



Prosperity Initiative 2008 Highlights

As a new organisation, 2008 has been a big year for us at Prosperity Initiative. Highlighted below is a sample of our achievements throughout the year.

Achievements in Sector Development

Industrial Bamboo Sector - NW Viet Nam and NE Lao PDR

The Industrial Bamboo sub-sector in North West Viet Nam has already moved tens of thousands of people across the poverty line in several poor, upland, ethnic minority districts. In our impact assessment work, we have demonstrated the detailed nature of the link between the distribution of household bamboo land holdings and bamboo price. Price increases distribute extra cash throughout the community, impacting poverty for large numbers of poor households. This work and preliminary poverty impact results show how this industry has the potential to move around 250,000 people above the poverty line as the sector develops over the coming years.

Prosperity Initiative's Mekong Bamboo Team is collaborating with IFC, GRET and others to work with government and private sector partners in NW Viet Nam to help four main things take place:

- Increased investment in the lead firms to produce higher value products, thus driving demand and value creation
- Increased efficiency of the industry and better overall utilisation of raw bamboo through improving SME profitability and diversity
- Sustainability of the resource to ensure that, as demand grows, the resource base is strong, protecting the environment and supplying the industry
- Ensuring farmers own the resource, which is key to achieving poverty impact. In upland Viet Nam, this has already been largely achieved.

We have developed a very strong connection with the lead bamboo industry in China, centred around the Anji Bamboo Business Association in Zhejiang province. Building this relationship is a major achievement for Prosperity Initiative to help develop the industry in the Mekong sub-region. It has enabled several very significant activities:

- In November, we co-hosted the first Viet Nam Bamboo Industry Outlook conference with Viet Craft and the Institute of Policy and Strategy for Agriculture and Rural Development (IPSARD). More than 150 bamboo business owners, government officials and industry figures from China took part.
- Through 2008, Prosperity Initiative has taken several tours of business owners and government officials from Lao PDR and Viet Nam to help build networks with the industry in Anji.
- Hosting various other meetings and visits of Chinese experts, policy leaders, businesses and investors through 2008 in both Vietnam and Lao PDR
- Support to Artex Tien Dong, one of the lead bamboo manufacturing firms in Viet Nam, to transfer Strand Woven bamboo from China, a technology that adds even further value by very efficiently turning bamboo into high value hardwood equivalent products

October 2008 saw the launch of the next phase of Prosperity Initiative's bamboo industry impact assessment. Building on our first phase impact survey and analysis approach, a comprehensive programme will be rolled out over the coming nine months to capture the system-wide impact in Northern Viet Nam and Houaphanh in Lao PDR.

Creating a New Organisation

Back in October 2007, Prosperity Initiative registered in the UK as a Community Interest Company (CIC), a new type of international organisation. In November 2008, we celebrated our first birthday and formally registered in Viet Nam as an International NGO, receiving approval to work in seven provinces – where our bamboo and other projects are targeting poverty. This marks the final stage in our successful spin-off from Oxfam Hong Kong (OHK). We are now working on formal registration in Lao PDR and Cambodia. We thank OHK for its incredible support so far, help that has been instrumental in assisting Prosperity Initiative emerge as a new organisation.

Going forward, we are building a strong team and developing the Prosperity Initiative Board.



Strand Woven Bamboo

Bamboo Shoots Sub-sector – Viet Nam

This year, the Mekong Bamboo programme started its first bamboo shoots supply chain intervention in Phu Tho and Yen Bai provinces, Viet Nam, as part of a combined project (also covering the Industrial sub-sector) with Hadeva, a local NGO working in agricultural development and one of our main local partners. We expect that the poverty impact opportunity for the shoots industry in Viet Nam is smaller than industrial bamboo, but it still has the potential to lift up to 50,000 people across the poverty line.

Bamboo Handicrafts Sub-sector - Lao PDR and Cambodia

Through 2008, Prosperity Initiative has been working with the World Bank's Gender and Development group to establish a project to increase productivity and market linkages for the bamboo handicraft sector in Kampong Chhnang, Cambodia and Champasak and Vientiane provinces, Lao PDR. Growth and increased incomes in this sector will have a strong impact on women's and children's livelihoods as women make up 80% of the labour force. UNIFEM, ICRW, GRET and EDC collaborate with us on this project.

Tourism - Lao PDR and Cambodia

During 2007 and 2008, Prosperity Initiative collaborated with IFC-MPDF to take a new approach to assess the poverty impact potential of the mainstream Tourism industry in the sub-region. The Prosperity Initiative/IFC-MPDF feasibility study is the first to map all main tourism destinations in Lao PDR and Cambodia, disaggregated by destination and inbound tourist market segment (tourist type), to a poverty footprint. We have demonstrated the potential of a range of evidence-based policy and other interventions to achieve large scale poverty impact through Tourism. Through this work, we've also shown how Prosperity Initiative's approach to identifying impact potential could apply to non-commodity sectors - in this case, a service industry. Pilots have been designed to prove the viability of these impact opportunities. They will be launched in 2009 when backing is secured.

Coconuts - Southern Viet Nam



Our focus this year was to select and build relationships with new partner provinces to develop a multiple sector approach in Viet Nam, Lao PDR and Cambodia. Provinces were selected based on various demographic poverty data and an assessment of the likelihood of successful engagement with local authorities.

Ben Tre province in southern Viet Nam is our first formal provincial partner thanks to support from IFAD

and Irish Aid.

An MoU has been signed with the Provincial People's Committee for a three year project where Prosperity Initiative will provide technical assistance to Ben Tre on market sector development to target poverty. As part of our Provincial Multi-Sector work, we are currently reviewing international markets and local supply chains in the province for a variety of sectors. Coconuts is the lead sector in Ben Tre, and developing the sector is expected to have broader impacts on other coconut production areas.

Coffee – Viet Nam

In March, our Strategy team was invited to present its research on the coffee sector at the Coffee Outlook Conference 2008 organised by IPSARD in collaboration with the Crop Department of the Ministry of Agriculture and Rural Development (MARD) in Hanoi. This work has received strong recognition by peak coffee associations in Brazil.

Supporting Lead Market Policy Agencies

IPSARD is the main think tank supporting MARD's shift to market orientation for the development of rural and agricultural sectors. Prosperity Initiative has built its relationship with IPSARD since 2006 and signed a formal agreement with them this year. Throughout 2008, analysts from IPSARD's Center for Agricultural Policy (CAP) have been working in our office under the guidance of Prosperity Initiative staff. With our support, CAP has so far completed eight short sector studies on groundnuts, bananas, pomelo, cocoa, chilies, cardamom, soybeans and honey. CAP also assisted with our larger studies on coconuts and coffee. Moving forward in 2009, IPSARD has requested PI to provide high level support on commodity research of national interest such as rice, a sector that faced important challenges during 2008.

Prosperity Initiative's and our partners' studies are available in our website Library. These reports are a demonstration of our capacity building activities with a range of local development and research partners and as valuable reference documents in their own right.

Our Main Supporters

Prosperity Initiative gratefully acknowledges the support of our donors and funding project partners – the Swiss Development Corporation (SDC), Oxfam Hong Kong, Oxfam America, Oxfam Great Britain (OGB), AUS Aid, IFC (bamboo) and Irish Aid (Ben Tre project), without whom we could not have had such a successful first year.

We invite you to read more about our organisation, programmes, activities and progress online. Please visit us at: www.prosperityinitiative.org