



SPICING-UP DEVELOPMENT ASSISTANCE

How SPS requirements triggered a transformational change in Sri Lanka's cinnamon sector

Sector development is a multi-faceted endeavor that requires interventions at various levels to achieve targeted social and economic outcomes. Driven by a common vision, "*making cinnamon a one billion dollar industry*", The Spice Council (TSC) and the Government of Sri Lanka received support from the Standards and Trade Development Facility (STDF) and the United Nations Industrial Development Organization (UNIDO) to analyze the cinnamon value chain and identify the necessary interventions to translate this vision into reality. The analysis pointed mainly to the need to:

- Enhance compliance with safety and quality requirements by upgrading facilities, production and processing practices and inculcating a "compliance culture" along the value chain.
- Invest in human capital to improve the social outcomes and productive capacity of the industry through access to skilled labour and socio-economic inclusion. The primary condition to achieve this is to erase the social stigma associated with cinnamon peeling through social marketing, certified vocational training and decent work conditions.
- Enhance competitiveness by entrenching environmentally and economically sustainable business models based on innovation and value addition into industry's day-to-day practices. This, combined with differentiation, branding and market positioning, helps stem the decline in Ceylon cinnamon's share on international markets and the erosion of profit margins.

Subsequently, the STDF together with UNIDO funded a project "*Enhance the Compliance, Productive Capacities and Competitiveness of the Cinnamon Value Chain in Sri Lanka*"¹ to address several of these constraints. The project enhanced operators' quality and Sanitary and Phytosanitary (SPS) compliance capabilities through:

- Creating a framework for vocational training and a first of its kind personnel certification scheme coupled with an innovative delivery mechanism "*The Cinnamon Training Academy*", a *public-private industry-led partnership*.
- Facilitating Good Manufacturing Practices' certification for selected cinnamon processing centers and developing a GMP brochure publicly available for the industry. This triggered an initial upgrade in the traditional *Kalli* processing system, introducing improvements in peelers' working conditions.

¹ <http://www.standardsfacility.org/PG-343>

- Providing the underlying safety and quality standards required for the establishment of the Pure Ceylon Cinnamon mark, which supports country's efforts to obtain Geographical Indication worldwide.

The project catalyzed additional assistance by empowering The Spice Council and creating an enabling environment for a strong public-private partnership. To capitalize on, and sustain, the results achieved, the project provided the sector with a roadmap that spell out future actions to "*make cinnamon a one billion dollar industry*".