

Enhancing management of and benefit flows from VIET NAM'S WILD MEDICINAL PRODUCTS

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Over the past two decades, illegal and unsustainable wild plant collection activities in Bac Kan province, northern Viet Nam, have led to significant local declines in wild medicinal and aromatic plant (MAP) populations. TRAFFIC has worked in this area since 2011, helping to secure the engagement of communities in the sustainable collection of MAPs, developing a strategic partnership with the Bac Kan provincial Forest Protection Department (BK FPD), and seeking commitments from buyers to purchase sustainably harvested products. This article reviews the outcomes and impacts of the project, implemented by TRAFFIC and partners in Viet Nam in 2015–2018. Earlier progress has previously been covered in *TRAFFIC Bulletin* Vol. 26 No 1. (2014) and Vol.29 No.2 (2017).

PROJECT BACKGROUND

Bac Kan province is an important source of MAPs, which provide critical contributions to health and livelihoods—up to 20% of income—for low-income, rural communities, where the majority of collectors are women from ethnic minority groups. In 2014, when the project commenced, the official poverty rate in Bac Kan was 14.2%, compared to the national rate of 8.4%. Within the project's target groups, among 1,011 households in 30 villages, 306 (30%) were living below the poverty line.

The decline in local wild MAP populations is partly a consequence of insufficient experience in sustainable MAP management, lack of incentives for conservation and weak enforcement and monitoring capacity. The project addressed these factors through implementing the principles of the FairWild Standard, an international best practice for sustainable use and trade in wild-collected plants, after TRAFFIC and BK FPD secured the engagement of communities in sustainable collection and commitments from buyers to purchase sustainably harvested products.

Project sites included buffer zones of Nam Xuan Lac Species and Habitat Conservation Area, Kim Hy Nature Reserve and Ba Be National Park, and some communes of Na Ri District—well-known hotspots of MAP trade in Bac Kan, where much of the produce is exported unprocessed to China.

The project's goals were to enhance sustainable MAP harvesting practices; improve marketing opportunities;

increase the income of 1,000 households by 20%; and reduce the overexploitation of MAPs in project sites, creating a sustainable model for replication. The project was guided around three output areas, as below.

1. The feasibility of applying the FairWild Standard to wild MAP harvest in a value-chain approach.

The project focused on the target species *Jiaogulan* *Gynostemma pentaphyllum*, Woolly Fern *Cibotium barometz* (CITES Appendix II), *Alpinia* spp., and *Amomum* spp. identified through community consultations, trader and manufacturer interviews, and consultations with the FPD as having market demand and the potential to be sustainably harvested in commercial quantities. *Jiaogulan* proved to have the strongest market and community interest. The project encouraged community-based management of other wild MAPs in the area, including *Heliciopsis lobata* and *Zingiber cassumunar*, which increased market access for products and provided homegrown jobs that encouraged independence and economic growth and generating incomes as an important incentive for species conservation.

A series of training workshops and exchange visits helped build collectors' capacity to negotiate and trade equitably and also covered technical aspects of MAP harvesting and processing, fair pricing, entrepreneurship, and access and benefit-sharing mechanisms. Guidance was provided on business plans and compliance with government policy on co-operatives.

Rather than operating independently, which hinders market access, local collectors were encouraged to establish formalised groups through village community meetings, capacity-building workshops, and Asset-Based Community Development training sessions. Ultimately 15 new collectors' organisations were established, with

- ▲ Na Ri District, Bac Kan province, northern Viet Nam;
 - ▶ Sustainable harvesting training workshop in the project area, Bac Kan province.



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endorsement from local authorities and operational regulations in place. These “collectors’ groups” had 221 members by the end of the project, all of them trained on the FairWild principles of sustainable harvesting, processing, and trading. Several of the groups expressed an interest in becoming collectors’ co-operatives in the future.

Herb dryers were purchased for several collectors’ groups, enabling efficient drying of large quantities of herbs, as well as vacuum packaging machines to increase the shelf-life of products, herb cutting machines, and harvesting equipment such as boots, knives, and gloves. These enhancements to product quantity and quality resulted in fewer wild plants being harvested.

The FairWild Standard underpinned the project as a means to provide clear guidelines for local collectors and companies to produce sustainably sourced, wild-collected products while considering aspects of fair trade and social sustainability. The project mainly focused on the domestic market where current demand for sustainably certified products is insignificant, and so achieving FairWild certification was not a goal of the project. However, the groundwork is now in place for collectors’ groups to produce FairWild-certified products in the future and for the uptake of FairWild products in Viet Nam.

The project **fostered relationships with national and international companies interested in purchasing MAP products**, including the Vietnamese partner companies, DK Natura and DK Pharma. A Jiaogulan purchasing contract between DK Natura and Xuan Lac group was signed in Year 2 of the project with a 5% mark-up on the market price for sustainably harvested produce; funding for product registration; and a three-year commitment to purchase wild MAPs from the group. Xuan Lac group sold 200 kg of dried Jiaogulan to DK Natura for VND17,200,000 (USD752) and DK Natura/DK Pharma produced the final products—tea bags and loose-leaf Jiaogulan tea. The project helped ensure product registration complied with Ministry of Health regulations and the products were certified in March 2017 for sale in Viet Nam. DK Natura also purchased 200 kg of Jiaogulan, 500 kg of *Zingiber cassumunar*, and 600 kg of *Heliciopsis lobata* from the Bao Chau Cooperative for around VND170,000,000 (USD7,430). The Cooperative also sold 45 kg of Jiaogulan to an Indian company for ca. VND20,250,000 (USD892).

2. Sustainable-use strategies and management plans

A resource assessment provided the foundation for species and area management plan in Bac Kan Province. The survey team included BK FPD and the Institute of Ecological and Biological Resources, who mapped species’ natural distribution and estimated populations. The assessment recommended sustainable harvesting quotas and harvesting areas and was used in the development of the Bac Kan Jiaogulan and Woolly Fern management plan, which included guidance on management of harvesting, processing, production and

product commercialisation. Although focused on two species, the plan’s general principles are applicable to other species.

The resource inventory revealed that all the above-ground parts of Jiaogulan, including the leaves and stem, were often collected (between March and September). This destructive practice—in part carried out because of harvesters’ lack of understanding of the species’ potential value—led to species decline and slow regeneration. No collection protocol existed for Woolly Fern, harvesting happening spontaneously depending on buyers’ requests. For neither species was there an understanding of how harvesting conditions (e.g. harvesting in the rainy season) affected the products. A training programme was therefore designed and implemented by project staff with additional trainers reached through “training of trainers” programmes (targeting BK FPD staff, and community representatives). In total, more than 1,000 MAP collectors participated in training activities. *A Pocket Guide for the Sustainable Collection of Jiaogulan, Woolly Fern, and other Medicinal and Aromatic Plants* was disseminated to collectors, and signboards were displayed in target areas on sustainable harvesting and the benefits of collector group membership.

Technical support was provided to BK FPD in submitting formal recommendations to the Bac Kan Province People’s Committee to **improve provincial regulations for the sustainable management of MAPs**. A MAPs Product Development Plan (PDP), developed with BK FPD, was positively received and plans were made to integrate it into the “One Commune One Product” (OCOP) programme. This programme—which was approved for implementation in early 2018—aims to help the province meet economic development goals by 2020 by lending financial and technical support to the creation of effective production and business models for traditional products, including MAPs.

3. Scaling up the project model

TRAFFIC and the Viet Nam Chamber of Commerce and Industry co-hosted a FairWild workshop for local traditional medicine practitioners, pharmaceutical companies, food companies, and cosmetic ingredient producers. The workshop advocated the uptake of sustainable harvesting and fair-trade practices as part of companies’ corporate social responsibility (CSR) initiatives.

A review of gaps in Vietnamese policy and law regarding harvesting and trading of forest resources found that the existing legal framework was not comprehensive with respect to: collection of certain species; lack of harvesting area maps; traceability; post-harvest monitoring and evaluation; and benefit-sharing opportunities for local collectors. The responsibilities related to trade of natural resources are split between multiple government agencies, necessitating complex solutions.

Government bodies, including Ministry of Natural Resources and Environment, Biodiversity Conservation

Agency (BCA), Ministry of Agriculture and Rural Development, and the National Institution of Medicine Materials, were consulted about contributing to Viet Nam's commitment to implement the World Health Organization Guidelines on Good Agricultural and Collection Practices (GACP). This led to an initiative to integrate the FairWild Standard into the GACP in Viet Nam and a proposal was submitted to the Ministry of Health suggesting that the FairWild Standard be integrated into national Circular 14/2009. The Circular is currently under revision.

TRAFFIC and the Traditional Medicine Administration, Ministry of Health, co-hosted a forum for traditional medicine practitioners to examine traceability with regards to imports and exports to/from China.

A TRAFFIC and BCA study on the interface of access and benefit sharing (ABS) guidelines and FairWild principles was undertaken. The study found the FairWild principles could complement ABS-sharing rules, but stronger actions were needed from the government on wild MAPs. Subsequently, TRAFFIC and BCA co-hosted a workshop for pharmaceutical companies, trading firms, and health and conservation agencies to discuss a new decree related to access and benefit sharing—Decree 59/2017/ND-CP—the fine-tuning of which is currently under way.

EVALUATION OF PROJECT OUTCOMES

Income generation, economic development, poverty alleviation. At the project's outset, a baseline survey on income generation by local MAP harvesters was conducted. A qualitative mid-term review found positive impacts at the community level, including strengthened relationships amongst villagers through participation in collectors' groups, improved understanding of trade in MAPs, and strong relationships established between DK Pharma/DK Natura and the collectors. A final assessment found that the average annual household income from wild MAPs collection and trade had increased by 31% to VND2.23 million (USD98) compared with the baseline of VND1.7 million (USD74). There was also an increase in the number of people reporting wild MAPs harvesting as part of their income, from 55% (baseline) to 73% (final).

Gender equality. The project also focused on empowering women and ethnic minorities, who comprise 90% of the wild MAPs collectors in Bac Kan province. The project encouraged their participation, leading to a greater understanding of resource management, negotiation and trading skills, and engagement in decision-making related to MAP trade. TRAFFIC and BK FPD co-hosted a National Women's Day celebration to honour the role of women and their families in wild MAP collection and conservation as well as local economic development. The women in attendance represented collectors' co-operatives and groups, the four target districts, local authorities, and DK Natura. By the end of the project,

415 women were trained on FairWild principles for sustainable wild-harvesting and fair trade and 70 were registered as members of co-operatives or groups. Four became trainers themselves.

Biodiversity conservation and sustainable use of natural resources. Ensuring the long-term sustainability of the project was a key goal from the outset. Equipment and pocket guides will be available to the collectors beyond the life of the project. The concept of sustainable harvesting is better known, and strides have been made to integrate the FairWild Standard into national and local policy. Finally, the species and area management plan will underpin the future sustainable use of MAPs in Bac Kan province. At a higher level, the project contributes to Viet Nam's commitments on delivery of the Convention on Biological Diversity (CBD), the Nagoya Protocol, and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

Lessons learnt and recommendations

- Responsible trade in wild MAP resources presents an opportunity for sustainable economic development and biodiversity conservation, particularly for poor, marginalised communities.
- Replicating the Bac Kan model in different provinces of Viet Nam and the Mekong region could have a positive impact on conservation and long-term availability of plant resources and associated habitats.
- Before a project begins, it is essential to ensure both the presence of a strong local implementing agency that can also assist with the longer-term sustainability of project outcomes and the buy-in of commercial partners.
- To safeguard natural resources, the FairWild Standard is recommended as an internationally recognised best practice, including its key requirement of developing species and area management plans.
- There is an urgent need to continue supporting the implementation of responsible trade and sourcing practices for wild plants in the private sector in Viet Nam.
- Creating an enabling policy and regulatory environment at appropriate levels (provincial, national), which integrate the safeguards for sustainable use of wild plant resources and the incentives for responsible practices provides an important framework for private-sector practices.
- An intra-agency co-ordination mechanism should be developed for the sustainable and legal sourcing and trade in wild plants to ensure that policies are well-designed and effectively implemented.

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