

# TOWARDS REBUILDING THE VANILLA ECONOMIC POTENTIAL IN TIMOR-LESTE

An Evaluation into the Vanilla “Beans of Hope” (Livelihood Program) by Mary MacKillop Today in Railaco Sub-District of Ermera Municipality of Timor-Leste, 29 June - 10 August 2022  
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## I. EXECUTIVE SUMMARY

These days farmers in most of the coffee growing areas in some Municipalities of Timor-Leste continually recognize Vanilla as an alternative important high valued crop product of prominent economic value ahead of the coffee market price even though the regular fluctuation in market price. Vanilla is grown by the same ordinary coffee farmers in the most parts of Ermera, Aileu, Ainaro, Liquica, Manatuto and Manufahi Municipalities already. In Aileu specifically, Vanilla plantation is largely organized under the Dili Vanilla company, while in Ainaro Municipality all members of the CPMS are demanded to also plant Vanilla and flowers as part of their membership obligation. In Manufahi Municipality Vanilla production already initiated since the occupation of Indonesia and nowadays is believed to reach 2 tones of production annually<sup>1</sup>. In 2020 Timor-Leste exported \$1,04Millions in Vanilla and was the 4<sup>th</sup> most exported product in Timor-Leste so far.<sup>2</sup>

A continuation of Vanilla “Beans of Hope” (Livelihood Program) by Mary MacKillop Today in Timor-Leste since 2018 contributes significantly to the development of Timor-Leste’s specific Vanilla sector growth potential, however, it has been continuously receiving a less significant multi-sectoral institutional support and complementarity largely from the key government technical institution in particular the MAF in terms of specific guiding policy as well as at the level of Municipality competency to specifically supporting the need for project outreach and community mobilization hence, continuously widening the gaps in terms of the roles and approach are uneasily complementary. Mary MacKillop Today has importantly established two collaborative agreement MOUs with the State Secretary of Cooperative and Business Development Support Institution Timor-Leste (*or IADE*) and is in the final process to also sign an MOU with the MAF as well. However, the same spirit has to be ensured at the implementation level proper institutional support framework and competency of the agreeing government institutions already to readily provide the know how and facilitating role to the project progress ensuring the quality of time investment and outputs.

In Railaco, Vanilla farming activities have largely subsistence ways and is yet to be properly an intensive and a well-organized movement of development industry due to the absence of considered priority business plans by the existing farmers’ savings and loans group nor a cooperative group specific investment objective. Largely it has been an impact from a significant lack of vanilla farmers technical skill and knowledge, self-confidence and stronger Vanilla plantation management and organizational manners. The vast majority of farmers capability to grow numbers of Vanilla plants in Railaco already is varied from around 8 to 200 plants only, except is very little being observed already in Samalete and Taraço village that two individual vanilla growers initiated their Vanilla farm with a significant quantity and

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<sup>1</sup> Interview with Mr. Fernando da Costa, a Vanilla producer and a member from Manufahi Municipality Intellectual group (July 2022)

<sup>2</sup> <https://oec.world/en/profile/bilateral-product/vanilla/reporter/tls#>

significant initial financial and time investment commitment, somehow they need to follow the proper technical and intensive practical management and manner significantly.

In order to create economies of scale for individual farmer business of Vanilla it needs to achieve the significant production quantity and quality target which requires to be continually motivated at the Vanilla “Beans of Hope” farmers.

An external evaluation field visit and observation in to Mary MacKillop Today promoted Vanilla “Beans of Hope” (Livelihood Program) in Railaco, Ermera Municipality during 11 - 15 July 2022 already suggests the need to reorganize Vanilla farming efforts in Railaco, Ermera Municipality in to an important organized rural economic development movement through a proper model - institutional value chain development and support system engaging beyond Vanilla producer farmers only but other key organizational complementing roles to play such as the central and Municipality government entities, private sector and cooperative as well as other business development supports providers priority and commitment in large. Specifically, the project needs to continue to improve the internal organizational capacity and manners of the existing Vanilla producer group; motivate and build their entrepreneurial interest, motivations, skills and knowledge to properly develop the organization of Vanilla farming manners and develop a steady evolutionary processes of Vanilla development from a simply subsistence in to a pre-commercial and commercial level capacity of Vanilla producers investment productivity. Redeveloping a proper producers-based Vanilla value chain development framework that also facilitates the Cooperative-managed business plan and also private sector roles in the Vanilla development industry business plan and system. Promotes an additional and within a shorter period of time of complementing basic income generating opportunities for Vanilla farmers to sustain an intensive vanilla farming investment focus before the Coffee and Vanilla hence, providing a sustainable diversified rural and household economic livelihood potentials.

A continued centralized government financial and decision making system in Timor-Leste still results a significant absence of the Ermera Municipality Agriculture services’ specific institutional and regular financial competency and key human resources strategy and availability to specifically and continuously promote and manage vanilla sector investment plans and growth locally.

Overall, a new consensus is now indispensably needed that will set an overwhelming direction for the Vanilla economy vision for Timor-Leste in order to potentially catalyse and sustain Vanilla production and market quantity and quality standard requirement at the farmers level, promote and facilitate a regular Vanilla farmers organizational support to ensure the entrepreneurial knowledge and technical capacity of farmers to mostly produce the premium quality of Vanilla beans hence, sustaining the overall purpose of Timor-Leste’s Vanilla market industry competitiveness itself. It is recommended that MMT further expands its presence toward another 3 years to continue significant inspiring or motivating roles to encourage a more participation by larger community household in to the project while contributes to reset the overall Vanilla economic vision of Timor-Leste properly.

MMT needs to promote and facilitate a multi-sectoral support and complementary system to develop synergy and project sustainability. An important collaboration must be established immediately with PERMATIL to support Vanilla farmers practicing contour-based water harvesting and conservation technology system to minimize water scarcity problems which regularly affecting farmers interest and commitment to involve in Vanilla production easily. A contour-based water harvesting and conservation technology system that can be practiced by Vanilla and Coffee producers will help to control run off system to enable a bio-hydrolic system for retaining and reducing the normal flow of underground water filtration process hence increases soil moisture around the Vanilla and coffee plants that will potentially reduce Vanilla plants mortality whenever the plants might not be watered constantly by the farmers.

Specifically, MMT also needs to explore and participate in the “Timor-Leste’s Interministerial Commission for Coordinating the Value Chain and Encouraging Local Production” led by the Cabinet of Prime Minister of Timor-Leste office as a proper central level government platform already to promote multi-sectoral support and complementary strategy. Operationally, the established platform will need to be ensured at the Municipality and village level roles to easy community participation and ownership. A drive towards minimizing any existing key structural support uncertainties vertically and horizontally hence, must be continually ensured and operational to develop Vanilla as a promising green gold potential of Timor-Leste economic growth sector industry.

A continued technical facilitation and improvement and important advocacy shall be emphasized to aware Vanilla farmers to prioritize quality Vanilla production and sale to the market needs. However, a very important investigative Research and Development (R&D) works shall also be needed to improve Vanilla plant’s pest-resistant quality starting already from nursery development stage. Developing an alternative option for Vanilla production inputs requirement such as organic fertilizer and plant protector products can be done to sustain Vanilla productivity and business growth, but it has to continually ensure that it will maintain the organic quality of environmental ecosystem where the Vanilla is growing. Improve Vanilla Beans of Hope” (Livelihood Program) farmers group organizational and management capacity and manners will provide the chances to better develop the productivity of Vanilla farming and is potentially creating a proper and sustainable institutional foundation for Vanilla industry growth in Timor-Leste significantly.

There is important that a properly-established Vanilla farmers resource and knowledge centre should be now created as the rise of Vanilla economy spirit locally and among the rural households farmers is becoming more evident. The center shall be aimed to sustain the investment efforts availing and bringing in a more closer technical knowledge opportunities and information data for Vanilla business environment opportunities in Railaco of the Vanilla “Beans of Hope” (Livelihood Program) terrains. The operational support and functionality of the established Vanilla farmers’ resources and knowledge centre shall be primarily undertaken as part of the roles of FBOs and members of the intended “Train the Trainers” component for the project sustainability plans.

The Vanilla “Beans of Hope” farmers must be able to produce and sell a more premium grades quality and quantity Vanilla beans only, however, in order to make this sustainably practical, Vanilla farmers need to be individually and institutionally motivated, committed and facilitated.

The Vanilla “Beans of Hope” now has the experience and capacity to also promote community-based value adding industry of Vanilla and a sustainable rural-based vanilla village eco-tourism activity. However, in making this to happen easily MMT needs to apply a strategic entry and through an initial important consultation with the Vanilla farmers, relevant stakeholders and with Railaco Community in large.