

# Governing NTFP value addition chains:

## Balancing access to resources and markets

K. Freerk Wiersum, Wageningen University



# Basic argumentation

- There exist two main processes of NTFP value addition
  - Production systems
    - Extraction of wild resources
    - Domestication and cultivation of valuable species
  - Production to consumption chains
    - Marketing
    - Manufacturing
- Both systems are subject to governance

# Governance of NTFPs

- NTFP governance:
  - The institutional process of decision-making and implementation of the organisation and regulation of the production and marketing of NTFPs
  - A multi-level and multi-actor process
  - Combination of formal and informal arrangements
  - Two main dimensions
    - Access to resources
    - Access to markets
- The governance arrangements are interrelated

# Traditional state vs local systems of NTFP governance

## ■ State concession system

- State and market main stakeholders
- Focused on bureaucratic control on resource access and state revenue earning
  - Selected 'high potential' products

## ■ Locally embedded system

- Communities main stakeholders
  - Local land & tree tenure arrangements
  - Informal trade arrangements
- Focused on 'local livelihood' products
  - Subsistence use
  - Additional income earning

# Newly emerging NTFP governance systems

- New forms of governance for regulating access to resources
  - Partial devolution and/or formalization of management authority to local communities
- New forms of governance for regulating access to markets
  - Formalization of informal trade arrangements
  - Development of socially-responsible trade arrangements
    - Fair trade
    - Partnerships between local producer, market enterprises and NGOs
- New forms of governance at interface of production and marketing system
  - Strengthening of role community stakeholders by development of producer cooperatives
  - Standards for quality of products and production systems

# Example of pluriform NTFP governance systems in Ethiopia



Forest coffee production  
In mountain forests



Gum/resin production  
In dry woodlands

# Contribution of NTFPs to household income

Vegetation type	Location	Income from farming	Income from NTFPs	Non-farm income
Mountain forests	Relatively isolated uplands	54%	41%	5%
	Mid hills with developed infrastructure	52%	46%	2%
Dry woodlands	Abergelle mixed farming region	30%	31%	38%
	Borana sylvopastoral region	52%	36%	11%

# Mountain forests:

## Area of origin of *Coffea arabica*

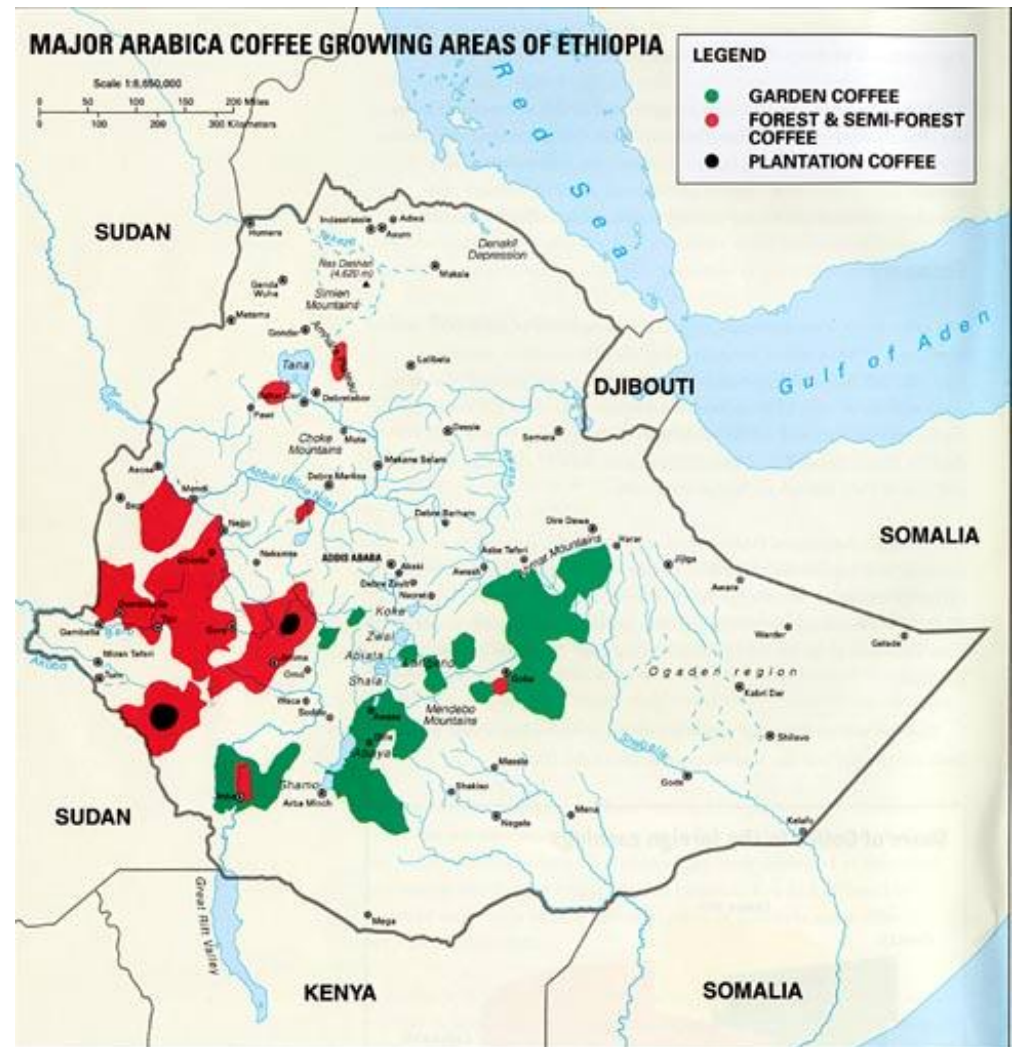


- Long history of use
- Production part of diversified farmer production strategy
  - Mixed farming and collection of multiple NTFPs
- Endogenous developments of production systems



# Diversity of coffee production systems in Ethiopia

- Natural forests
  - Forest coffee
  - Semi-forest coffee
- Cultivation
  - Garden coffee
  - Plantation systems



# Evolution in governance systems

## ■ Access to resources

- Traditional
  - Local land and tree tenure
- Formal state land tenure regulations
  - State forest reserves
  - Commercial estates
  - Private forest gardens
- Recent developments
  - Community-based conservation of coffee forests

## ■ Access to markets

- Traditional
  - Informal arrangements
- State regulation
  - Formal cooperatives
  - State controlled export
- Recent developments
  - International standards for ecologically and socially responsible production systems

# Dry woodlands: Area of gum/resin production

## ■ Gums

- Acacia
- Commiphora

## ■ Incense

- Boswellia



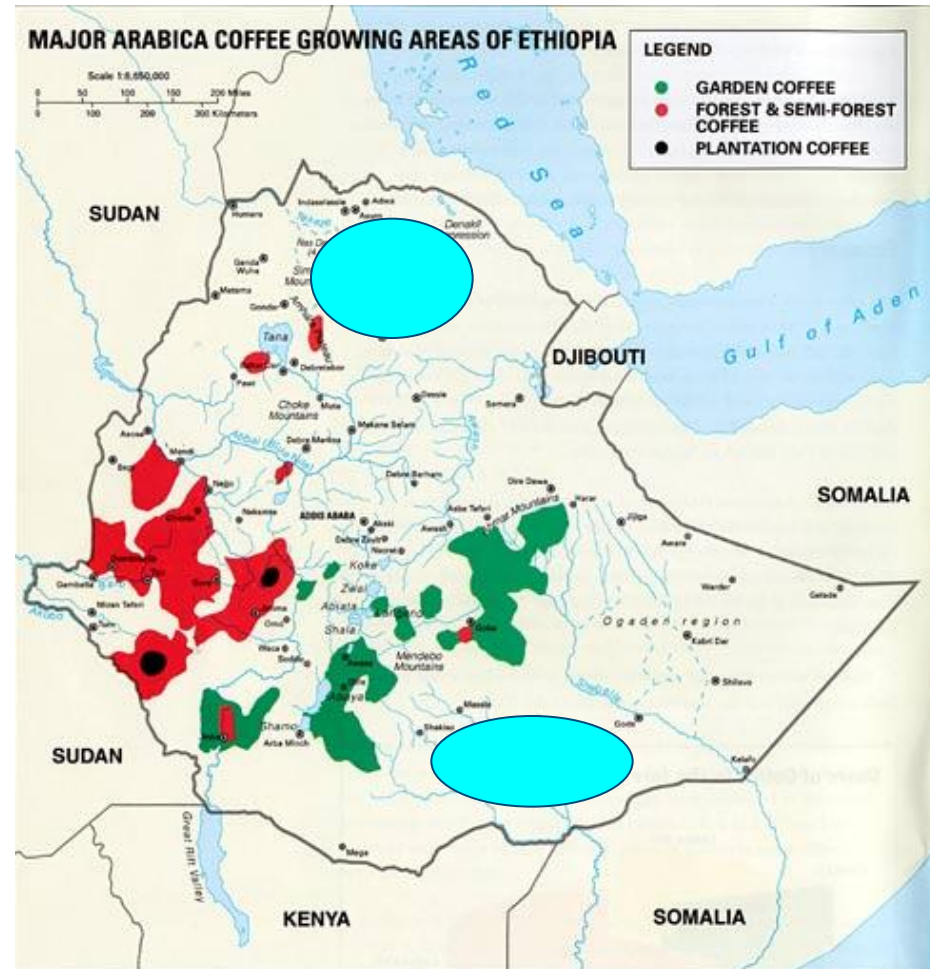
# Two major production systems

## ■ Tigray, North Ethiopia

- Production introduced from Somalia by state enterprises
- Part agrosilvopastoral livelihood system

## ■ Borana, South Ethiopia

- Locally evolved production system
- Part of silvopastoral livelihood system



# Contrasting traditional governance arrangements

## ■ Tigray region, North Ethiopia

- State regulated, concession system
- Traditionally monopoly of state enterprise
- Harvesting by hired local people or external labourers

## ■ Borana region, South Ethiopia

- No government control
- Well-established local *gadaa* system for regulating pastoral land-use
- But no local arrangements for gum/resin production
  - Free access to gum/resin resources

# Characteristics gum/resin production in North Ethiopia



- For local people labour diversification rather than production diversification strategy
- Limited initial domestication
  - Incense production by tapping from wild trees
  - Some conservation of trees on agricultural lands

# Gum/resin production in South Ethiopia



- Autonomous local development during last decade
  - Response to growing market demands
- Mainly coping strategy
  - Cash/drought relief crop
- No domestication
  - Collection of exudates from wild trees

# Evolution in governance systems

## ■ Access to resources

- Only active change in Tigray region
  - Development of community-based production
  - Still little domestication of private cultivation

## ■ Access to markets

- Abolishment of state monopoly on marketing
- Stimulation of cooperatives
  - Sales rather than production oriented
  - Mainly focused on regulated market supply rather than on responding to diversified market demands



# Contrasting NTFP governance characteristics and production outcomes

## ■ Coffee

- Original dichotomy between endogenous developed local governance arrangements and government regulation
- Advanced domestication and effective contribution to diversified farmer production strategies
- Growing importance of multi-stakeholder partnerships for marketing conform quality standards
- Sustainable production and conservation

## ■ Gums/resins

- Original open access or state controlled concession system changing to cooperative system mainly focused on regulated market access
- Limited local regulations for regulating access to resources
- Limited domestication and mainly contribution to opportunistic coping/ diversified livelihood strategies
- Prevalence of resource degradation

# Conclusion

- Two main processes of NTFP value addition
  - NTFP production
  - NTFP (manufacturing and ) trade
- Often contrasting developments in NTFP governance
  - Decentralization of governance arrangements for production and management *versus* centralisation of governance arrangements (e.g. through quality standards) for marketing (and manufacturing).
  - Only in some cases balanced development of interrelated institutional arrangements for access to both resources and markets

# Thank you for your attention

