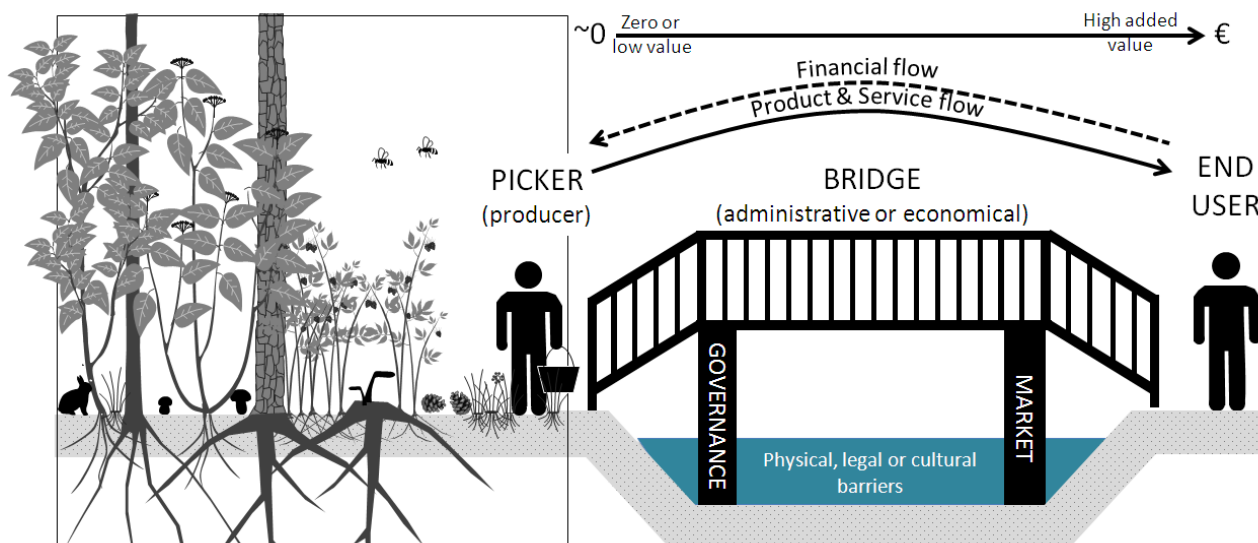


Rural development and SMEs

The bridge between natural capital and wild forest products economy



Wild Forest Products (WFPs) can offer opportunities for local communities to generate income with the right supporting mechanisms. Two approaches help to promote income generation activities.

Market approach: *supply chains innovation*

Governance approach: *adapting regulative systems*

Small Medium Enterprises (SMEs) face physical, cultural or legal barriers to create added value from WFPs. **StarTree identified key “bridges”**, innovative ways to add value in marketing for WFPs, generating new rural development opportunities.

We can add value to WFPs in various ways:

- sum of value for society
- difference between buying and selling price at each step of the supply chain
- tangible benefits gained by the final consumer from using the product.

Innovative products are often more expensive, due to the costs of new technologies, so they must attract more consumers and or a set of consumers who are willing to pay more. A combined market or policy approach is useful here.

How do we add value?

Bridges for added value

- improved **cooperative & competitive** relationships
- enhanced representation of key actors in decision making
- better **communication & transparency** in customer-supplier relationships
- re-investments at local level
- participation in **horizontal networks**
- overlapping of **formal & informal** networks
- increased interconnection between enterprises & territory
- differentiation of selling channels & final products
- **vertical integration** of the supply chain

Want to know more? Read the whole report!

