

# VIETNAM

Swiss Agency for Development and Cooperation (SDC)

## DEVELOPING HIGH QUALITY TEA VALUE CHAINS FOR POVERTY REDUCTION FOR ETHNIC MINORITIES IN NORTHERN VIETNAM, LAOS AND MYANMAR



quality and is well suited to the preparation of higher value tea products, including Pu'er tea and classic black tea. However, a series of interlinked constraints in broad leaf tea value chains within the three countries means that returns to smallholders from tea production are relatively low. The poverty reduction potential of broad leaf tea for ethnic minority smallholders in the three countries is therefore largely unrealized and most ethnic minority smallholder tea producers in the three countries remain in poverty.

This project is based on the results, experience and lessons learned from previous projects undertaken in the sector including the Tea Value Chain Project implemented by SNV in Vietnam from 2007-2011, the SDC funded Lao Forest Tea Project (2009-2011) and the SDC funded Kokang Tea Development Project in Myanmar (2005-2011).

### 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.

**Drawing on regional tea producing skills and natural assets, this project focuses on developing the high quality Shan Tea value chain to improve the income levels of poor ethnic minority people and foster better networks for more profitable and broader-based participation. Funded by the Swiss Agency for Development and Cooperation under the MARP programme, the project is implemented by Helvetas Swiss Intercooperation.**

### BACKGROUND

Broad leaf tea is a major crop grown by ethnic minorities in northern Vietnam, Laos and Myanmar. Tea produced by minority smallholders in extensive farming systems at high altitude has intrinsic high

### GOAL

The overall goal of the project is to deliver sustainable livelihood improvements to poor tea producing smallholders, who are predominantly women from ethnic minority groups, in northern Vietnam, Laos and Myanmar.

### APPROACH

The project is pioneering in its regional approach, undertaking systemic interventions in all three countries, of which the levels of sector development currently vary. 'Going regional' allows for the project to capitalize on operational synergy over various aspects, such as resource mobilization, expertise and knowledge sharing, as well as cost savings.

The project works to achieve three outcomes:

1. Developed beneficial and sustainable linkage between (a) smallholder farmer groups and processors, and (b) processors and higher value domestic, regional and international markets

2. Improved production quality at both farmer and processor levels

3. A strengthened enabling environment for tea value chains through support for (a) development of an appropriate policy and regulatory environment and (b) business development services related to the tea sector

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### TARGET GROUPS

The project targets the rural poor and ethnic minority tea households, with men and women as actors along tea value chains comprising producers, collectors, pre-processors and traders. It has a strong emphasis on the economic activities of women. The project directly targets three provinces in Vietnam (Ha Giang, Lao Cai, Lai Chau), one province in Laos (Phongsaly) and one district in Myanmar (Keng Tung district of Shan State).

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### EXPECTED RESULTS

The project expects to improve the income of 3,100 poor rural and ethnic minority households by at least 10%. Additionally, in introducing related provincial policy measures by the end of the project, it will foster an enabling environment for sustainable tea value chain development.

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### CONTACT

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### Project at a glance:

Title	Budget	Partners	Project Provinces
Developing High Quality Tea Value Chains for Poverty Reduction for Ethnic Minorities in northern Vietnam, Laos and Myanmar - Shan Tea 2013-2016	(03/2013 - 03/2016) USD 1,185,060	SNV Netherlands Development Organization	Vietnam: Ha Giang, Lao Cai, Lai Chau Laos: Phongsaly Myanmar: Keng Tung district of Shan State