

Provincial Government Support - Export Ban Removal of Bamboo in Cao Bang, Viet Nam

Poor families in Viet Nam's Cao Bang province have depended on bamboo to supplement their incomes for years. But since 2003, the industry has stagnated at a time when elsewhere in the country it is booming. That year, an export ban was imposed on selling raw bamboo outside the province. Though intended to help the industry, it had the opposite effect. But through information exchange and steady collaboration with the province, Prosperity Initiative with partner NGO Helvetas, helped facilitate the removal of the ban in 2008 – thus raising the price of bamboo and increasing farmers' incomes.

The original intent of the ban was to support the one local bamboo business making blinds and mats for domestic and export markets. A former state owned enterprise under the provincial Department of Agriculture and Rural Development (DARD), the business' managers had requested the ban to try and ensure it could satisfy its demand for raw bamboo. DARD had provided financial support to farmers to plant bamboo to help improve the supply position of the company, and the company - the province's sole buyer - had believed its right to purchase should be protected.

Over the last five years, however, the ban had negatively affected all actors along the supply chain in Cao Bang – from bamboo growers to collectors to the company itself. Farmers had no incentive to plant bamboo because it sold at such a low price, and the company could only operate at a third of its designed capacity because of the shortage of raw bamboo. Farmers and collectors sometimes even watched their bamboo dry out in storage while they waited for the company to buy it or they tried to circumvent the ban and sell it outside of the province, often in vain.

So in early 2007, at the request of Helvetas, Prosperity Initiative helped organise a provincial Bamboo Outlook Day. This conference would be the first time various stakeholders came together to discuss the industry's potential. Heads of the districts, Vice Chairs of bamboo districts, the Director of DARD, business owners, managers and traders attended.

Although Cao Bang was not one of Prosperity Initiative's original priority provinces, we saw an entry point after Helvetas (through SDC) and IFAD approached us to see how our work would complement their current missions to develop the market. Cao Bang was recognised as slower than others to adopt market-oriented economic reforms; in particular, lifting the ban was believed to be an important but highly politicized issue.

Through the work with Helvetas, and later with IFAD, we built relationships with various influential stakeholders in the province and hosted them on two study tours to Anji, China – the heart of the global bamboo industry.

In November 2007 and May 2008, seven people from Cao Bang accompanied us to Anji, including a Helvetas representative, the Director of DARD, the Director and Senior Manager of the processing company and Vice Chairs from the two main bamboo districts. In addition to visiting workshops, factories and manufacturers, they had the opportunity to discuss

setting up the industry with Chinese policy makers. In response to their questions, the Chinese policy makers emphatically rejected the idea of an export ban to support local business.

Following the second study tour, Prosperity Initiative held a debrief meeting to get feedback on the visit to China and agree on subsequent priorities for developing the bamboo industry. All the participants agreed on one of the main priorities – to lift the export ban as soon as possible. In fact, government officials from both DARD and the District People’s Committees credited the China study tour with making them realise the negative impact the ban was having on the bamboo supply chain in their province.

The visit to China not only raised their awareness on the issue; it also armed an influential group of provincial officials and business owners with the political cover needed to push for lifting the ban. This push was also bolstered by bamboo growers’ complaints to the District People’s Committees about the negative effects of the ban and Viet Nam’s accession to the WTO.

The business managers also gained valuable insights from the visits to numerous successful businesses in Anji, in particular how to get more value out of the entire bamboo culm.

Just two months after the second study tour in July 2008, Cao Bang lifted the export ban. As a result, prices are 25% higher and increasing the incomes of farmers and collectors. The company can now employ its full capacity of more than 200 workers and staff year-round and is making fuller use of its raw material, whereas under the ban, it had to lay off its workers for two months a year. The ban removal also changed the attitudes of growers toward the care of bamboo forests. With the establishment of two new processing workshops, bamboo growing areas have visibly expanded.

The removal of the export ban in Cao Bang illustrates how Prosperity Initiative and its partners take a concerted, collaborative approach to policy change – change that can ultimately lift poor farmers and their families out of poverty.

“The Mekong Bamboo Programme supported our study tour group of seven to visit Zhejiang province in China to learn about bamboo plantations and bamboo production experiences. We visited *moso* bamboo forests and were very impressed by the fast-growing Chinese bamboo and how Chinese bamboo growers make profits from bamboo production. After coming back from the study tours, Prosperity Initiative supported us to organize a workshop to share what we had learnt about bamboo production in Zhejiang and discussing measures to foster bamboo production in Viet Nam....Right after the workshop; my staff and I prepared a draft request asking the Cao Bang PPC to remove the ban. On July 2nd, 2008, the bamboo export ban was officially removed.”

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