

LESSONS FROM THE FIELD

LINKING THEORY AND PRACTICE IN BIODIVERSITY CONSERVATION



DOING BUSINESS IN BORNEO

About BCN

A commonly held idea in conservation circles is that if local people can benefit from using their forests and reefs, they will take action to conserve them. This sounds good in theory, but does it work in practice?

The Biodiversity Conservation Network (BCN) is testing this enterprise-based approach to conservation by doing it. Local communities set up businesses—like ecotourism or forest product harvesting—that directly depend on biodiversity and the long-term integrity of the ecosystem in which the products are found. By funding and working with 20 such projects across Asia and the Pacific, we are trying to understand under what conditions this approach works—and under what conditions it doesn't.

Lessons from the Field shares what we are learning along the way—both our successes and our failures. We hope this series will serve conservation practitioners as a catalyst for further discussion, learning, and action so that biodiversity is conserved.

Preface

Bernd Cordes, BCN

In Issue No. 1 of this series (Lessons from the Field: If I Only Knew Then What I Know Now), Biodiversity Conservation Network (BCN) talked with staff from a project based in Papua New Guinea and asked the question, "Based on what you have learned over the past three years, what would you do differently if you could start again?" The question grows from a theme that has shaped much of the Biodiversity Conservation Network's work. That is, in short, look systematically at your past activities and experiences, be honest about what worked and what didn't, then plan appropriate responses to ensure future work is more effective and productive.

In this issue, we build on that theme, but look to the future. BCN talked with staff from Yayasan Dian Tama (YDT), which is implementing a community-based, non-timber forest product business in West Kalimantan, Indonesia. What is important here is that YDT has already secured new funds not only to continue the work started under BCN sponsorship at the current project sites, but also to extend that work to an entirely different site located in a different part of West Kalimantan. So, this time we asked, "Based on your experiences over the past three years, what will be the same and what will be different this time around?"

Much of YDT's discussion focused on enterprise development—not surprising since YDT probably had as much or more previous experience than any of the BCN partners in running a business. But it is precisely this focus on the business side of project implementation, as well as their candor about what is replicable and what isn't, that we believe could be of interest to you and your own work.



PART I—The BCN Is Ending, But YDT's Work Isn't

Initially, the conversation focused on the future of the BCN-funded activities in the Participatory Forest Management Area (PFMA)—what will continue, what will not, and why.

BCN: For over four years YDT has worked with communities located in and around the PFMA. But BCN financial support ends in June 1999. What will happen then? What are YDT's plans for the PFMA?

YDT: We'll continue to work there because the enterprise is doing well. Having worked for several years already with the communities and the weavers, the skills are there, the weaving groups are in place, and markets are opening for us. There is definitely a future for the enterprise and the products. We also think the handbag business can begin to cover all of its costs very soon. Until then, we'll be able to use the Enterprise Development Fund we created from the BCN grant to continue subsidizing start-up costs and shortfalls.



Weavers in Terusan.

This conversation took place over a two-day period, first with Tri Renya Utama (Alty), Donatus Rantan, and Rudy Utama—YDT's project manager, chairman, and director, respectively—then primarily with YDT's field staff: Dedy Kurnia, Subagiyana, Sabinus Melano and Joseva Kondo.

It is interesting to note why the BCN decided to support YDT's work. On the one hand, YDT is not really a conservation organization, the PFMA is not a globally significant site for biodiversity, and rattan's biological "link" or dependence on a well-maintained ecosystem is not very strong. On the other hand, YDT distinguishes itself because, going into project implementation, it probably had more experience in developing an enterprise than any other group in the BCN portfolio. This was extremely important to the BCN, which was interested in building a portfolio of projects with various characteristics and attributes in an effort to test under what conditions enterprise-based approaches to conservation can work. Therefore, YDT's unusually strong enterprise skills, and the fact that BCN wanted to include in its portfolio more community development groups and an example where a BCN-funded activity leveraged a larger project (SFDP), made this project an important one for BCN and conservation.

But, more importantly, we'll continue to work in the PFMA because we've made a commitment and have an obligation to the people we've been working with there. YDT is like a bridge between the communities and outside markets, skills, and information. We'll continue to serve that function because we've been asked to and because we want to. After our last three years of experience, YDT has the ability and confidence to keep going.

Overview and History of the YDT Project

In 1990-91, the Indonesian government entered into a 10-year lease agreement with the German government and, by extension, a German organization, Gesellschaft Technische Zusammenarbeit (GTZ, or the Technical Cooperation Agency) to manage natural resources within a 102,000-ha former timber concession area in Sanggau Province, West Kalimantan, Indonesia. The project, which is still being implemented, has come to be known as the Social Forestry Development Project (SFDP), and the site the Participatory Forest Management Area (PFMA).

As the name implies, one of the main goals of this project is to work with the more than 60 villages located within the PFMA to establish a representational, community-led body that would, after ten years, have both the capacity and acknowledged right to help the Indonesian government manage the area's resources on a more sustainable basis. This goal has to some extent been reached with the establishment of Lembaga Pengelolaan Kawasan Hutan Partisipatif (LPKHP), which is comprised of representatives from each of the communities within the PFMA. The current plan is to turn LPKHP into a functional cooperative that develops and facilitates the marketing of enterprises based on local forest resources.

Within this context, the BCN began providing in 1994 financial and technical support to YDT. Nine of the 11 villages with which YDT works are located within the PFMA. YDT works with SFDP staff and consults with LPKHP, but its day-to-day activities are largely separated from the larger, more wholistic SFDP strategy. YDT concentrates narrowly on (a) rattan Weaver Groups and enterprise development in the villages; (b) biological monitoring of the rattan resource; and (c) monitoring of the project's socioeconomic impact on the communities.

The Weaver Groups were formed as part of the BCN-funded, YDT-led project, "Development of Small-Scale Forest-Based Enterprises within the Participatory Forest Management Area (PFMA) Model in Kalimantan, Indonesia." The project's aim is to promote sustainable use of forest resources and, more specifically, to help build a new, small-scale, village-based, and high quality rattan handbag enterprise.

YDT assists in training community members to become highly skilled weavers capable of adopting new designs and adapting to new, appropriate technologies (e.g., mechanized rattan stripping machines). YDT also coordinates orders from customers and, as a result, purchases rattan mats directly from the weavers. YDT then works with other for-profit companies to refine designs, ensure production, and facilitate the marketing and sale of high-value handbags for (primarily) the tourist market.

YDT and the Groups have also started re-planting rattan. This re-planting started as a result of a general, but vague local understanding that rattan supplies are dwindling. In other words, people recognize they have to go farther from home to get the raw materials needed to weave the mats, but only recently have they had access to information or experiences which give clear indications of how limited rattan really is. There is now, according to some of the monitoring that has been done on site, a very real, documented threat to the amount of rattan remaining in and around the PFMA and, therefore, a threat to the viability of the Groups and the businesses they have started. Hard data indicate not only that rattan is disappearing, but that the forested areas themselves are receding.

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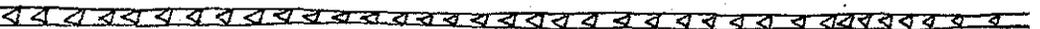
BCN: YDT has worked with several different groups in the PFMA—the Weaver Groups, staff from SFDP, LPKHP, and other outside consultants. Will you continue to work with these groups?

YDT: We'll certainly continue working with the Weaver Groups, but we'll do this directly rather than going through SFDP like before. YDT's access to and relationships with the communities is strong. We don't need to go through SFDP to keep the enterprise and our community development work going. When the project was just starting, it was good to work with SFDP. But later, in many ways, having to work through SFDP made the process more confusing and difficult for us and for the villagers.

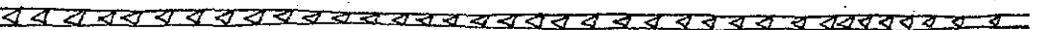
For example, at first SFDP wanted to do the socioeconomic monitoring. But they didn't like the plan we designed, so they decided instead to implement the biological monitoring. But even with that, they wanted to do it their way and not the way YDT wanted to, or in a way that was really based on the project's goals. In the end, it was difficult for us to get the biological data SFDP collected. This caused some problems. So, it was good to work with SFDP, and BCN made the relationship between YDT and SFDP stronger. But now YDT can do it on its own.

The good part is that we improved our skills in socioeconomic monitoring because we had to. BCN helped us with this. Even though it was confusing at first, BCN saw that a local NGO could make decisions based on local conditions, and it let us do that. So, now we are much more confident on socioeconomic monitoring and will do it ourselves in the PFMA. We're working on our method right now to refine it and make it more appropriate for the local situation.

But we aren't as confident on the biological monitoring. We'll have to find some other way to keep that going in the PFMA, but we don't know how yet. We know we have to continue to get information and encourage re-planting, because we're getting very large orders for rattan handbags when there isn't enough rattan supply in the PFMA, or at least, not close to the villages where we're working [ed., for example, YDT received an order in late 1998 for 20,000 units from a Japanese buyer, of which it could only initially provide 300 units].



The relationship between YDT and SFDP was often, but not always, a difficult one. There were three primary reasons for this: different work agendas in the field (YDT's focus was much narrower, specific and had a shorter timeframe), differences in cultural and stylistic approaches to their working relationship (the majority of SFDP staff were German, whereas YDT was a mix of ethnic Javanese, Dayaks, Chinese, Melayu, etc.), and turnover in SFDP staff with which YDT worked well (one person, in particular, left SFDP very soon after BCN provided grant funds to YDT). Many of the projects BCN supports faced situations where the collaborating organizations did not always see eye-to-eye, and sometimes parted ways because of it. Some projects were able to avoid this by ensuring that the implementers had a very clear understanding of their working relationships and responsibilities before or just after the project began implementation.



BCN: Aside from the rattan handbag business, YDT also looked into developing small-scale enterprises based on damar resin tapping and medicinal plant extraction. Will these enterprises be part of your future work in the PFMA?

YDT: The permit we had for the collection and sale of *damar* was a one-time thing from the Governor's office, though it can be renewed. We were able to sell all of the *damar* collected in that experimental phase [ed. though at a loss] and we still have requests from people wanting to buy *damar*, and community members are still collecting it and selling to a private broker. But SFDP hasn't yet said to us what it wants to do with *damar* as a business. They haven't said if they want it to be part of the cooperative they are developing for the PFMA. So, we are not really thinking about *damar* or medicinal plants. Instead, we are concentrating on rattan, which SFDP has told us very clearly we can and should continue on because they don't want to. And we want to be sure we are good at the rattan business before expanding too much.

BCN: Looking back on the last three years, what were some of the best decisions YDT made in implementing the project and developing the enterprise in the PFMA?

We recognized that people have other interests and, later, that it wasn't necessary to try to include everyone.



Harvesting rattan.

YDT: One of the most important things we did was take individual weavers on a marketing trip to Bali, Yogyakarta and other places, so they could see products they were competing against and the prices they were being sold for. People don't believe the market is so open to them until they see it. They also got a better understanding of YDT's role. People work hard, but they don't want to enter the handicraft market themselves, not directly, because the profits aren't yet high enough for any of them individually to take the risk. At the same time, we made sure that we didn't force people to be involved in the enterprise or to develop skills if they didn't want to. We recognized that people have other interests and, later, that it wasn't necessary to try to include everyone.

BCN: In the original proposal, YDT intended to let other outside consultants and companies do most of the marketing. But over the past year, Alty has attended several domestic and international exhibitions and often meets directly with buyers. Given that it requires a lot more work for YDT, was this a good decision?

YDT: In the second year, we decided to do the marketing ourselves, rather than doing it through other companies. This was very important because it forced us to understand the market better. It also allowed us to work directly with the weavers, on one side, and the buyer on the other, to make sure there was a clear agreement on orders and on quality control. And because it was our product, we had more of an incentive to invest the time and effort to look for markets and buyers than consultants did.

By doing it this way, we realized the market wanted products made from rattan, not bamboo. The market was flooded with bamboo products, and the quality, especially of handbags, was usually poor. So, we made the correct decision to switch our weaving training from bamboo to rattan. Initially, we were working with nine Weaver Groups in the PFMA. Six of those were formed around bamboo. We had to switch quickly and early on because we were worried about raising expectations and digging ourselves too deep in a hole with a product that wouldn't sell.

BCN: What about monitoring?

YDT: One good decision we made was to develop an enterprise monitoring plan that covered everything from production to marketing. Because of this, we had a much better idea of which level of the enterprise [i.e., the individual weaver, the Weaver Groups, YDT, or the retailer] we needed to monitor. But it was hard to do the enterprise monitoring as well as the biological and socioeconomic. It was a lot of work.

BCN: And what were some bad decisions YDT made?

YDT: We didn't tell community members at the very beginning that BCN funds would last just three years. The BCN-funded project was only for three years; YDT's program and commitment was for longer. But we didn't tell them that. We thought it was understood. We have the ability and obligation to continue working with the weavers and communities, even though we weren't always sure we would have the funds.

Also, it wasn't our decision really, but the three-year BCN time-frame was just too short for us to learn a lot from our biological and socioeconomic information. Either we should have used indicators more appropriate for the time-frame, or we needed a guarantee of more time from BCN to make use of the information.

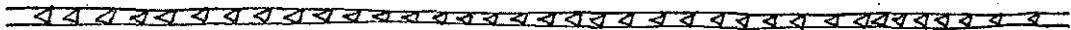
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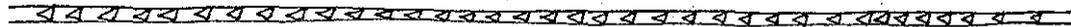
PART II—Replication

After talking about the good and not-so-good decisions made in the PFMA, the conversation shifted to those parts of the PFMA project that might apply to YDT's work at Danau Sentarum National Park.



YDT and Danau Sentarum

For several years, Asian Wetlands Bureau (now Wetlands International) had been working in Danau Sentarum National Park on various conservation-related issues. Over time, this work began to include more activities concerned with sustainable use of local, natural resources. Wetlands International and YDT staff became aware of one another's work and agreed over time that YDT might be able to assist with small-scale enterprise development, similar to that in the PFMA. By 1998, YDT was assisting with small-scale enterprise development and a small, revolving loan system in nearby villages. This work complemented activities in the PFMA, where it was becoming increasingly obvious that rattan supplies were limited near the villages with which YDT is working. As a result, rattan mats from Danau Sentarum started to supplement shortfalls from PFMA.



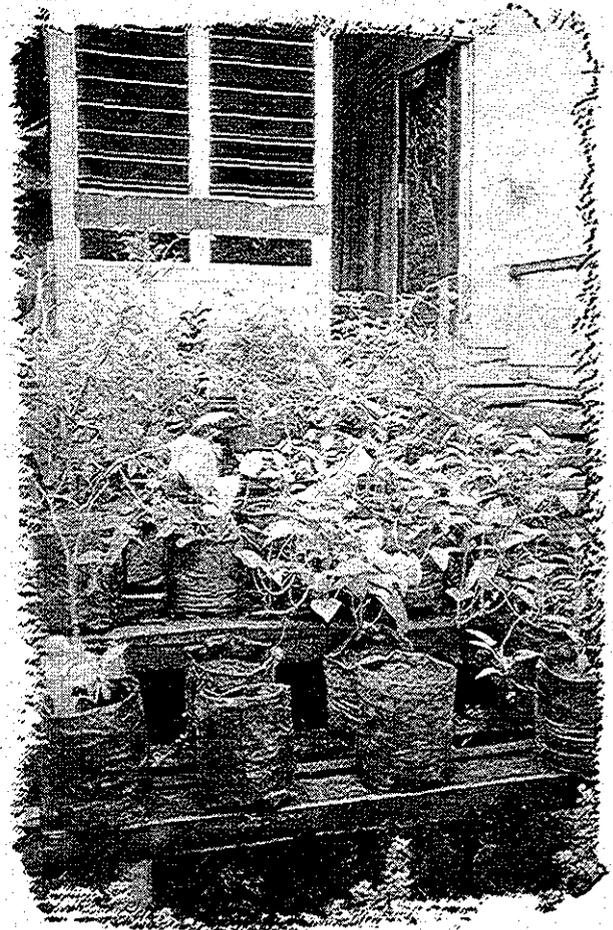
BCN: Given all the work you've done in the PFMA, what parts of the project do you think will be replicated in Danau Sentarum?

YDT: The PFMA was like going to school for us. We are certain that because of our three years of experience replicating certain things will be easy and natural.

BCN: Like what?

YDT: With the PFMA-based business, we asked ourselves, "Do we sell a good quality product once, or do we provide a poor quality product at a low price so there is more turnover and people will buy more?" What we decided was that we wanted to pursue a strategy of high quality, low volume. We saw that there was already too many low quality, low price products on the market. In Yogyakarta and Bali we saw this first hand. Also, PT. Piluss [a private company assisting YDT with product design and marketing] wasn't interested in low quality products. They wanted to go for the higher end of the market.

At the same time, we realized that the domestic market for high-end, high quality products was limited—especially when the economic crisis started. So, we focused on the international market. We will continue this strategy—high quality products and a focus on international markets—with the rattan from Danau Sentarum.



A nursery from which saplings and seeds are taken for re-planting.

We decided we wanted to pursue a strategy of high quality, low volume.

LESSONS FROM THE FIELD

YDT has close connections with P.D. Dian Niaga and PT. Piluss, two for-profit private sector companies which, from the start of the project, were intending to help with marketing, financial management, and processing of the rattan into handbags. These close connections are not, however, only professional. YDT's director is the brother of P.D. Dian Niaga's owners, and they are related through marriage to the owner of PT. Piluss. When the YDT proposal first came to BCN, we were aware of these connections. Because these types of relationships sometimes raise concerns in the US business/government context, BCN had to recognize first that this type of arrangement is not unusual in Indonesia, and then take necessary contractual precautions to be sure that there are no irregularities by US standards. But this potential weakness was actually one of its greatest strengths. As mentioned, because of its links with Dian Niaga, YDT's business and marketing experience was quite strong. Several of their staff members were very involved with the development of Dian Niaga's long-standing charcoal business. Basically, Dian Niaga was (and still is) taking coconut husks/waste and recycling them into charcoal briquettes. The charcoal is marketed in Jakarta and other parts of Indonesia, but its primary markets are Japan and Germany.

BCN: Will you also, then, replicate the marketing strategy?

YDT: Yes. We'll continue to do most of the marketing ourselves rather than rely on others. At the beginning of the PFMA project, we didn't think much about marketing, but then Alty went herself to international and local exhibitions. She saw that international buyers in Japan, Korea, Italy and other places wanted high quality products. That was very important—to do it and see it ourselves.

We'll also bring people from Danau Sentarum on marketing trips as we did with the PFMA. But this time we'll bring them to Pontianak first, then maybe to Java. We have to do it that way. We learned that people from the villages are too nervous otherwise. When we brought people straight from the PFMA to Java and Bali, they got headaches. They came back to West Kalimantan sick! But it was so important that they made the trip and started to understand the relationship between prices, demand, and quality. One person who went on the trip wasn't part of a Weaver Group. She went just because she was a relative of the village head. We weren't happy about it, but we couldn't do much. As it turned out, she saw the products and the opportunities. She came back to the PFMA and became one of YDT's best providers of good-quality weavings!

BCN: What else about the enterprise will you replicate?

We'll do another sub-sector analysis using the method we learned with the PFMA project. We'll continue to separate business records and transactions from the not-for-profit work we do. Though this isn't always easy, it's necessary for the good of the business and YDT as an NGO. And we might later consider *damar* as an enterprise at Danau Sentarum because there is good quality *damar* there, but the tapping methods aren't very good right now.

We'll also continue to emphasize quality control. During the three years we worked with weavers in the PFMA, we had to minimize the risks to ourselves and the weavers by ensuring that good, consistent quality products were being made so they could be sold on the market. Though the quality of the weavings in Danau Sentarum are already usually better than in the PFMA, we need to do more, complete training with the individual weavers as we did in the PFMA—on everything from production to design to management.

BCN: Will the biological monitoring work be replicated as well?

YDT: Right now, we don't have funds for monitoring at Danau Sentarum, so we definitely can't do the same kind of monitoring as at the PFMA. And the enterprises are not generating enough revenue to pay for either the socioeconomic or biological monitoring. So, we're trying to find a cheaper way. We still have BCN funds for biological monitoring in the PFMA. We're using it to work with community

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We'll continue to separate business records and transactions from the not-for-profit work we do.

What we're doing now might be more appropriate for resource monitoring in Danau. It's cheaper and more directly connected with the business. We have to be wary of overexploitation.

The work done by SFDP staff was often more like research than monitoring. There are several good reasons for this: SFDP had more resources, a longer timeframe, and a wider scope of interests that included, even, health surveys. But their work also included aerial photos and analyses of forest cover as well as fairly comprehensive surveys of damar-producing trees and medicinal plants in the PFMA that might have been useful. But because of the differences between YDT, SFDP and their agendas, there was not a lot of success in coordinating the use of their information for the enterprise-specific activities.

One thing we learned is that we need to make the socioeconomic monitoring simple. We'll do it less frequently and less intensively.

members on monitoring rattan, but only in areas where they directly use rattan. In the past, community members were involved just as counters, and they did counts everywhere. This is too expensive. We expect that what we're doing now might be more appropriate for resource monitoring in Danau. It's cheaper and more directly connected with the business. We have to be wary of overexploitation.



One of the forest's many products.

Also, we need to do some resource inventories like at the PFMA. One was already done at Danau, but it was too general. It didn't focus enough on commercial fibers. This is important because we want to use other natural fibers—not just rattan—for handbag and handicraft weaving; fibers like *sanggung*, *bemban*, *kulan*, and *pantok*.

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BCN: How about socioeconomic monitoring?

YDT: We want to do similar socioeconomic monitoring. We are developing a plan right now, even though we don't really have money to implement it yet. It's important, though, because Wetlands International really didn't do any systematic monitoring or income surveys here before we arrived.

But it won't be exactly the same as at the PFMA. From the beginning, we were interested in the socioeconomic impacts of the business in the PFMA, partly because YDT is more of a social development organization than a conservation group. But we were also confused because we didn't know how to do the monitoring. It took a lot of preparation. We've learned how at PFMA, and we've improved our methods. So the work will be a little different. But we're not experts. We still might need some outside assistance in Danau Sentarum.

One thing we learned is that we need to make it simple. We'll do it less frequently and less intensively. We'll make sure it doesn't interrupt the community members so much by using better and fewer indicators to get more accurate data. For example, we won't try to do the monitoring as frequently. It's too intrusive. And we'll look for different indicators of wealth instead of trying to get exact information on how much farmers make. This is too difficult.

BCN: You mean, the difference between research and monitoring?

YDT: Right. For instance, at Danau Sentarum, we can just look at the gold worn by people as a simple but effective indicator. You can't do that at the PFMA. We also learned at the PFMA that the monitoring has to be focused specifically towards the project's goals and the impact of the enterprise, not toward the goals of the overall program like we at first thought with BCN.

BCN: In terms of overall project design and approach, what do you think you will do again in Danau Sentarum?

YDT: We'll continue to think about the work in terms of the same three-component interaction [i.e., enterprise development, biological monitoring, socioeconomic impact]. We see things through the same three-lensed glasses, and we'll keep working with people from the communities and staff living on-site to develop plans and strategies.

For example, the process for selecting the enterprises we used at the PFMA will also be used at Danau Sentarum, except that we'll add ecotourism. YDT staff will take a first cut at the criteria and the types of enterprises that have potential, but then we'll take our rankings and ground-truth them with the communities, looking at their rankings.

Also, we'll continue to use the approach that YDT can't just go in and take products out. YDT is a bridge; a two-way bridge. We have to help provide skills and information, otherwise we aren't an NGO.

PART III—Lessons Learned

The third, consistent theme in the conversation centered on lessons learned from the PFMA experience, and identifying things YDT would not repeat at Danau Sentarum.

BCN: What are some things that definitely won't transfer from PFMA to Danau Sentarum?

YDT: First, we won't work where another group feels it "owns" the area, or where one organization has too much influence over what happens there. This was the case sometimes with the work in the PFMA. At Danau Sentarum, the Indonesian government offices and communities welcome us and want to work with us rather than dictate what we do. It's better, anyway, to approach the work from a more equal NGO to community relationship, rather than an outside government to Indonesian government level.

Second, at the PFMA we at first bought all of the weavers' product, regardless of quality. We did this to encourage weavers to practice and to let them know that they could increase their income by participating. Then, over time, we stopped buying everything. The business couldn't afford it. We had to focus on buying only better quality weavings for the handbags. We bought everything at first because it was the same process we used when we were developing our charcoal business. But what we learned is that the two businesses are very different. With the charcoal, you can buy everything gatherers give you because, for the most part, quality doesn't matter very much. It's all coconut waste; even poor quality waste can be used. This is definitely not the case with rattan weaving and handbags. One of our

Japanese customers goes through rigorous testing. They repeatedly rub woven rattan against clothing to see if it deteriorates or snags and rips. You can't have poor quality in the handbag and handicraft business.

So, as we started to phase out the policy of buying everything, people were angry. Gradually, they got used to the idea and understood why YDT was having to be more selective, but it wasn't easy. At Danau, we'll continue to give advance money [i.e., start-up funds through a revolving loan], but we won't buy everything they produce just to make them happy and get them involved. That can't be repeated. We don't want to create a sense of dependence at Danau. Still, it's difficult because at the moment we have to subsidize the rattan products by selling T-shirts. Right now, transportation costs out of Danau are too high because it's so remote.

Also, when we started the handbag business in the PFMA, we created business plans and projections that showed the business could be almost self-sustaining within three years. This was too optimistic. It's too short. The market and this type of community enterprise have too many constraints, specifications, and changes too often to expect so much in three years. Now our expectations and business



Rattan isn't always in such abundance.

plans are more realistic. This happened partly because we were modeling the handbag business on our experience with charcoal. The charcoal business could almost cover all of its costs within five years, and charcoal technology was fairly easy to transfer and learn. But it's a different industry. We can get revenue from handbags after five years, but we probably can't cover costs or guarantee sustainability. And the technology and styles are always changing for handbags.

BCN: What about your relationship with the communities?

YDT: In Danau Sentarum, the training sessions do not need to be so formal as at the PFMA, where everything had to go through other organizations like SFDP and LPKHP. At Danau, we just gather people together who want to be there. We only need to come to the village and ring a bell. Then people come from the fields if they want to or have time. There's no need for formal invitations and such.

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We've learned how to deal with this problem of being both a business and an NGO.

It wouldn't be appropriate there. In Danau Sentarum, where almost everyone is Dayak, everyone does the weaving, even young people, not like in the PFMA. In the group from Idas [one of the PFMA villages with which YDT works], almost everyone is 40 years old or more because all the young people have gone to the city to work. There's more status for them if they do that. Danau is different.

So, the process of selecting weavers is different than at PFMA. At the PFMA, for several reasons we opened training exercises and such to everyone, then watched who worked hard and had the technical and entrepreneurial skills. We talked with villagers and listened to their recommendations about who were good weavers (which we also did at Danau)—but there was less self-selection by the community members. More encouragement and guidance was required from YDT than we liked. What happened is that, over time, we realized that as an NGO we wanted to work with as many people as possible, even if their skills or productivity were low. But as a business, this didn't work very well, and it took more time, energy and money than it should have. We've learned now about how to deal with this problem of being both a business and an NGO, and at Danau we're not opening training up to just anyone. It raises too many expectations.

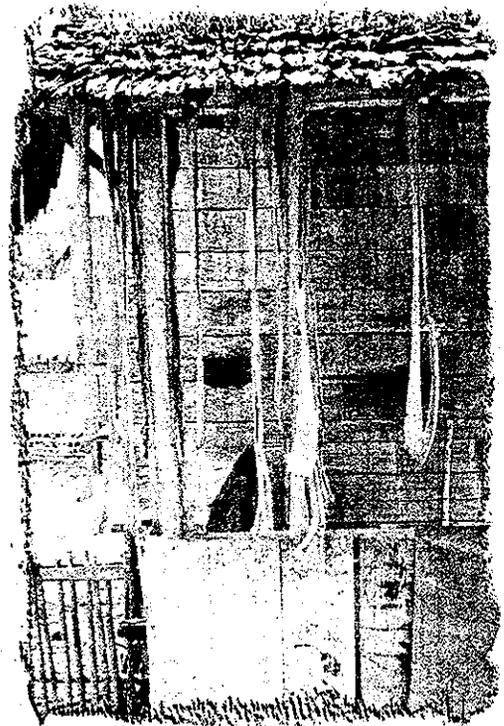
BCN: How will the enterprise's structure be different?

YDT: We won't encourage Weaver Groups just because that was the model chosen at the PFMA. In Danau, the "Group" is the family unit, usually. The family groups itself in a "long house," that's how things are organized. The family works as a group; it's more cohesive. In PFMA, there are more formal "Weaver Groups" with a mix of people from different families, though in reality people work pretty individually. What's important is that, at both sites, the decision was made by community members. YDT won't impose the structure just because it works in one place or another. If we wanted to do that, it would be better for a business just to create a central production unit and not worry about social organization.

Another thing we won't repeat is that, at the PFMA, the SFDP staff appointed a bamboo quality supervisor who didn't live in the villages for each weaving group. But, politically, this was a difficult

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Handbag straps made of bark hanging out to dry.



A charcoal processing unit.



Getting yourself into the villages or the products to market isn't always easy.

position for that person to be in. So, that person continued to buy inferior quality products that couldn't be sold when it was no longer cost-efficient to do so. And it sent a negative message to the better weavers. All the financial risk was on SFDP, which wasn't sustainable. YDT saw this and, instead, appointed rattan quality-control supervisors who were selected from within the villages, like Pak Sunda [see BCN's 1997 Annual Report cover]. By doing this we were able to spread risk and responsibility by letting the community's own social system work out these issues. This is important for our work at Danau. Maybe at the PFMA having a big donor [SFDP] causes negative incentives. Maybe people expect free money. People in Danau sometimes want things easy, too, but they know YDT won't work that way.

Conditions are just different in Danau Sentarum, so the business will run a little bit differently. People there don't seem to need cash as much as at the PFMA. And there, the quality of the weaving was better from the start. It's also easier to introduce new designs. Because they're farther from the market and the use of plastics, there is more adaptation to designs using rattan, and they're more productive. This is partly because in the PFMA, the village economy is more diversified. In Danau, most of the people are farmers. That's it. They farm. After that, they weave.

BCN: What will you do differently on the marketing side.

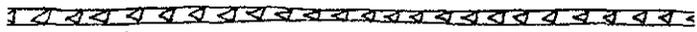
YDT: At the PFMA, we thought we could start the business first, then invest time and energy in marketing later. This was a mistake. We learned that you can't start with product development; you have to do market analysis at the beginning, otherwise you'll never know if the enterprise can work. This time, we're scheduling activities so that the marketing and the production happen simultaneously. This way, we won't make predictions about production level and demand that are completely unrealistic, like we did at the PFMA. It just raises expectations too much.

Basically, at Danau, we're just approaching the whole thing more like a business. At the PFMA, we thought that if a woman wanted to come in from the fields and do some weaving that was OK. If she wanted to sleep, that was OK, too. This is household production. But to fill big orders at good, consistent quality, you can't do that. It's a different activity. We have to be clear about the consequences. We have to be honest and tell people at the beginning they have to concentrate; they can't just rely on skills they already had. It's a different business. They have to increase awareness, which takes more preparation. People have been weaving for a long time, but for a different purpose, a different market: the household.

In the end, this project's impact on conservation was not as great as at many other sites supported by BCN. But it was, nevertheless, a very important source of information on enterprise development and sustainable use of resources at the village level. And, perhaps more importantly, BCN was, quite sincerely, happy to have had the chance to work with YDT's staff and partners over the past four years. Both the friendships and the work will continue . . .

Maybe having a big donor causes negative incentives.

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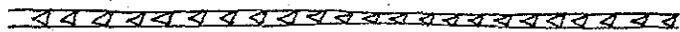


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Some of the business' early finished handbags.



About This Issue

This article is based on a conversation that took place over a two-day period, first with Tri Renya Utama (Alty), Donatus Rantan (Don), and Rudy Utama—YDT's project manager, chairman, and director, respectively—then primarily with YDT's field staff: Dedy Kurnia, Subagiyana, Sabinus Melano and Joseva Kondo. The conversation took place March 8-9, 1999, at Yayasan Dian Tama's main office in Pontianak, West Kalimantan. The discussion was almost entirely in Indonesian. As a result, the words here are not direct quotes or translations, but are based on extensive notes taken during the meeting and on subsequent edits made by the participants on various drafts of this article.

Comments on a draft of this article were also made by Nick Salafsky.

About This Series

This article is part of the Biodiversity Support Program's *Lessons from the Field* series. This series features topics that shed light on the conditions for conservation success, based on what we are learning from our partners in the field. The BCN Issues in this series focus on results from the Biodiversity Conservation Network.

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About BCN and BSP

The Biodiversity Conservation Network (BCN) seeks to 1) support site-specific efforts to conserve biodiversity at sites across the Asia and Pacific, and 2) evaluate the effectiveness of enterprise-based approaches to conservation.

BCN is part of the Biodiversity Support Program (BSP), a consortium of World Wildlife Fund, The Nature Conservancy, and World Resources Institute, funded by United States Agency for International Development (USAID).

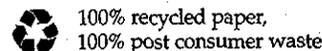
BSP's mission is to promote conservation of the world's biological diversity and to maximize the impact of U.S. government resources directed toward international biodiversity conservation. We believe that a healthy and secure living resource base is essential to the needs and aspirations of present and future generations.

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