

# ENTERPRISE STRATEGIES FOR COASTAL AND MARINE CONSERVATION

## A SUMMARY OF BEST PRACTICES



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**Cover Photo:** Woman holding a bunch of cockles on Zanzibar, Tanzania. **Credit:** Maria Haws

## What are conservation enterprises?

Coastal ecosystems are under pressure from population growth, habitat change, thermal stress, sea level rise, acidification, resource over-exploitation and degradation, pollution, and altered freshwater flows. Pressure on the coast is likely to increase with continuing climate change, population growth, urbanization trends, and the fact that most of the world's largest cities are located in the coastal zone. It is, therefore, critically important that everything possible be done to avoid and reduce the impacts of human activities on invaluable coastal ecosystems and to find alternatives to "business as usual."

One approach to minimize coastal ecosystem threats is to promote enterprise development that is compatible with natural resources management efforts. These are enterprises that depend on intact biodiversity, natural resources and the environment, and that therefore motivate small enterprise operators to protect these resources from internal and external threats. It is important to note that an enterprise on its own will generally not achieve conservation goals in a region. It is the overall plan for conservation, of which the conservation enterprise is a component, which will determine its success. Examples of conservation enterprises include:

- Beekeeping in mangroves and other coastal areas
- Community-based ecotourism
- Shell jewelry crafts tied to marine conservation
- Sustainable aquaculture, including seaweed, sponge, and sea cucumber farming
- Agroforestry
- Mangrove crab grow-out
- Oyster and cockle collection in coastal wetlands tied to conservation actions
- Adding value to existing managed small-scale fisheries

This summary of best practices in coastal conservation based enterprises is meant to assist coastal practitioners and local government officials who currently use, or are interested in using, enterprise as a strategy for the conservation of biological diversity in rural coastal communities and to benefit local populations and their natural environment. It provides advice on how to design, implement, and monitor conservation enterprises and provides links to other resources and tools. It is a summary of the "[enterprise strategies for coastal and marine conservation: review of best practices and lessons learned](#)" — a document that, in addition to being more detailed, provides nine examples of conservation enterprises and lessons learned.

The processes, good practices, and resources described in this summary are based on the inputs of numerous coastal practitioners and planners, conservation and enterprise experts and other development professionals. The tips provided might seem like common sense, but past experiences indicate that many initiatives fail to follow the process and best practices. The rate of success is dismal among livelihood development efforts. However, experience shows that following the simple advice outlined in this summary increases the chance that new conservation enterprise initiative succeed.

## Getting started: Assessing the enterprise context

When designing a conservation enterprise strategy, the first step is to evaluate the context of the site to determine opportunities for enterprise development and to determine if the conservation enterprise is a good option for achieving conservation goals and objectives. Understanding the context (i.e. the setting in which the enterprise seeks to operate), including understanding people's existing livelihoods, is helpful in gauging people's likely reactions to new opportunities. It is equally important to assess the business context—evaluating existing economic activity and livelihoods in the target areas and analyzing potential conservation enterprise opportunities based on the availability of skills and resources. A critical success factor in any conservation enterprise is identifying—prior to starting the enterprise—viable markets for its products or services.

**Good Practice:** Start by assessing the current livelihoods, the range of activities households take to cope financially, the assets and incentives they rely on, and the root causes of vulnerability (including gender inequities).

### Setting enterprise goals and objectives

As with any other initiative, planning for conservation enterprise must begin with sharing objectives and expectations, creating a shared vision of stakeholders, and clearly understanding the motivation of different participants. Goals and objectives must be defined through a participatory process in which local stakeholders feel ownership. This usually requires establishing a stakeholder group that will move the process forward. Goals identify the desired endpoint. In the case of addressing biodiversity threats, the goal should state the desired changes that would lead to an improved quality of ecological conditions. On the socio-economic side, it should also state the hoped-for changes in income-level, revenue generation, or other variables that contribute to an improved quality of life for entrepreneurs and their fellow community members. Objectives provide the specific achievements that must be met in order to reach the goals. The most successful projects teach us the importance of setting objectives that are unambiguous and time-bound.

### Planning a Conservation Enterprise Strategy

Planning a conservation enterprise strategy, one has to explore what types of enterprises are feasible and the causal theory that links those enterprises with the resolution of biodiversity threats, conservation, and quality of life goals. It is also critical to conduct feasibility studies to ensure the proposed enterprise is viable. A common mistake when selecting conservation enterprises is failing to determine whether or not there are markets for the goods and services that will be produced—or failing to properly train the entrepreneurs in marketing and sales. It is easier to develop enterprises for which there is already an established but not too competitive market. Useful questions to assess market access are:

- What makes the product or service unique? Why should people buy the product or service?
- Who are the prospective customers?
- What are the customers' expectations for the product or service?
- Where do these customers currently buy these same or similar products and services?
- Why would customers want to switch over and instead buy these products/services from this new provider?
- What can producers offer that is unique in terms of price, quality, or convenience?

It is also important to match the scale of enterprise development to the market size. Do not start a business unless there is sufficient demand for the product or service. Eleven rules of thumb are useful in selecting conservation enterprises:

1. **Enhance and add value to existing livelihoods where possible.** An alliance with an existing production or service enterprise is less risky. That enterprise already has some level of capacity and its operators are already committed to making the enterprise successful. Because the enterprise is already established, it is also easier to scale-up more quickly.
2. **Consider enterprises that require low levels of capital investment as these are more feasible for poor rural communities.** Lack of access to microcredit and other sources of capital is a problem in many poor rural coastal communities. Manufacturing activities that depend on a constant supply of materials and fluctuating costs are particularly difficult, except in cases where the materials are found in the natural environment and the stakeholders either have control or access to those resources.
3. **Recognize that while new forms of livelihoods are sometimes necessary, they may also demand a certain level of funding and time commitment.** Starting a new enterprise has the advantage of introducing new technologies and opportunities to a community. However, working with new versus existing enterprises can also come with greater challenges and higher risk. The risk can be implied simply because it is an untried activity with inexperienced entrepreneurs. Failure rates can be high and from a business development perspective, new enterprises can consume many resources, require extensive training, and must provide the community with start-up demonstrations and technical assistance. Finally, a new enterprise is unlikely to be successful and achieve significant scale in a short time. When possible, and before launching new livelihoods in rural communities, it is best to establish a research and demonstration site, for example within a university or government extension center. This allows for both working out the “kinks” and providing the venue for demonstrating the new technologies to future entrepreneurs.
4. **Build on existing diversity.** In coastal areas of developing countries, many have adopted a livelihoods strategy that includes several income streams—as a way to reduce individuals’ vulnerability to stresses and shocks. Where possible, build on this strategy when establishing the conservation enterprise.
5. **Build on people’s strengths and entrepreneurial capacity.** It is easier to achieve results if the focus is on simple enterprises that use local skills rather than complex enterprises that require new skills. Also, those involved must have the desire and interest to become entrepreneurs. Business planning and entrepreneurship training will only do so much. For example, some people might be more comfortable engaging in beekeeping and selling their honey to local restaurants or shops than marketing themselves as tour guides for local tourists.
6. **Ground the enterprise on a feasibility study and a sound business plan.** This will help avoid embarking on enterprises bound to fail and will help entrepreneurs think through their product

**Good Practice:** Focus on non-perishable commodities unless there are markets nearby—or excellent transportation infrastructure and good logistical development

Target international markets ONLY if there is a world-class resource in demand and available in few other places (Salafsky et al, 1999)

**Good Practice:** Find your Champions!

Work with enterprise operators that have an entrepreneurial and for-profit mentality

Find leaders from the community and private sector that have the commitment and continuity to lead and coordinate the enterprise activity.

development, financial, and marketing plan. The business plan can lay out the steps for how the enterprise will cooperate with various enablers, but operate independently from donor support.

7. **Generate early benefits.** For community members to continue supporting conservation and stick with the conservation enterprise, it is important that the enterprises produce some tangible benefit(s), at least within the first year. Many community members become impatient if they do not see benefits in the short term, especially if they are used to engaging in livelihoods, such as fisheries, that provide them with a daily income. For many poor fishing households, experimenting with entrepreneurship can be intimidating, especially if they stand to lose time or money in the process and/or if benefits are slow in coming.
8. **Acknowledge that family or individually-owned enterprises often work better than group enterprises.** Group enterprises tend to attract free-riders and create resentment that can lead enterprises to dissolve. However, as in the cases of Tanzania, Ghana, and The Gambia, sales cooperatives in which the entrepreneurs grow or prepare their own products, which they then sell to a cooperative, can be successful. In this model, the entrepreneurs are in a better position to negotiate price with the buyers, giving their product/services a stronger position in the market.
9. **Keep expectations realistic:** Be clear about the roles and responsibilities of all involved—and set up realistic expectations of the time and effort it will take to develop and reap the benefits of the conservation enterprise. If the expectations are too high, the enterprises will fail.
10. **Organization and community engagement:** Long-term success and sustainability lies with the successful organization and engagement of local stakeholders and beneficiaries. **Heavily subsidized livelihoods run the risk of failing once the subsidy is removed!**
11. **Access and tenure (or control) of natural resources.** Livelihoods that derive their value from ecosystem goods and services that the entrepreneurs control do better than those that do not.

### Providing extension support to conservation enterprises

When deciding the best forms of enterprise assistance within a local context, coastal practitioners and local government officials can use a range of criteria:

- **Costs.** What are the resources available for conservation enterprise assistance? If budgets are constrained, the scale and form of assistance must be consistent with the level of resources. For example, while there may be interest and opportunity to promote large-scale ecotourism in a coastal region over the longer term, at the start it might be necessary to begin piloting small doable actions related to ecotourism in just one, or a small number of, villages.
- **Benefits to biodiversity.** What are the direct and indirect biodiversity-related benefits of the enterprise? Can the enterprise help protect ecosystem functioning and create public awareness?
- **Implementation considerations.** In selecting the type, complexity, and scale of the enterprise, consider the level of skill required of the entrepreneur, the amount of information needed to get started, the availability of inputs to the production or services, ease of transportation or the product or service, and the ease and level of access to markets and sales.
  - Some conservation enterprise operations require skill and knowledge that are not available (e.g., dive tourism, black pearl culture and shell jewelry-making)

**Good Practice:** Provide assistance based on a written agreement between the enterprise and the provider of assistance. There should be a clear understanding of what the enterprise is responsible for and what the project should support

- An enterprise based on the sustainable collection of wild oysters and cockles for processing and sale may be simple as compared with an aquaculture enterprise that involves collecting wild seedlings and growing them out over nine to 12 months on collector strings.
- Working with a diverse and conflicting group of operators (e.g., dolphin sightseeing, hotels, boat owners, and beach hustlers) may be more challenging than working with a uniform group of operators (e.g., a beekeeping group).
- Some forms of conservation enterprise assistance may require changes in behavior for which it is difficult to predict the likelihood of such change. For example, to add value to some conservation enterprise activities it might be necessary for the operator to market the product differently and be more aggressive in their sales techniques. Yet, these are not skills that come easily, if at all, to some individuals and groups.

In selecting enterprise development actions, or interventions, in most cases a bundle of interventions will be more effective than a single stand-alone intervention. We group conservation development interventions in three broad strategies, listed below.

- **Enterprise development services** (business planning, training and extension, peer exchange, marketing and sales, value chain assessment)
- **Financial instruments** (microcredit, start-up grants, small incentive grants)
- **Strengthening the enabling environment** (resource centers, institutional development of conservation enterprise associations, strengthening public-private partnerships, and influencing national policy)

**Good Practice:** Making micro-credit available in local communities (through established micro-credit schemes or creating community-led savings and credit associations) can be a way for women, who otherwise have few sources of income and capital, to access capital.

It is also important to consider the appropriate length/timeframe of the extension support. What support will be provided during the enterprise start-up phase? When will the extension support be phased out? In some cases, it may be necessary to provide periodic assistance (or at least access to assistance) to address technical or marketing issues over a longer timeframe to address problems that arise after the businesses get off the ground. However, it is important that the enterprises do not become dependent on extension support to survive over time.

### Creating partnerships and alliances

Building conservation enterprises requires leveraging strategic partnerships with **enterprise enablers**: leaders/decision-makers, service providers, and outside technical assistants (including peer organizations that can facilitate peer-to-peer learning and transfer of knowledge). For example, service providers often provide access to expertise that is not available in rural communities—expertise related to production or service, marketing and sales, resource conservation and environmental management, and legal or policy issues. Several studies of microenterprise projects around the world (FSPI, 2007) found that a key success factor is identifying private businesses that are willing to partner with the local entrepreneurs.

**Good Practice:** The ability to negotiate and maintain a core set of relationships, including with the private sector, for the benefit of the enterprise is important for growing the enterprise and ensuring equitable benefits.

The challenge is to identify appropriate partners in a position to contribute to the development of a sustainable enterprise and engage in potential strategic partnerships with government, universities, the private sector, technical support providers, credit and financial institutions, and buyers. To implement

conservation enterprises, the participants need organizational and management capacity, technical skills, market knowledge, and they must know how to access and use information and how to influence decision-making. As the enterprise project assesses the entrepreneurs' skills, knowledge, and capacity it will identify where there are gaps. Especially when working with the poorest, and most marginal and vulnerable groups in any community, it is likely necessary to form partnerships with both decision-makers and external service providers. In identifying and engaging potential partners, the project needs to:

- Identify the main strengths, skill sets and constraints associated with the potential enterprise
- Identify the shared interests of each group.
- Clarify how committed the different partners are and how each partner can benefit from collaborating.
- List the areas where external assistance is most critical
- Assess the nature of existing relationships and if/how they need to be changed
- Identify institutions or individuals that can help to improve the enabling environment for the enterprise
- Consider opportunities for strategic marketing and sales alliances

Conservation enterprises might also benefit from organizing the entrepreneurs into cooperatives. Experience has shown that group enterprises, i.e., where entrepreneurs manage production as a team, often fail because some entrepreneurs end up working more while others become "free riders." This leads to demoralization and failure of the enterprise. However, organizing the entrepreneurs into marketing groups, where each member is responsible for their own production but other business management-related activities are conducted jointly, has proven to be a successful model.

## Learning from experience

Once conservation enterprise strategies are implemented there will likely be considerable interest in how they perform. Coastal professionals and local government will be keen to show that the enterprise is beneficial for biodiversity conservation and for successful microenterprise development. The conservation enterprise strategy may need to be adjusted if it does not perform according to expectations. Monitoring, evaluation and adaptive management can help address these concerns. A well designed monitoring plan developed in tandem with the conservation enterprise plan is an effective tool for tracking the achievement (or lack of achievement) of project goals and objectives. A good monitoring plan takes into consideration the following elements:

**Good Practice:** The enterprise operators and the project should together agree on the performance indicators for business performance and conservation impact.

- Determine the audience for the results of the monitoring and the specific information needs of that audience. This may be the project team, conservation enterprise operators, local community members with whom the project is working, and other stakeholders in the project.
- Determine indicators and definitions, data sources and data collection strategy. Who will collect the data? What resources and staff time are required for monitoring? How frequently are data on indicators collected? How can you ensure high quality data and build in ways to verify data?
- Regularly review the monitoring data to compare results with expectations. If performance is not as strong as expected, identify flaws in the design and/or implementation of the conservation enterprise strategy.

The results of monitoring may indicate the project is going as planned and only a few changes or adaptations are needed. Or, it may indicate the enterprise is not going as expected and big changes are needed. If conservation results and enterprise performance do not meet expectations, it is possible that the enterprise strategy was flawed or that other contextual factors may have simply changed. Regardless, the problem must be fully understood before the plan for enterprise support can be altered to fix it.

## **Resources**

### *Conservation Enterprise Manuals*

Asia Network for Sustainable Agriculture and Bioresources ANSAB (2007), *A Manual for Organizing Natural Resource Management Groups for Resource Management Planning, Enterprise Development and Integration into Value Chains*, 70 pp.

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### *Business Planning for Rural Businesses*

Aspen Institute (2005), *Branding/Marketing Toolkit: Community-Based Businesses and Products*, 142 pp.  
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<http://www.fao.org/forestry/enterprises/25499/en/>

Minnesota Institute for Sustainable Agriculture (2003), *Building a Sustainable Business: A Guide to Developing a Business Plan for Farms and Rural Businesses*, 280 pp.

[http://agmarketing.extension.psu.edu/Business/PDFs/build\\_sust\\_business.pdf](http://agmarketing.extension.psu.edu/Business/PDFs/build_sust_business.pdf)

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[http://pdf.usaid.gov/pdf\\_docs/PNADK669.pdf](http://pdf.usaid.gov/pdf_docs/PNADK669.pdf)

***Assessment of Conservation Enterprise Experience and Success Factors***

Biodiversity Conservation Network (1999), Evaluating Linkages Between Business, the Environment, and Local Communities: Final Stories from The Field. Biodiversity Support Program, Washington DC, USA. 219 pp. [http://www.worldwildlife.org/bsp/publications/bcn/annual\\_report/bcn\\_report.pdf](http://www.worldwildlife.org/bsp/publications/bcn/annual_report/bcn_report.pdf)

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