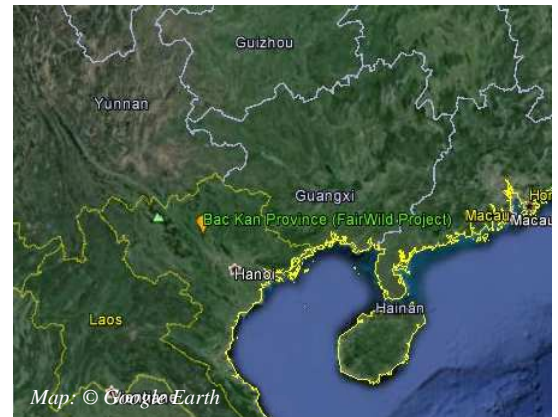


Project case-study: Community livelihoods supported by the sustainable trade in medicinal and aromatic plants in Bac Kan, Viet Nam

Since mid-2011, TRAFFIC has been co-operating with the Bac Kan, Provincial Forest Protection Department (BK FPD) to implement activities focused on the sustainable wild collection of medicinal and aromatic plants (MAPs) in northern Viet Nam by applying FairWild Standard principles. The FairWild Standard incorporates principles of ecological and social responsibility and provides a fair and value-added management and trading system for wild-collected natural ingredients.



The current project activities, made possible through funding provided by the Keidanren Nature Conservation Fund (KNCF), focus on MAP species recognized as being threatened by overexploitation driven by commercial demand and limited knowledge of sustainable harvesting practices. Activities implemented in Bac Kan in the first two years were made possible through funding to TRAFFIC from the Critical Ecosystem Partnership Fund (CEPF) and were aimed at strengthening the capacity of the local collectors and the authorities to protect threatened MAPs in Nam Xuan Lac Species and Habitat Conservation Areas (NXL SHCA). In addition, the two-year piloted project was directly targeted to improve household incomes and reduce poverty for the low-income forest-dependent ethnic minority communities in the buffer zone of the conservation area.

This conservation area is known to be rich in biodiversity, with thousands of species of fauna and flora including 328 medicinal plant species belonging to 117 plant families of vascular plants identified there. Local villagers collect medicinal plants to sell them in order to generate additional income to



enhance their food security during periods of shortages. This protected area was officially established in 2011 according to a provincial decision although, since 2003, with the support of the PARC (Creating Protected Areas for Resource Conservation using Landscape Ecology) project, this site has been operating with a trial management structure that aims to introduce in NXL SHCA a co-management approach to conserve biodiversity, particularly flagship species.

Sustainability through community capacity-building

A series of trainings, meetings and consultations were conducted for more than 100 local ethnic minorities community members, collectors and stakeholders at the seven villages of Xuan Lac and Ban Thi Commune, Cho Don District, Bac Kan Province. These helped to increase their understanding of the role of MAPs in the ecosystem and collectors' livelihoods, current threats to MAP populations, wild plant resource management, harvest



monitoring, sustainable collection and value adding processing techniques, and to assist them with connections to stable markets for their MAP products. An outstanding achievement during the CEPF-funded project was the endorsement of the management plan by local forestry agency for target species including the establishment of inter-community funds financed by the proceeds of sales. At this stage, the contribution of participants was fixed at 10 percent of their revenue from the sale of the selected medicinal plants species. The objective of this fund was both to strengthen inter-community cohesion and facilitate the distribution of benefits from the sustainable wild collection and trade of medicinal plants at the collectors' group level. The additional funding provided by KNCF has provided an opportunity for TRAFFIC to strengthen market linkages for communities (from collectors to the end-users) with the objective of increasing the income of local collectors and achieving fairer trade along the trade chain.

The approach used for plant selection and project implementation has been to engage project partners from the local



communities—especially ethnic minority groups and partners—to solve issues of economic and health security in their own communities. The consultative approach is key to implementing the principles of the FairWild Standard. Two species groups were selected for the first phase of the project (*Alpinia latilabris*, *A. malaccensis* and *A. menghainensis*, and *Amomum villosum* and *A. xanthioides*) and an additional five species are being considered for the second phase under KNCF funding (*Stemona tuberosa*, *Cibotium barometz*, *Homalomena occulata*, *Ampelopsis cantoniensis* and *Gynostemma pentaphyllum*).

Support to sustainable value-chain creation

The main aim of the activities funded by KNCF is to build on the dialogue between the different trade chain actors. The intermediaries and several domestic pharmaceutical companies have already expressed their interest in the sustainably collected wild MAP products supported by the project. They have indicated that they believe the benefits from the trade chain would be shared more fairly for all if stakeholders can reach a commitment to a benefit-sharing mechanism and local collectors apply the FairWild Standard principles. Additionally, this second phase of the work has “pushed” local authorities towards a leading role as implementers and managers of the activities, shifting TRAFFIC’s role towards providing financial and technical support until links can be facilitated between local communities and other stakeholders to ensure appropriate regulation and MAP species management.

Numerous challenges have been encountered during project implementation. The first of these challenges has been to overcome the initial limited commitment from the local collectors regarding sustainable harvesting practices. The collectors are understandably often concerned more about increased income and stability than conservation and the benefits of sustainable harvesting. It is also often difficult to reconcile the



Local collector demonstrates sustainable harvesting of Alpinia malaccensis © TRAFFIC/ Dr Nguyen Tap

benefits and interests of different stakeholders. The project is trying to distribute the profit fairly along the trade chain but different components of this chain have different objectives. Traders and pharmaceutical companies want to promote the wild-collected products to increase their profits, while local collectors are focused on collecting as much of the required product as possible to provide for their families. It has also been a challenge to find appropriate methods to promote the wild-collected products in domestic and regional markets. Once harvested, it is often impossible to distinguish

wild-collected from cultivated products so it can be difficult to persuade consumers to pay more for products derived from wild-collected plants and there is little domestic demand for certified products, such as FairWild.

To understand these challenges clearly, TRAFFIC has used the value trade chain approach to facilitate benefits to local collector communities and small/medium enterprises in the northern area of Viet Nam. Since early 2014, various companies have been engaged in an open forum organized in the project site in order to understand better the project initiative and sustainably wild-collected MAP products, as well as to discuss further a cooperation mechanism between collectors and local level traders and further with the processors/ buyers (both international and national). The initial meeting opened up a number of opportunities for local communities: (1) a small pharmaceutical company (DK pharma) based in Ha Noi expressed their interest in producing herbal tea of *Gynostemma pentaphyllum* from natural ingredients; (2) a medium-sized medicine company (Nam Duoc) and several spice companies also committed to buy the project's product (*Amomum* spp) at a premium price. However, the cooperation mechanism is an ongoing discussion.

Furthermore, TRAFFIC's staff provide technical support regularly to local authorities in order to help them monitor and provide training for local communities to promote sustainable production and processing of MAP appropriately. This will contribute to the product quality improvement to



Local collector received simple equipment to harvest and process medicinal plants © TRAFFIC

meet the requirements from the current market. The project's products are also improved by adding value via installing equipment to process the project.

While it will take more time to help local communities and authorities to be able to manage MAP species independently and sustainably, and to improve their livelihoods and protect the ecosystem vital to these species, TRAFFIC is demonstrating that the economic value of sustainable natural resource use gradually reduces the current ecological degradation of the NXL SHCA and ensures the future conservation of the species it supports.

For more information

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