

VIETNAM

Swiss Agency for Development and Cooperation (SDC)

SPICE OF LIFE: LEVERAGING THE SPICE SECTOR FOR POVERTY REDUCTION AMONGST ETHNIC MINORITY COMMUNITIES IN VIETNAM



mountainous communities. As these communities rely on traditional agriculture and animal husbandry for basic household sustenance, it is crops such as NTFP spices that provide an important source of cash income. There are more than 80,000 households, 20 export companies, around 100 traders and 500 small collectors in the northern mountainous region that rely on this sector for their livelihoods.

By increasing incomes and developing new market opportunities, significant impact on poverty reduction can be achieved. There is a great need to support the development of the spice sector to ensure its sustainable environmental and economic development and to ensure that the benefits reach those most in need i.e. the ethnic minority groups reliant on NTFPs spices for their livelihood.

GOAL

The overall goal of the project is to improve income security and livelihoods of poor ethnic minority smallholder producers by increasing productivity, sustaining spice production, and encouraging the development of mutually profitable relationships with processing and trading companies.

APPROACH

The project aims to achieve three outcomes:

1. Developed spice market and strengthened linkages between value chain actors to increase the value of the spice sector
2. Improved spice production systems to ensure spice products meet international quality standards and move towards environmental sustainability
3. Promote an enabling business environment for spices at the provincial and regional level via

What is MARP?

The **Market Access for the Rural Poor - through Value Chain Promotion Programme** (known as MARP) was initiated by the Swiss Agency for Development and Cooperation (SDC) in 2012.

MARP supports projects and organizations that enable poor, rural households, especially those of ethnic minorities, to increase their income by participating in specially selected agriculture value chains.

This projects helps ethnic minorities to improve essential skills and networks to be a part of long-lasting and environmentally-friendly spice value chains and to so generate a regular and secure income. The project is implemented by SNV Netherlands Development Organisation under the MARP Programme, and is funded by the Swiss Agency for Development and Cooperation.

BACKGROUND

Spices are flavoured aromatic substances mostly obtained from tropical plants, such as dried roots, seeds, buds, berries, fruits and bark. In Vietnam, the northern mountainous region is a key spice producing area, with most spices, such as cardamom, cinnamon and star anise, derived from the forests. Cultivated as well as collected from the forest as a natural resource, these non-timber forest products (NTFPs) play an important role in the livelihoods of

supportive policies and exchange of knowledge and lessons that ensure strategic and sustainable development of the sector

The project will support three spice commodities in several different locations in the northern mountainous region of Vietnam that local authorities and farmers have identified as integral for economic development: cardamom (Lao Cai, Yen Bai, Ha Giang), cinnamon (Lao Cai, Yen Bai) and star anise (Lang Son).

contracts and increase their spice derived income by at least 10%.

The project also builds capacity in Training of Trainers and/or sustainable production practices for 200 people from local Agriculture Extension Centres, communes, Farmers' and Women's Unions, Three Spice Associations (cardamom, cinnamon and star anise), 50 collectors and 30 local traders will acquire essential business skills in order to use market information and developing marketing strategies. About ten large export trading companies will be linked to developing the value chains.

As well as this, an enabling environment for spice sector development is offered through introducing related provincial policy measures by the end of the project.

TARGET GROUPS

The project directly targets smallholder spice producers in the northern mountainous region of Vietnam, of which approximately 90% are ethnic minority people. Specifically, the project targets 12,000 ethnic households who produce cardamom, cinnamon and star anise spice products in Lang Son, Lao Cai, Yen Bai, and Ha Giang provinces.

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EXPECTED RESULTS

The project will train 12,000 spice producing households on improved production, harvesting and post-harvest practices. Of these, the project expects 9,000 households to go on to secure ongoing

Market Access for the Rural Poor - through Value Chain Promotion Programme (MARP)

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Project at a glance:

| Title | Budget | Partners | Project Provinces |
|--|--|---|--|
| Spice of Life - Leveraging the Spice Sector for Poverty Reduction amongst Ethnic Minority Communities in Vietnam | (08/2013 - 05/2016) USD 1,027,120 of which SDC: USD 950,420 Netherlands CorAid: USD 76,700 | Provincial Departments of Agriculture and Rural Development, Agriculture Extension Centres, Forest Development Sub-Departments, Departments of Trade and Industry, Centres for Investment, Trade and Tourism Promotion, Spice Associations and Mass Organizations | Lang Son Lao Cai Yen Bai Ha Giang |