

The bamboo product chain: Creating opportunities for small producers

Ecuador



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Ecuadorians have traditionally regarded bamboo as a timber product of little value. Bamboo plants are usually picked after three or four years of ageing by small groups of farmers in Amazonia or in the coastal area, i.e. the province of Manabí. Bamboo is used mainly for building modest, low-quality houses in rural areas and slums. These houses are not built to last. Bamboo is also used as a base material for the construction of cement and concrete houses. Most of the bamboo produced is used by the farmers themselves or sold to lorry-drivers. Small farmers can use the extra revenue generated by the sale of bamboo to pay for unexpected expenses such as medical bills.

Bamboo has become fashionable of late, however, and is now used for durable parquet floors, wooden panels and other industrial applications. In the coastal area, large landowners hit hard a few years ago by falling meat prices, decided to convert thousands of hectares of their land into bamboo plantations. In collaboration with national and foreign investors, they engaged in a new, highly profitable industrial activity. Many small producers took a fresh look at bamboo, and started to wonder whether bamboo might not also have a business potential for them.

Certain local actors, including local NGOs, officials of the Ministry of Agriculture and larger entrepreneurs driven by social motives, expressed interest in exploring the opportunities offered by bamboo for reducing poverty. Supported by SNV advisors, they came up with a new strategy for supporting the entire bamboo production chain. This would benefit a whole range of stakeholders, including small producers (over 5,000 families) and traditional bamboo gatherers, as well as small traders, lorry-drivers, manufacturers and exporters.

Interest groups set up forum

The idea was first put to the established bamboo farming industry, who expressed interest because they saw opportunities to expand. The SNV subsequently conducted an in-depth evaluation of the bamboo production chain. This diagnosis was based on the participation of actors across the entire production chain and revealed a number of problem areas. This process and its findings encouraged small farmers, lorry-drivers, landowners, manufacturers, shippers (exporters) and government authorities (i.e. the Ministry of Agriculture, the Ministry of the Environment

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and the Ministry of Housing) to come together to discuss their problems. After six months of work and advocacy, the Ministry of Agriculture institutionalised this forum by creating the 'Bamboo Advisory Council' (CCB). This was a vital step, as institutionalisation meant that the forum was more resilient and also that the sector now had an official mechanism for influencing sector policy. However, the Council still needed a lot of strengthening in order to become a focal point for consultation and policy-making in the bamboo sector. The quality of representation was an issue, especially in relation to the representatives of small producers. Not only was there no consensus as to the strategies to be pursued, there was also a lack of trust among many of the participants. Following its formation, the Bamboo Advisory Council became the main 'client' of the SNV's advisors.

Creating a shared vision

Although all actors believed in the potential of the bamboo business, nobody (except, perhaps, the agro-industrial groups) had any clear ideas about the path to follow or the specific strategies that were needed. In November 2003, the SNV organised a strategic planning workshop that was attended by 30 representatives from the main players in the production chain. After two days' work, the participants drew up a document setting out the Advisory Council's philosophy, mission, strategic objectives, activities, values and principles, as well as the roles and responsibilities of the various actors. The participants also agreed to establish three inter-sector task forces, each of which was tasked with developing and monitoring an action plan. One task force was to focus on the international and national markets, a second task force was asked to come up with ways and means of consolidating the Bamboo Advisory Council, and the third task force was requested to produce a development plan for bamboo and its derived products that would enhance added value locally.

Building transparency, capacity and collaboration

Each task force has spent the past few months working on its action plan, with the assistance of the SNV. In line with the joint development programme for bamboo in Ecuador, the task forces assigned different responsibilities to different actors in the chain. For example, supported by some national NGOs, local producers designed a national market survey of bamboo products, analysing the commercial prospects of certain promising segments (e.g. panel construction for communal houses, sticks for banana plantations, etc.). Industrialists and some small producers together monitored an international market survey drawn up by a consultant contracted specifically for this task. Supporting agencies such as CORPEI (Export and Investment Promoting Corporation) have channelled financial resources through the Advisory Council in order to enable these activities to be performed. The SNV's advisors are working out ways to strengthen the capacities of small producers in areas with which they are not familiar, such as competitive analysis and quality management, so that these producers can meet the high standards set by the international market, environmental certificates, etc. The actual training sessions will be given by experienced local NGOs.

New approach fosters trust and equity

The incorporation of the chain approach represents a radical change in the SNV's working methods. In the past, the organisation worked only with small producers. Now the SNV supports a wide range of actors, including unorganised local peasants and big agro-industrialists. These groups may never have had an opportunity to work together. One of the most challenging problems at the outset was to overcome the lack of trust between the different actors and their ignorance of each other's realities. Used in a participative way, the chain approach enables actors to visualise and have a shared understanding of the product chain in terms of costs and benefits. This creates transparency, improves trust and creates more equal relationships.

The SNV is now helping to forge an alliance between small producers, whose assets are land, labour and bamboo production skills on the one hand, and agro-industrialists, with their management and investment capacities and commercial contacts, on the other. Such an alliance has much more viability and impact than a new product chain consisting solely of small producers. For this reason, the SNV supports the conclusion of long-term contracts between small suppliers and agro-industrialists, as both parties stand to benefit from these. The small producers will benefit in terms of higher prices, security of sales, provision of inputs, and information. The agro-industrialists will benefit for their part from a secure supply of inputs, i.e. produce of the right quality delivered in sufficient quantities and in time.

The presence of a person or institution to facilitate the building of alliances is vital. The ability of the SNV* to view things from the perspectives of different actors in the chain (i.e. small and large, public and private) has been a key factor in bringing the parties together and in overcoming the prejudices that have obstructed the development of new production initiatives for many decades.

* The SNV has used the product chain approach successfully in the coffee and banana sector. For example, it helped to get small farmers involved in the product chain for exporting 'okay bananas' to Europe.

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SNV is dedicated to a society where all people enjoy the freedom to pursue their own sustainable development. Our advisors contribute to this by strengthening the capacity of local organisations.

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