolate production. The group actively sought assistance from organisations that can help to develop its enterprises including the Inter-American Institute for Cooperation on Agriculture (IICA), Community Development Fund (CDF) and CANARI.

A community enterprise is one in which members of the community are the owners, managers and employees.

operating in an environmentally sustainable way (for example practicing sustainable use of resources, minimising negative environmental impacts due to pollution, promoting conservation of biodiversity).

Community enterprises in the Caribbean depend heavily on natural resources; this is especially so for those located in rural communities. They range from community eco-tourism initiatives, to development of craft products, to greenhouses and production of organic cocoa, coffee and honey.

Planning and preparation

There are actions that can be taken to develop support of and engage the community you want to work with. Determine the goals and objectives of the engagement at the outset. These can be later refined with partners and other stakeholders.

Finding and involving partners who can help

Identify other supporting agencies that can partner with your organisation to help community enterprises develop. Know your partners before you begin a project. Different partners have different skills and resources and may be involved in different stages of the process. Understand the mandate, skills, resources and knowledge of your partners so that you can determine the best stage to use them. Meet with them to develop a joint vision and objectives. Develop a plan for the project and ensure that everyone is seeking similar outcomes. This will make engagement with the communities easier.

Choose a community

Develop criteria to choose the community or communities that will be engaged in the process (e.g., access to natural resources, access to roads, ease of communication and

known conflicts in the communities). Ensure that partners are involved in the process; they may be existing experiences that may prove valuable. Once the criteria are developed, work with partners to identify several communities to work with. Visit the chosen communities to determine those best suited to your goals and objectives. If budget and time are limited a quick scoping exercise conducted over the telephone may suffice. You may choose more than one community depending on the budget.

Mobilisation

Mobilising the community is critical to your success. Your efforts at mobilisation can get the communities interested in the process and comfortable working with you. Create a mobilisation plan; this helps you to structure your engagement with the community. Employ different techniques to mobilise the communities including visiting and getting to know the residents.

General tips for mobilising communities

- Ensure that you are not dressed too formally as this can intimidate some persons in the community.
- Always be polite when speaking with the persons and show interest in what is being said.
- Placing flyers about the process and chatting with people around are good ways of starting to break the ice.
- Get phone numbers of interested persons - not just of leaders of the community. It is often tempting and easier to work with the community leaders but there may be divisions within the community that you are not aware of. Working with others in the community ensures that you are seen as neutral.
- The day before and a few hours before a workshop begins, call, WhatsApp or e-mail the members of the community who expressed interest. Always remember to thank community members for their interest.

“Know your partners before you begin a project. Different partners have different skills and resources and may be involved in different stages of the process”

Case study: Planning for a project with rural community

In 2010, CANARI began a process that sought to help rural communities in Trinidad and Tobago to develop enterprises based on the sustainable use of natural resources. With funding from the JB Fernandes Memorial Trust I, CANARI was able to catalyse support from other agencies that were assisting rural communities. CANARI worked with organisations such as the Ministry of Community Development and the Forestry Division to clarify the objectives of the intervention. Together the partners developed criteria to choose the communities that would be targeted in the project. Criteria included geographic spread, interest in developing small businesses based on the use of natural resources and marginalisation from other assistance, and previous experience of partners working in the communities. CANARI conducted a brief scoping exercise with the communities that were shortlisted. Six communities were eventually chosen: Blanchisseuse, Brasso Seco, Heights of Aripo, Lopinot, Plum Mitan, and Speyside. CANARI sent this information to project partners so that they were aware of the outcome of the process.

CANARI conducted site visits in the rural communities to build awareness and understanding of the process and to introduce the facilitators before the project began. Facilitators saved numbers for all interested persons and called them the day before the workshop. In some cases facilitators were also able to text the participants a few hours before the workshop. Participants were generally open and forthcoming during the workshops because of the outreach conducted at the start of the project.



Figure 1: Fisherfolk in Soufriere, Dominica land their vessel after a day at sea

First steps: building understanding and agreeing on direction

Introducing concepts

Hold an initial workshop with the community to build understanding about the engagement and also some of the concepts that will be used throughout the intervention. Terms such as natural resources, sustainable development and enterprises should be developed with the participants.

During this workshop, ensure that community members are committed to being involved for the duration of the project. Explain that developing a community enterprise takes commitment and time. Ask the participants to work with each other to support each other to carry out activities. Pair the participants up so that each partner ensures that the other completes his/her 'homework'. This can help build confidence in the process and trust among the participants.

Helping the community to understand its direction

Each community is different. Helping the participants to understand characteristics of their community can assist them to understand the types of enterprises that may be successful. Begin by helping the community to determine its internal strengths and weaknesses and its external opportunities and threats (a SWOT analysis). Find fun ways to do this.

Once the internal strengths and weaknesses and its external opportunities and threats have been analysed, help the participants to create a vision for their community five to ten years in the future. This will help them to determine what is needed to achieve that vision.

1. Explain the meaning of the concept of a 'vision'. Give examples to clarify.
2. Ask the participants to come up with a vision for the community as it would appear in five years. Encourage them to use creative ways such as drama, song or art and craft. Get everyone involved by ensuring that each person has access to markers, paper, crayons, craft items, etc.
3. Give the participants time to work as a group on this exercise. If the group is large consider smaller groups of four to five persons. Give encouragement.

Case study: Using 'reporters' to conduct a SWOT

CANARI used role play to help six communities conduct SWOT analyses in 2010. The participants found the process fun and were able to analyse the characteristics of their communities.

1. Facilitators placed a banner on the wall **"Breaking news... (insert name of community) improving livelihoods: developing small businesses using natural resources"**.
2. Five participants were asked to volunteer to pretend to be newspaper reporters. It was explained that they were pretending to interview people to learn about how natural resources can be used to develop small businesses to improve livelihoods in the community. Each reporter was given a guiding sheet with the types of questions they could ask. Four reporters represented the four elements of the SWOT while the fifth reporter was a 'wild card' who asked other questions that could elicit information in the SWOT. Three other volunteers were asked to be interviewed by each reporter. Each reporter had 10 minutes to conduct the role play.
3. Facilitators recorded the points on flip chart and ensured that there was consensus from other participants on the key elements. More information was added where needed.
4. The session was completed by explaining that it was important for the community to know its strengths, weaknesses, opportunities and threats so that it could better plan how to develop small businesses that will succeed.

4. At the end of the period ask each group to present its vision to everyone. Note key points on a flip chart and discuss them with everyone. If several groups are present, ask each group to present its vision within 10 minutes. Each vision will be different. Find the elements common to all presented; this is the community's vision for the future.

Once the community vision has been agreed, community members should determine how developing or strengthening community enterprises can help them to achieve the vision. It is important that the participants recognise their own skills and motivation for developing enterprises. Ask them and note what role they can play. For those interested in developing or strengthening enterprises, ask them to describe the characteristics of a good entrepreneur and discuss those with them.

Selecting potential products and services for enterprises

Once the community understands its characteristics it can then begin to identify potential natural resources that can be used to create the micro and small enterprises. Brainstorm a list of natural resources that are found in the community. These can be goods (e.g. craft products, timber) or services (e.g. natural beauty of a waterfall or trail). Ask the participants to identify current and potential enterprises that are based on the goods and services. Help the participants to start to determine some challenges for each enterprise identified to eliminate those that have the greatest potential to fail. The result of this exercise is a short list of potential enterprises.

At the end of the session, ask the participants if this is something that they would like to continue doing. Remind

To assess the feasibility of a community enterprise, critical things to be considered are: the availability of and access to natural resources, the potential for sustainable use of the natural resources, access to markets and financial resources, required skills and knowledge in the community.

them that the process to create and manage an enterprise takes commitment. A few may leave. Thank them for their participation and tell them that you will keep them in mind should other opportunities arise. Thank the others and reaffirm your commitment to helping them through the process.

Assessing the feasibility of the enterprises

Work with partners and the community to develop criteria to assess the feasibility of the short listed enterprises. This helps to determine the likely success of the enterprises. Critical things to consider are the availability of and access to natural resources to conduct the business, the potential for sustainable use of the natural resources, access to markets and financial resources, required skills and knowledge in the community, and the contribution that the enterprise would make to the community. This is especially important as the enterprise is one that will benefit the community.

Once the criteria are developed, work with the community to conduct the feasibility assessment. Begin by explaining why it is important to do an assessment and how to apply the criteria to the shortlisted enterprises. Prepare a table (for example see Table 1) to use as a matrix for the community to assign scores (or ranking) to each enterprise for each criterion. Ask the participants to work as a group on the exercise, reminding them to assign a score to a criterion based on their knowledge of the particular area. Total all the scores. Discuss to determine a minimum threshold (i.e. lowest score) below which an enterprise would not be successful. Those that are below the minimum threshold are immediately eliminated. Look

at the top three enterprises and ask the participants if these are businesses that they would be comfortable working with. Get consensus.

The community will need to do further analysis on the three shortlisted enterprises (e.g. through surveys). The analysis should yield information on the:

- production process involved in the enterprise;
- seasonality (some enterprises such as those dependent on cocoa will have seasonal aspects);
- availability and location of the natural resources that will be used;
- laws relating to the enterprise, the natural resources it is based on and location of the natural resources;
- technology involved in the process;
- possible location of the enterprise;
- direct and indirect actors in enterprise;
- likely market for the product/ service (consider local, regional and international markets);
- finances needed for the enterprise (check if loans, grants, micro-credit, subsidies, etc. are available);
- competition or other enterprises similar to the one being investigated;
- costs (buying the raw material, transportation, legal fees, taxes, etc.) competitors pay for the product/ service; and,
- quantities competitors purchase and sell for the product/ service;

Help the participants to design the tool to conduct the analysis. Keep them involved so that they own the process. They will need to decide the questions to ask and who they need to talk to and where they need to go to get the information from.

It may take several weeks to collect and analyse the information for each of the three enterprises. Ensure that the community participants are the ones completing the exer-

Table 1: Simple criteria for the feasibility assessment of a natural resource based business

Channels	Criteria	Score	Implication
Natural resources	Is there legal access?		
	Are resources healthy?		
	Is there sustainable method of extraction?		
Access to other resources	Do you have access to finance?		
	Do you have the physical/material resources?		
	Do you have appropriate infrastructure?		
Market	Is there an existing market for your product?		
	Is there access to this market?		
	What is the competition?		
	Can a market be created?		
Capacity of community	Do you have existing business skills?		
	Are there successful small businesses of this kind already in the community?		
	Do you have existing skills/knowledge/experience in this business?		
	Are individuals/CBOs/groups with appropriate capacity willing to get		
Contribution of community	involved?		
	What is the contribution to the wider community?		
	Is there support in wider community?		
	Is there conflict/opposition within		
External support	community?		
	Are there existing/potential avenues for support?		
	Is there likely to be conflict from outside		
Models	the community?		
Total	Are there existing models from elsewhere?		

cises but facilitators and partners can assist them as needed. It may be expensive, especially for rural communities so include the cost in your budget.

After a few weeks return to the community so that participants can present their information. Ensure that the relevant partners are present to assist. Help the groups to assess the opportunities, challenges and any other issues relevant to each of the enterprises. Get consensus that the highest scoring enterprise is the one that the participants want to be involved in.

Getting started

Determining the legal structure of the enterprise

Enterprises can have different organisational structures. They can be owned by one person, cooperatives, associations, non-governmental organisation, etc. Explore the pros and cons of each type with the participants. Consider elements like minimum membership, number of meetings required by law, legal fees and taxes in the discussion. Help the future entrepreneurs to understand that they may have to build the group's internal capacity to develop and effectively manage an enterprise.

At the end of this process, ask the participants if this process is something that they would like to continue doing. Remind them that the process to create and manage an enterprise takes commitment. A few may leave. Thank them for their participation and tell them that you will keep them in mind should other opportunities arise. Thank the others and reaffirm your commitment to helping them through the process.

Creating a simple business plan

(adapted from FAO's Market Analysis and Development process)

A business plan is a good next step for the enterprise. Here we will only discuss the creation of a simple business plan. If the entrepreneurs are interested in giving it to financiers or investors, they will need something more complex than is presented here. The elements presented are ones that they can build on.

The Food and Agriculture Organization of the United Nations developed a Market Analysis and Development (MA&D) Field Facilitator Guidelines (FFG) (FAO, 2011) that describes an enterprise development plan (EDP) that takes social responsibility and natural resource management into consideration for the enterprise's development. The information contained in this section is adapted here.



Figure 2: An old cocoa processing house in Trinidad

Before beginning to write the actual plan, ensure that the information collected before on the potential enterprises is readily available. This will form the basis of the business plan. This is a participatory process. The facilitators are to guide the discussions and clarify points. Additional information may be necessary. It is important that the facilitators know about the enterprises that will be discussed to offer appropriate advice or have access to the information about them. This process can take several sessions over multiple days to complete with the community entrepreneurs.

The basic content of a business plan

1. Background: introduce the name of the enterprise and the name and experience of the entrepreneur or organisation. This gives a good background of the person/ organisation managing the enterprise.
2. Describe the enterprise's product or service.
3. Discuss and note the motives for starting the enterprise. Include the drive to improve the community as an aspect of the enterprise. Explain where the enterprise would be located.
4. Create a simple marketing plan
 - a. Describe who you would like to sell your products/ services to (your customers), their needs and location. They may be local, regional or international. If there are unique selling points, note them here.
 - b. Describe your competitors by indicating their selling price, quality, quantity, customers and, physical markets.
 - c. Note your prices and your advertising strategy. There are free options out there such as using social media. Consider these. Word of mouth is also considered a promotional technique.
5. Develop a simple operational plan

- a. Describe the quantity that will be produced. If the enterprise is a service explain how often it can be performed. Note if there is any seasonality associated with the enterprise. Determine the sales targets.
 - b. Discuss the type of technology needed for the enterprise. Write the equipment needed for the enterprise, quantity and cost of them.
6. Develop a simple management plan
 - a. Describe the structure of the business (sole-ownership, cooperative, association, etc.).
 - b. Name the persons who will be involved in the enterprise. Indicate the suggested salaries and wages.
 7. Develop a resource management plan. This tells how the entrepreneur would use the natural resource. It describes measures that would be put in place to use the natural resources sustainably.
 8. Develop a social development plan. Remember that the community enterprise aims to help improve the community in which it is based. Describe how the enterprise will help the community. Consider if measures will be developed to actively give back to the community (e.g. providing agricultural products for local school feeding programmes, etc.).
 9. Develop a risk management plan by describing the potential risks associated with the enterprise and the possible solutions to these risks.
 10. Determine the cash flow, start-up costs, and potential sources of funding. This is the financial plan.
 11. Write a summary that briefly describes the highpoints of the business plan. This appears at the front of the document; it is written only after the plan is completed.

Building capacity

The business plan will identify capacity building needs for the enterprise to be successful. Discuss possible options with the participants. You may have budgeted for this and can help them with their capacity building needs. If not, discuss where they might receive this. Encourage them to think about building required knowledge and skills through a combination of training, coaching, mentoring, exchange programmes, individual study and learning by doing. Encourage them to also think about ways to improve the internal structure of the group.

Finding support

Assist the entrepreneurs to find funding and technical support. Suggest places for loans, grants and micro-credit. If budgeted, you can offer a small or micro grant to assist the entrepreneurs with their start-up costs. Introduce entrepreneurs to technical support programmes that exist but that they may not be aware of. Help them to access support if needed by helping them to fill out forms and arrange meetings with key persons.

Implement and monitor

Beginning the enterprise is always challenging and entrepreneurs may become disheartened. Using mentors to help the entrepreneurs to implement the business plan can provide one-on-one support services that will prove invaluable. Choose the mentors wisely. Work with partners to develop the criteria for the type of person who will mentor the entrepreneur. Ensure that (s)he has good business skills and experience.

If your budget allows extended work with the community enterprises, assist the entrepreneurs to monitor development of their enterprises. Important things to track will



Figure 3: The Fondes Amandes Community Reforestation Project grows and sells seedlings and plants

include production, sales, quality of the product or service, and value to the community.

Ask the entrepreneurs to note the projected production and sales in the business plan and track the actual ones weekly, bi-weekly or monthly. Community entrepreneurs can also ask others from the community, their partners, and their markets for feedback. Always note reasons why the projected targets are not achieved or factors that enabled the targets to be achieved.

Lessons are just as valuable as results to help the community enterprises to improve. Facilitating sharing among several community enterprises can provide valuable opportunities for learning and peer support. Build a culture in community enterprises where entrepreneurs are constantly assessing their progress, the results, lessons learnt, and ways they can continue to grow.

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The Caribbean Natural Resources Institute (CANARI) is a regional, technical, non-profit organisation which has been working in the islands of the Caribbean for over 20 years. Our mission is to promote and facilitate equitable participation and effective collaboration in the management of natural resources critical to development in the Caribbean islands, so that people will have a better quality of life and natural resources will be conserved, through action learning and research, capacity building and fostering partnerships.



Caribbean Natural Resources Institute

Unit 8, Building 7, Fernandes Business Centre

Eastern Main Road, Laventille

Republic of Trinidad and Tobago

Tel: +1 868 626-6062; Fax: +1 868 626-1788

E-mail: info@canari.org ; Website: <http://www.canari.org>

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