

# Using multi-stakeholder processes to improve a supply chain of a non-timber forest product (NTFP) in Lao PDR

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## Challenge

The Lao PDR government advocates a market-led development strategy as a way to eradicate extreme poverty and hunger. Nevertheless, the promotion of market involvement is a challenging task as it depends on the effectiveness of collaborative arrangements of all stakeholders involved in its commercialization. Multi-stakeholder processes (MSP) are known to be useful tools to build platforms of social learning, collaboration and concerted action (Gray, 1989; Röling and Wagenmakers, 1998). In this case study, MSP are used to improve a supply chain of paper mulberry bark, a non-timber forest product (NTFP). The case study explores the effects of MSP on the improvement of the paper mulberry bark supply chain in Oudomxay Province.

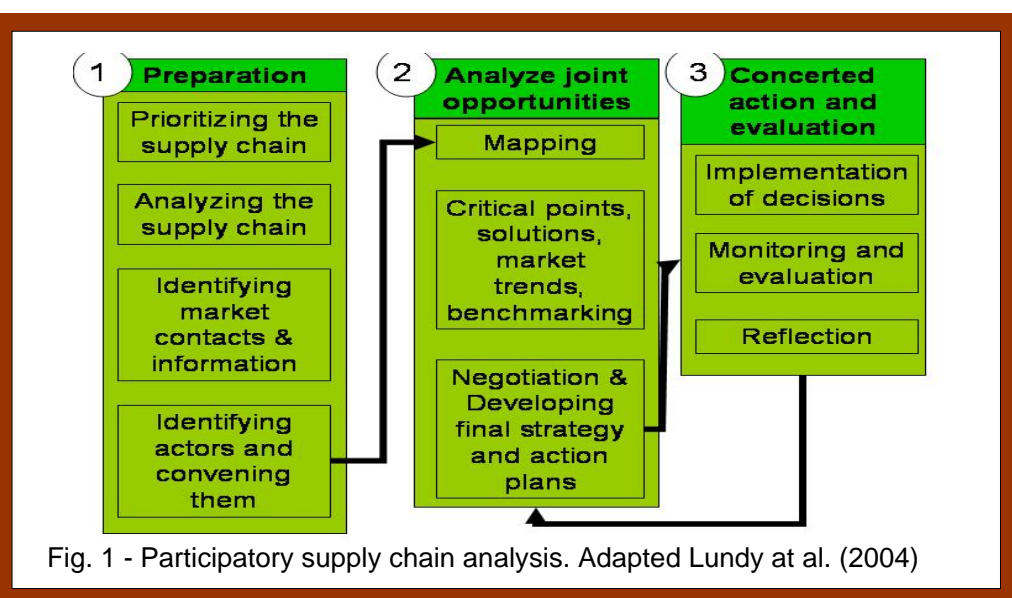


Fig. 1 - Participatory supply chain analysis. Adapted Lundy et al. (2004)

## Conceptual basis

The participatory analysis of the Lao PDR paper mulberry supply chain is a multi-stakeholder process built around a supply chain. During the process, workshops allowed interaction among stakeholders representing different functions of the supply chain, e.g. producers, district traders, exporters, manufacturers, consultants and government extensionists. The design of the process is based on Kolb (1984) experiential learning cycle and on the concept of participatory supply chains analysis developed by CIAT Agro-enterprise project (Fig. 1). The analysis of the data compares workshops' results with the framework represented in Fig. 2.

## Main findings

Multi-stakeholder workshops offered a platform for increased discussion about the changes that are required to improve the supply-chain. The process allowed stakeholders to define improvement and agree on action-plans to improve the supply chain. The action-plans drawn up show the need to: increase supply through domestication; improve bark quality; increase village coordination for marketing; and contracting farming as the main goals for future development.

### 1. Participatory supply chain analysis promoted innovation and upgrading of the supply chain

Results show that farmers started domestication of paper mulberry bark in their gardens. They tried intercropping with other NTFP (e.g. galangal, sapan) and with agricultural products (e.g. corn, banana tree, rice). They also selected and adopted some of the post-harvest techniques learned during the workshops and training events. These techniques contribute to the improvement of the bark quality.

### 2. Participatory supply chain analysis reduced information asymmetries among supply chain participants

A longitudinal analysis of workshops' results show reduction of information asymmetries among stakeholders. Differences in knowledge about prices, quality requirements, production and processing techniques between stakeholders were more prominent at the beginning of the process.

### 3. Participatory supply chain analysis contributed to the development of pro-market institutions

Several institutional problems were identified during workshops, for which the private sector started to lobby for change. One of the problems is there are a lack of transparent rules to officially declare a NTFP as domesticated and thus allowing the NTFP to be traded under the same rules as any other agricultural product. Because traders have now to pay higher taxes and fees for trading these forest products than to trade agriculture produce.

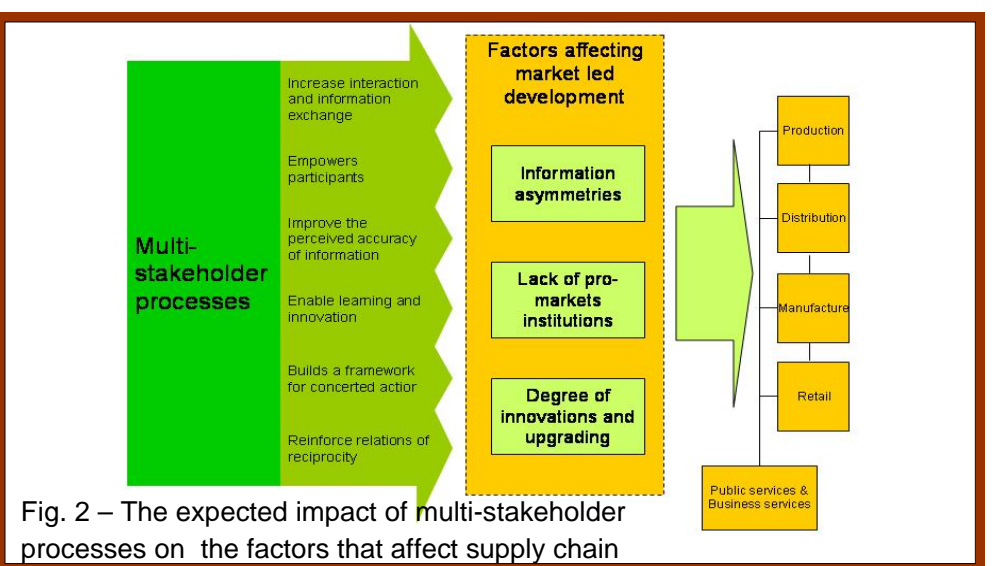


Fig. 2 – The expected impact of multi-stakeholder processes on the factors that affect supply chain

## Conclusion

The case study suggests that MSP are useful to strengthen NTFP supply chains as they can be used at beginning of development projects to allow awareness of institutional barriers to trade and allow development of business practices.

## References

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