





#### **Darwin Initiative Main Project Annual Report**

**Important note:** To be completed with reference to the Reporting Guidance Notes for Project Leaders:

it is expected that this report will be no more than 10 pages in length, excluding annexes

Submission Deadline: 30<sup>th</sup> April 2017

Darwin Project Information

Project Reference	22-010
Project Title	Enhancing management and benefit flows in Vietnam's wild medicinal products
Host Country/ies	Viet Nam
Contract Holder Institution	TRAFFIC International
Partner institutions	Bac Kan Provincial Forest Protection Department (FPD), Hanoi University of Pharmacy and DK Pharma/DK Natura, Ministry of Health, Vietnam
Darwin Grant Value	GBP 299,755
Start/end dates of project	01 April 2015 to 31 March 2018
Reporting period and number	01 April 2016 – 31 March 2017; Annual Report 2
Project Leader name	Madelon Willemsen
Project website/blog/Twitter	www.traffic.org; http://facebook.com/trafficsea.gmp; Twitter Address: TRAFFIC_WLTrade;
Report author(s) and date	Cuong Nguyen, Thuy Nguyen, Madelon Willemsen, Anastasiya Timoshyna 28 April 2017

#### 1. Project rationale

Viet Nam is home to about 4,000 medicinal and aromatic plants (MAPs), many in significant declines due to a lack of adequate market information, inappropriate harvesting and management practices, insufficient incentives for conservation and weak enforcement and monitoring capacity. 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, the official poverty rate in Bac Kan was 14.24% (national figure: 8.4%). Within the project target groups, among 1011 households in 30 villages, 306 or 30% were living under the poverty line (2015).

Over the past two decades, illegal and unsustainable wild-collection activities at four project sites—mostly buffer zones of protected areas—have led to significant local

declines in wild MAP populations. Overharvesting and uncontrolled trade is partly a consequence of insufficient practical experience in sustainable MAP management, and the nature of relationships between collectors and buyers. Improving links along trade chains, coupled with building capacity in sustainable harvesting and equitable trade, are crucial conditions for the conservation of MAPs and improved incomes for local collectors. TRAFFIC and BK FPD have worked in the area since 2011, securing the engagement of communities in sustainable collection and commitments from buyers in purchasing sustainable products. Building upon this foundation, the project promotes the conservation of MAPs by improving links along the trade chain and building capacity of community and government in line with the principles of the FairWild Standard, an internationally-recognized best practice for sustainable use and trade in wild-collected plants.

The project sites include the 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. Bac Kan is one of the key points in the trade chain of raw MAPs going to China.

#### 2. Project partnerships

TRAFFIC has been in partnership with Bac Kan FPD, an alliance of the pharmaceutical companies, DK Pharma and DK Natura, the Administration of Traditional Medicine (ATM) under the Ministry of Health, Biodiversity Conservation Agency (BCA) under the Ministry of Natural Resources and Environment (MONRE). In July 2016, a new director of the FPD was appointed to replace Mr. Hai, the previous leader of the project implementing board in Bac Kan province. The change request was approved by the Darwin Initiative. The changeover of FPD directors has required additional partnership management from the implementation team, to realign and influence the implementation, passive vs proactive.

In Year 2, TRAFFIC has signed a project partnership agreement with BCA, and a collaboration agreement with TMA, enabling the participation of the **national-level institutions** in project implementation. Through these agreements, the partners have enabled strong linkages to implement a number of project activities at national and provincial levels. This creates opportunities for engagement among the government agencies for policy advocacy (possibility of the project input into regulatory frameworks supporting MAPs sustainable harvesting and quality of traditional medicine (TM) products) and replication of the project in other provinces. Local **NGO**s, such as with GreenViet and BioTrade Implementation Group (BIG), have proven to be valuable partners providing expertise the potential of outreach to other sites. In Year 2, a contract between the Xuan Lac cooperative and DK Pharma/DK Natura for trade in Jiaogulan was signed. New commercial partnership has been developed with other Vietnamese **companies** such as <u>Solavina</u> and <u>Vherb</u>, which have already met local collectors to identify potential trading of collected species.

#### 3. Project progress

#### 3.1 Progress in carrying out project Activities

The following progress in carrying out project activities was achieved during Year 2 of the project.

Under **Output 1**, team continued to engage and, where relevant, formalised the participation of stakeholders in the project. Building on the baseline income survey (**Activity 1.1**), the project has used a qualitative approach, based on the most significant change method to undertake the project mid-term review (MTR). MTR (SD 10.1) was based on a participatory approach focusing on monitoring and evaluating the outcomes and impacts generated. With this method, stories about the changes in project sites were collected, from which the tellers were invited to: highlight the meaningful changes to them since they participated in the project; explain why such changes were meaningful to them; explain how the changes took place; provide/initiate potential plans beneficial to communities, e.g. on MAPs production.

Building on the national and international market studies, the project team has developed an updated list of MAPs from the project areas (**Activity 1.2**). The implementation of a training programme on improving entrepreneurial skills (**Activity 1.3**) was linked to the Activity 2.2, as target groups (collector households) for this activity overlap. As planned collectors were provided with personal harvesting tools such as cloth, gloves and rubber boots. 1 dryer and 1 drying station were supplied to Na Ri and Ba Be districts to facilitate the drying process before the next harvest season. 250 households accessed the market information and equipment/harvesting tools to add value to their products in year 2.

Building on the Assets-Based Community Development training and engagement sessions in Y1, further facilitation to the operation of the local collectors' organisations (**Activity 1.4**) has continued. In the second year reporting period, 16 organisations, established in Y1, launched the operations and developed their structure set-up. Issues of non-discrimination against gender, ethnicity, and economic status were considered in forming the collectors' organisations. All 221 group members were trained in FairWild principles of sustainable harvesting, processing and trading.

In order to support the application of sustainability certification schemes (**Activity 1.5**), the baseline verification against FairWild Standard and organic regulation regarding wild collection in the project sites was completed in September 2016. The verification report identified the implementation achievements and critical shortcomings against the implementation of these two standards at the levels of Nam Xuan Lac Collector Cooperative, DK Natura and DK Pharma. The gaps were reported to stakeholders, and this report will be used for adaptive actions through Year 3 of the project. The FairWild documentation was disseminated to stakeholders by project staff. New project implementation team members were trained in the FairWild Standard by TRAFFIC's team in Cambridge (through webinars).

The collectors were supported with the diversification of national market channels, and the value-addition. Meetings were supported to increase the access to markets for local collectors (**Activity 1.6**): two meetings were held between DK Pharma, DK Natura and representatives of 16 cooperative/collector groups. These meetings resulted in the signing of a contract between the Xuan Lac cooperative and DK Pharma/DK Natura for trade in Jiaogulan. This contract was signed in 2016 when the previous contract of 2015 ended. The contract includes a formal obligation to pay 5% mark-up on the market price for ingredients. In addition to this, DK Natura/DK Pharma were able to produce final products, namely Jiaogulan tea bags and Jiaogulan loose leave from dry materials purchased from the project cooperative in Xuan Lac commune.

TRAFFIC supported the quality product registration, as regulated by Ministry of Health, to enable the product introduction to the national market. The products were certified in March 2017 and DK Natura is now able to market Jiaogulan tea bag and Jiaogulan loose dried leaves in Viet Nam. New commercial partner, Vherb, a Vietnamese pharmaceutical company, also joined the project and discussions are in progress to formalise a relationship. Discussions were also ongoing with the potential buyers in the EU and US, including during the world's largest organic trade fair BioFach in February 2017.

An exchange learning trip to visit Sapa Napro (**Activity 1.6**), a community enterprise in Lao Cai province was organised for 23 participants (seven women) including FPD staff and representatives of cooperative and groups (SD 6.1). Feedback from Bac Kan participants was that some of them already made networks with the owner of Sapa Napro to develop trade in MAPs, others had great impression of Sapa Napro achievements. Bao Chau, the Head of cooperative, for example, shared that he would mobilize more active members, design flyers of the cooperative's products and become more pro-active in approaching buyers. The visit also helped greater understanding of benefit and sharing scheme that Sapa Napro is operating with the local communities which was unfamiliar to BK participants until they witnessed it on the trip.

The project staff in Viet Nam visited TRAFFIC project site in China to exchange and share experience of implementing MAPs projects (**Activity 1.6**). Lessons learned from market access and linking with responsible buyers were shared between Vietnam team and China team (SD 6.2). Different approaches to promote FairWild certification scheme or engage pharmaceutical companies were introduced by the China's team such as building local human resources on auditing (instead of having international auditor); engaging leading pharmaceutical companies who have strong influence others in the industry to facilitate the process of increasing market opportunities for local collectors. Such experience will support project's development of activities around working with pharmaceutical companies in the coming year.

A set of project activities for the **Output 2** were implemented. Further awareness-raising activities (**Activity 2.1**) were rolled-out through meetings and trainings. The training of trainers' materials on sustainable harvesting methods and monitoring of species in response to harvest were developed and <u>delivered to 12</u> <u>Bac Kan FPD staff and 18 community representatives</u> (4 of them women) in August 2016. The trainers have since been delivering training sessions to the collectors (**Activity 2.2**). Two series of sessions were held: one with the focus on sustainable collection (523 participants, 140 women), and one on the cooperative and group operations (353 participants, 115 of which women). Active participation of women collectors was encouraged and further efforts were taken to support their empowerment.

The Pocket Guide to promote FairWild principles on sustainable harvesting was developed targeting collectors and covering issues of sustainable harvest, processing, storage, and in MAPs. As, an awareness-raising/training tool, the project has also supported setting up seven signboards on FairWild promotion at community level (**Activity 2.2** – also linked to 3.2). These signboards aim to increase awareness on sustainable harvesting as well as promote the benefits of membership of joining collector groups/cooperatives.

The resource assessment (Activity 2.3) was updated based on the most recent surveys (SD4.1). The information for compiling the sustainable harvesting manual, together with the establishment of sustainable collection quotas and the identification of collection areas for target species was consolidated in the species and area management plan (SD4.2). Results of the assessment were used to raft the species management plan. Within the scope of project activity focusing on the development of the province-level sustainable MAPs use strategy (Activity 2.4), the project team has engaged with the BK Provincial Committee, and specifically its One Commune One Product (OCOP) program. In the reporting period, the project provided technical support for the OCOP program plan development, following consultation. The plan outlined the criteria for OCOP-certified products, including FairWild principles on sustainability, and proposed four species with full descriptions of traditional treatment purposes and economic values. External experts and project staff carried out the dialogue with relevant provincial departments, collected recommendations for the plan through a provincial consultative workshop and finalised the plan to submit it to the provincial People's Committee for endorsement which is in the process during reporting period.

Under the **Output 3**, the project experience was highlighted (**Activity 3.1** and **Activity 3.5**), including as a contribution to the delivery of the CBD's Global Strategy for Plant Conservation (in the <u>Report</u> submitted to the 1<sup>st</sup> meeting of the Subsidiary Body on Implementation, May 2016), and in the preparation of <u>the study</u> "The applicability of traceability systems for CITES medicinal plants with a focus on the Greater Mekong countries", presented at the <u>workshop prior to the CITES CoP17</u> in September 2016. The project mid-term successes were also presented at several events (for example, <u>this</u>) during the IUCN World Conservation Congress; at the workshop on Beyond Enforcement: Engaging Communities in Combating Illegal Wildlife Trade organised in November 2016 in Hanoi, Viet Nam (p. 11 of <u>Communique</u>) and the Hanoi Conference on Illegal Wildlife Trade organised in November 2016 in Viet Nam. The presentation about project lessons learnt and its progress was also delivered by TRAFFIC staff to the Darwin Expert Committee (DEC) in October 2016.

Project staff has engaged with the BioTrade stakeholder forums in Viet Nam and provided the technical inputs to these, drawing on the experience of FairWild implementation (Activities 3.2 and 3.3.). A new

partnership with the BioTrade Implementation Group (BIG) was established to further support the delivery of Activity 3.3. To date, BIG supported the gap analysis of policies/laws that cover harvesting and trade of forest resources (including MAPs), using the Timber Legality Framework and the FairWild Standard as frameworks. The findings highlighted that Viet Nam's existing legal framework is incomplete on sustainable collection directions for specific groups of species, including collection map identification, post-harvesting monitoring and evaluation. In addition, there is no existing mechanism for ownership or benefit sharing for local collectors. The findings were disseminated at relevant forums and workshops, including the forum on Sustainable wild harvesting of medicinal plants organised in December 2016, the consultative workshop on integration FairWild to GACP organised in March 2017 to inform policy makers of the gaps and recommendations (Activity 3.4).

The partnership with ATM to promote sustainable harvesting with the government and other local organisations was strengthened. A workshop on FairWild and GACP Strategy and a forum for traditional medicine practitioners were organised. A plan of action to integrate FairWild standards into GACP, as the main output of the workshop, was developed for wider policy impact (**Activity 3.4**). The action plan indicated an existing incomprehensiveness of GACP, specifically exclusion of wild collection, social and fair trade requirements. Management and business requirements and demonstrated FairWild principles can fill in the indicated gap. The proposal for integration was agreed by all workshop participants, including ATM. As this is of benefit for changes in the regulatory framework for sustainable harvesting TRAFFIC will continue to work to support this plan of action with the relevant stakeholders.

Furthermore, a new partnership with BCA was also developed to identify a possibility of integrating FairWild principles into the implementation of the Nagoya Protocol on ABS in Viet Nam. A study on the interface of FairWild and ABS was carried out in which FairWild principles were analysed and demonstrated the linkages with ABS rules, and showcased to what extent they could contribute to ABS implementation in Viet Nam. FairWild principle 9, for example, is helpful to the ABS regulations on monitoring, reporting on access of genetic resource; transparency of genetic resources use permit granting/withdrawal. To inform the public and related government agencies of the applicability of the FairWild standard requirements to the implementation of the national regulations implementing the Nagoya Protocol on ABS in Viet Nam, a consultative workshop was co-hosted by BCA and TRAFFIC in March 2017 (SD 9.4) to present the report recommendations and introduce ABS requirements and FairWild principles and its implementation in Bac Kan province.

#### 3.2 Progress towards project Outputs

Output 1:		nd benefits (financial, product quality and conserved to wild MAP harvest clearly demonstrated in a va	
	Baseline	Change recorded by 2017	Source of evidence
Indicator 1.1  By March 2016, 1000 local collectors' households and buyers have agreed to work together to develop a sustainable supply chain and trading agreements	Over 100 Collectors engaged with 51 registered officially (received collection licenses and registered in the cooperative) from CEPF/KNCF project	In year 1, 950 households were introduced to the project. Furthermore, by 2017, two series of training sessions were held: one with the focus on sustainable collection (523 participants, 140 women), and one on the cooperative and group operations (353 participants, 115 of which women). The training out-reach was optimised through the training of trainers programme, and the project plan is for additional 500 individuals and household to be trained in the year 3 of the project.  Additionally, 16 collectors' organizations were	Annex 4, SD 2.1 - Training report included, training agenda, list of participant, pictures.  Annex 4, SD 2.2 - list of participants of collector training  Annex 4, SD 1.1 - MoU.
		established, with 221 individual collectors/households officially registered as members.	
Indicator 1.2  Trading agreement between buyers and local collectors based on sustainability criteria and a fair pricing arrangement negotiated and agreed by the end of year 2 of the project	A framework MoU between DK Pharma/DK Natura, BK FPD, Communities and TRAFFIC signed in March 2015	A Jiaogulan purchasing contract between DK Natura and Xuan Lac cooperative was signed in Year 2 with a 5% mark-up on the market price for the ingredients. The contract also included funding for product registration as well as another 3 year commitment to purchasing of the wild MAPs from the cooperative in Xuan Lac commune.  16 collectors' organizations were established in target area, with 221 individual collectors/households officially registered as members.	Annex 4, SD 3.1 Meeting with company minutes/report.  Annex 4, SD 3.2 Jiaogulan purchasing contract in Vietnamese only.  Annex 4, SD 3.3 - Jiaogulan quality registration contract.
Indicator 1.3  Product trade in line with the trading agreement ongoing and commitment to continue and/or further strengthen trading relationship maintained for target MAP species by the end of project year 3	No trade in line with the trading agreements in the project start	In year 2, 200 kg of dried Jiaogulan ingredients was purchased by DK Natura, the total transaction between the two parties was about VND17,200,000 (appr.£605). DK Natura/DK Pharma manufactured final products: Jiaogulan tea bags and Jiaogulan loose leaf made 100% from the Xuan Lac commune cooperative. Project supported quality registration, as requested by Ministry of Health, to enable legal trade in products nationally from March 2017.	Annex 4, SD 3.3 - Jiaogulan quality registration contract in year 2.
Output 2:	Sustainable use strategies and management plans (species and area) designed and operational for target MAP species harvested at the project site		

Indicator 2.1  Management plans for the target species and areas developed through a government-led multistakeholder consultation process by the end of year 2	A piloted management plan for Alpinia and Amomum species has been set up and endorsed by NXL SHCA under the CEPF funded project but no implementation	An independent consultant group from Hanoi university of pharmacy and Bac Kan FPD developed the draft species and area management plans for the target species and areas, based on the resource inventory conducted in year 1 and year 2.  The management plan will be piloted in the beginning of year 3 and finalized at the end of year 3.	Annex 4, SD 4.1- resource inventory year 2. (executive summary) Annex 4. SD 4.2. Draft of management plan – in Vietnamese only.
Indicator 2.2  1000 local collectors trained in FairWild Standard principles of sustainable wild collection by the end of project year 2	100 people were already trained in KNCF project	<ul> <li>950 individual collections received an initial introduction to FairWild principles during the ABCD training in year one.</li> <li>523 participants (140 women) were trained in FairWild standard principles of sustainable wild-MAP collection, and 353 (115 women) trained in cooperative and group operations by 2017.</li> <li>A training of trainers (TOT) was also delivered to 30 FPD staff and local community members in year 2. In year 3, further training will reach 1000 collectors.</li> </ul>	Annex 4, SD 2.1 - Training report included, training agenda, list of participant, pictures.  Annex 4, SD 2.2 - list of participant of collector training
Indicator 2.3  1000 local collectors use sustainable harvesting practices based on the management plan and associated FairWild principles by the end of project year 3	100 people were already trained in KNCF project	The 523 individual collectors who were trained in FairWild standard principles (Indicator 2.2) and started using FairWild principles on sustainable harvesting and processing in their communities.  In the contract signed between DK Natura and the Xuan Lac cooperative, written commitment of the two parties on applying FairWild principles was stated.  In addition to this, the collectors acknowledged FairWild principles that they are apply. In an interview to the Voice of Viet Nam, Ms. Nong Thi Hue, the Xuan Lac cooperative member shared: 'I didn't know earlier how to harvest sustainably until I was trained by the project on sustainable harvesting such as technique on harvesting that allows next generation. Additionally, I was trained on cutting and dying. Before I just collected what I wanted, even uproot without recognizing this practice harms species. The project training improved a lot my skills and knowledge'.	Annex 4. SD 2.3 Pictures of harvesting, following the FW standard principles Annex 4, SD 3.2 Jiaogulan purchasing contract in Vietnamese only.
Output 3:		r scaling up application of the project model and re environment created in other areas	esults established
Indicator 3.1 VN government ministries (environment, health), representatives from the site, and companies recommend replication and scaling up of Bac Kan MAP model for additional species and sites in Vietnam by the end of year 3 of the project	No interest or knowledge from government end at project start	TRAFFIC signed partnership/collaboration agreements with ATM (MOH) and BCA (MONRE) in year 2, directly engaging two ministries in the project implementation. This directly builds their knowledge/experience of project approach, the sustainable use of wild resources, and the FairWild standard.  The opportunities for the policy interventions and replication were identified. They included: replication of the project approach and model via the OCOP programme; the potential to integrate project findings and FairWild best practices into the ABS and GACP parts of legal and policy frameworks for implementation.	Annex 4, SD 1.2 MOU with ATM; Annex 4, SD 1.3 MOU with BCA in year 2
Indicator 3.2 National level government agencies commit to the development and implementation of a sustainable management strategy for Vietnam's MAP resources by the end of year 3 of the project	No specific mentioning of MAPs or sustainable use in policies to date –	A number of outputs were produced in year 2 of the project to contribute to the delivery against this indicator. The policies and regulations over MAP/NTFP resources management in Viet Nam were reviewed, together with a set of recommendations for improvements. An ABS – FairWild interface study was completed, accompanied by recommendations and gap analyses. Feedback was received at two consultative workshops with participation of policy makers.	Annex 4 SD 5.1 FairWild-ABS interface study reports in year 2. Annex 4 SD 5.2 Policy review reports.

of policy makers.

Comment: These above indicators still hold true and reflect the project progress.

## 3.3 Progress towards the project Outcome

Outcome:	Improved market opportunities and skills in sustainable harvesting practices for wild MAPs increases income of 1000 low-income households in Vietnam by 20%, reduces overexploitation and provides models for replication		
	Baseline	Change by 2017	Source of evidence
Indicator 0.1 By March 2017, 1000 households from the project site participate in project training and other relevant activities and	100 at project start	Out of 950 households who received initial introductions on FairWild Principles in Year 1, 523 individual collectors/households received further in-depth training on FairWild standard principles of sustainable wild-MAP collection and 353 participated in the cooperative/group operations training session in Year 2.  Also In Year 2, 41 local collectors from four districts which were identified in Year 1 participated in the meetings with DK Pharma & DK Natura and Vherb in which	SD 2.2 List of participants of collector training SD 3.1 Meeting with

demonstrate knowledge of sustainable harvest practices, increasing from 100 at project start		they discussed available species that can be traded. FPD staff also joined the meetings.  25 participants (6 FPD staff and 19 collectors) participated in a knowledge exchange visit to Lao Cai province where Bac Kan participants learned from Sapa Napro and shared information on sustainable harvest practices.  In Year 1 and 2 effort was focused on generating a strong basis from which in year 3 further households could be reached achieving at least 1000 households in the project areas. In Viet Nam peer relationships are an important tool for local groups and cooperatives to follow suit and join the project.	company minutes/rep orts SD 6.1 Exchange visit report
Indicator 0.2 By March 2017, market intelligence provided and MAP value-addition mechanisms in place and accessed by 1000 local collectors.	No market intelligence provided and MAP value-addition mechanisms in place	In year 1, during the training sessions on fair pricing and benefit sharing mechanisms, as well as the operation and management of cooperatives, 52 trainees, including local collectors, DK Pharma/DK Natura companies and authorities made a first step towards an agreement by identifying the barriers to prevent fair pricing for harvesters and the companies. The benefit sharing mechanism was agreed upon between members of the cooperatives and groups (16 cooperatives/groups in year 1 and 16 cooperatives/groups in year 2) and was written in the cooperative operational agreement in year 2. DK Natura committed to purchase Jiaogulan from cooperative/groups for 3 years (starting from 2017 to 2020) in March 2017 (Year 2), following FairWild principles of sustainable harvesting and fair trade, which is elaborated in the contract with the cooperative.	Annex 4, SD 3.2 Jiaogulan purchasing contract in year 2.
		353 collectors (including 115 women) participated in the cooperative/group operations training session in year 2.	
		In year 1, project set up priority processing equipment, in year 2 additional equipment was installed, and gloves, boots and protective cloths provided.	
		250 households accessed the market information and equipment/harvesting tools to add value to their products in year 2.	
Indicator 0.3 By March 2018, the	(baselines set in Year 1 through	Baseline income of MAP collection established in year one was 3-5 million VND per household per year.	Annex 4, SD 10.1–
income derived from sustainable wild collection of selected MAP species increases by 20% for 1000 local collectors' households	household baseline surveys; progress measured mid- way and in the end of project)	In year 2, the project impacts on collectors were measured qualitatively as part of the mid-term review. According to it, the project has inspired local collectors in generating economic value for their community and increased their confidences. Mr. Nong Van Huong – Head of cooperative in Xuan Lac said: 'I have never dared to focus my career on processing and trading MAPs until I participated in the project, I recognize my capability to do so. I even become more confident after the exchange learning visit to Sapa Napro in Lao Cai province. I challenged myself that the owner of Sapa Napro is also an ethnic of Dao but he could be able to establish a pharmaceutical company and contribute a lot to his community's economic growth, why I should not do something similar. I now strongly believe that, I, together with other collectors of the cooperative, can strengthen our cooperative and make it become successful'. He also added: 'Since we joined and worked with the cooperative, our income from wild collection has doubled.'	Mid-term review (in VN) SD 3.2 Jiaogulan purchasing contract in year 2.
		The project team has however also observed in year 2 that a number of collecting target households have expressed that they are identifying and moving into different employment opportunities from MAPs harvesting (which may influence the project outcome-level goal). This is being monitored in terms of the impact on the income and well-being of people as well as the impact on plant resources. This and other factors outside of project control, could mean that the project will not be able to achieve 100% of the target. To reduce the risk of this, project team will focus on the most critical opportunities to contribute to the impact and a plan is being set out for year 3 to adapt to the existing situation.	
		Additional metric to also measure purchased MAPs from cooperatives and groups maybe a useful additional indicator of impact of sustainable trade, as household income increases are hard to measure on an annual basis. For example, in year 2, 200 kg of dried Jiaogulan ingredients were purchased by DK Natura from the cooperative (covering seven households) with the total transaction between the two parties was +/-VND17,200,000 (+/-605GPB).	
		Beyond this, a three-year contract (2017-2020) on Jiaogulan trade was signed by two cooperatives and DK Pharma, and further companies are being involved.	
Indicator 0.4 By March 2018, target	Management plan for <i>Alpinia</i>	Resources assessment and market assessment completed in Year 1 provided the data for the management plan drafted in Year 2 and will be piloted in year 3.	Annex 4
MAP species monitoring based on developed species and area management plan show reduced overexploitation	and Amomum species was endorsed by NXL SHCA under the CEPF funded project	An expert consultant group from Hanoi university of pharmacy and Bac Kan FPD were engaged in developing the species and area management plans for the target species and areas, based on the resource inventory conducted in year 1 and year 2.  The project team and partners are plan to develop the monitoring system, as	SD 4.2. Draft of managemen t plan – in Vietnamese only
STOTOXPIORATION	but no implementation	recommended by the management plan for the implementation from Year 3.  ors are still measurable for the project outcomes. Comment above i	,

**Comment:** The outcome indicators are still measurable for the project outcomes. Comment above is made about the Indicator 0.3 delivery, and further communication with the Darwin Initiative will follow.

#### 3.4 Monitoring of assumptions

No suggestion to the modification of Outcome and Output assumptions is made. Please refer to Section 25 of the Application form for the approved list of assumptions.

**Outcome/Output Assumption 1** This assumption holds true, and activities involve a wider range of species and buyers continues. The number of wild collected MAP in Bac Kan is less in 2016 (12 species) than in 2013 (18 species), but flexibility with species selection remains in place and is required. Additional companies were engaged as buyers, aiming to secure stable demand for the cooperatives and groups.

**Outcome Assumption 2/Output Assumption 4:** This assumption is still valid, and the approach of an inter-community fund that shares % of revenue to non-involved/non-harvesting members of the community will be pursued to reduce occasions of potential conflict and competition. In addition to Xuan Lac cooperative, another one in Na Ri district established during year 2, started trading with DK Natura.

**Outcome/Output Assumption 3:** The options for alternative project sites continue being explored. According to the experience of the project team in implementing the project, Lao Cai and Da Nang provinces are potential locations for the project activities. Furthermore, GreenViet – a local NGO in Da Nang, and companies (Vherb and Solavina) are also willing to collaborate in securing further opportunities.

Outcome Assumption 4/ Output Assumption 5: see assumption 3 above.

**Outcome Assumption 5/ Output Assumption 6:** Bac Kan Provincial People's Committee granted permission for the project implementation in December 2015 and there are all indications that no trade ban is planned and overall support will be provided to sustainable use approaches by national agencies.

**Output Assumption 2:** This remains an important assumption, and local government agency (BK FPD) is involved in direct project implementation, which ensures their engagement and support to the activities.

**Output Assumption 7**: Vietnamese translations were distributed to government and other stakeholders to build an understanding of the Standard and the benefits from its implementation. It has been included in reviews against existing policy mechanisms, and no concerns about it were expressed to date.

# 3.5 Impact: achievement of positive impact on biodiversity and poverty alleviation

A total of 950 households were introduced to the project in Y1, 523 participants (140 women) were trained in FairWild sustainable harvesting practices, and 353 participants (115 women), in the cooperative and group operations. Active participation of women collectors was encouraged and efforts taken to support their empowerment. 93% of local groups are of Tay and Dao ethnic origin. Principles of cost calculation, fair price, sustainable harvesting, and cooperative and group operations were provided during the training. The abovementioned activities contribute to sustainable wild-MAP sourcing, which in turn leads to securing the income of forest-dependent people. In year 2, the evidence exist of increasing the volume of sustainable Jiaogulan harvesting and trade in Xuan Lac and Ban Thi communes, with the increase of income of the cooperative. "Since we joined and worked with the cooperative, our income from wild collection has doubled," Mr Huong, head of Xuan Lac cooperative shared.

Project activities are on track to provide local collectors with the skills and expertise to secure a stable source of income from sustainable MAPs collection. A more secure and direct channel to access the market would also mean a stable price for high-quality products. These tools and approaches will be made available and disseminated to further increase project outreach and contribute to the declared impact.

BK FPD engaged in developing the management plan for target species and areas with stakeholders. This management plan can be used in the long term as an example for provincial leaders and national decision-makers to improve resource management plans in Viet Nam and improve income for local collectors.

Beyond Bac Kan, partners engaged at the provincial and national levels advocating to design and implement a provincial MAPs product development plan or OCOP. Government departments such as MARD, BK Provincial People's Committee, BCA, TMA, have shown interest in the issue of overharvesting and unsustainable MAPs trade at the national level. MOH looked into combining the FairWild Standard with GACP strategy to operationalise the implementation of good harvesting practices.

#### 4. Contribution to the Global Goals for Sustainable Development (SDGs)

Detailed draft mapping of project in support to the delivery of SDGs is presented in **Annex 5**. Project contributes to SDG 1. Poverty (1.1, 1.2, 1.4, 1.4), SDG 2. Food (2.4, 2.5), SDG 5. Women (5.5), SDG 8. Economy (8.2, 8.3, 8.5, 8.7, 8.8), SDG 9. Infrastructure (9.3), SDG 10. Inequality (10.1, 10.2), SDG 12. Consumption (12.2, 12.6, 12.7, 12.a), SDG 15. Ecosystems (15.2, 15.4, 15.5, 15.6, 15.6, 15.7, 15.c) and SDG17. Sustainability (17.17). For example, in contribution to **SDG 1**. **Poverty**, in the reporting period, project has engaged 221 local collectors to join cooperatives and groups to practice sustainable harvesting and fair trade, and delivered trainings and materials. Linked to the contribution to **SDG 15**. **Ecosystems**,

the resource assessment was conducted to identify the natural distribution of species in the project sites and the harvesting volumes. The results were used to develop a species management plan to promote sustainable use of target plants and contributes to protecting the ecosystem in the project site. Delivering on **SDG 17. Sustainability**, the project brings together public and private partners, encouraging multistakeholder engagement to reduce the overharvesting of MAP resources based on FairWild principles.

#### 5. Project support to the Conventions, Treaties or Agreements

The project supports Vietnam's delivery of CBD, Nagoya Protocol and CITES commitments, and showcases effective implementation to other Parties, i.e. as GSPC case study, achieving wider impact.

Project partners disseminated the concept of sustainable use of biodiversity and equitable benefit sharing for the MAP resources in project workshops, meetings, trainings and events. Project supports the delivery of Articles 5, 6, 7, 9, 15 and 17 of the Nagoya Protocol by showcasing a practical model of a benefit-sharing mechanism. In Year 2, TRAFFIC supported BCA, VN agency responsible for the Nagoya Protocol implementation, in the review of the interface of current ABS implementation guidelines and FairWild principles. Findings from this activity contribute to the adjustment of the ABS guidelines for better implementation of the Nagova Protocol. To inform the public and related government agencies of the applicability of the FairWild standard requirements to the implementation of the national regulations implementing the Nagoya Protocol on ABS in Viet Nam, a consultative workshop was co-hosted by BCA and TRAFFIC in March 2017 to present the report recommendations and introduce ABS requirements and FairWild principles and its implementation in Bac Kan province. Opportunities are also explored to provide an input into the update of Viet Nam's NBSAP. The Viet Nam project case study was included in the report on implementation of the CBD's GSPC, and in particular it's Target 12, presented to CBD Parties during the First Meeting of the Subsidiary Body on Implementation in May 2016. The activities directly contributed to all CBD Objectives with a particular focus on sustainable use of biodiversity and equitable benefit sharing. Project contributes to the implementation of the Aichi Targets 4, 14, 16, 18; and Targets of Objective III of GSPC.

In the context of supporting CITES implementation, TRAFFIC's Non-Detriment Findings guidance, piloted in Viet Nam on cycads in 2012, has evidently been in use by CITES authorities in Viet Nam for various taxa. The experience of the project implementation was used in the preparation of the study "The applicability of traceability systems for CITES medicinal plants with a focus on the Greater Mekong countries", presented at the workshop prior to the CITES CoP17, and the workshop on Beyond Enforcement: Engaging Communities in Combating Illegal Wildlife Trade organised in November 2016 in Hanoi, Viet Nam (p. 11 of Communique) and the Hanoi Conference on Illegal Wildlife Trade organised in November 2016 in Viet Nam (as a follow-up on CITES resolutions).

#### 6. Project support to poverty alleviation

The project is intended to have direct and indirect impacts on poverty alleviation for at least 1000 low-income households belonging to MAPs-harvesting communities in Bac Kan province. Project interventions addressing poverty alleviation are linked to income, health, employment, empowerment, food security, and vulnerability of communities. As highlighted in the findings of the project MTR, the project contributed to social impacts at different levels. At the community level, collectors are able to develop their harvest plan in meeting purchase orders of the buyers. Since joining the project and attending meetings, they became more confident, more responsive to social activities, and more aware of resource conservation. Furthermore, relationship and solidarity of local collectors have been strengthened. At company level, there is greater confidence in trading Jiaogulan, as the traceability is assured and collectors were trained in harvesting and processing techniques. The introduction of FairWild principles helped DK Pharma/DK Natura to be more aware of their social responsibility. With local authorities, they communicated more regularly with collectors through project activities. This allowed both parties to understand each other better regarding protection of natural resources. Local authorities now view the model of the cooperative as a model for the socio-economic development.

#### 7. Project support to gender equality issues

Amongst 221 collectors registered as members of 2 cooperatives and 14 groups, more than 50% are female collectors. The project supports greater gender equality in rural communities by increasing benefit flows and empowerment of female collectors. It will also help maintain access to healthcare reducing local depletion of critical medicinal plant species and maintaining supplies of plants used in pharmaceuticals and traditional medicine. The project focuses on empowering vulnerable groups, such as ethnic minority groups (Tay and Dao people). By the project staffs' observation, women have been identified as the main collectors in the project sites, but have hesitated to attend some project events.

In year 2, the number of women participating in the training on sustainable harvesting was 140 (of 523 in total), and on the cooperative and group operations was 115 (of 353 total participants). During two meetings with DK Pharma/DK Natura 22 female participants were present (more than 50% of 41 participants); in the exchange learning visit to Lao Cai province there were 7 women participants (of 23 in

total). Ms. Chu Thi Thap, an active member of the project cooperative in Xuan Lac commune is providing leadership to encourage the other members to participate and engage with the project. The project staff, as a facilitator in such an event, ensures equal representation and input during meetings of male and females in the meetings and the visit.

#### 8. Monitoring and evaluation

The project's M&E framework is based on six-monthly progress reviews using adaptive management. The objective of the project is evaluated by carrying out monitoring activities to assess the level of income derived from MAP collection. Baseline assessment in Year 1 was followed up in Year 2 by the qualitative impact evaluation (described in 3.1) summarized in the mid-term review (SD 10.1). The main results indicated the increased awareness of local collectors on protection of wild resources and impact on incomes. The gaps of turn-over of personnel (FPD, TRAFFIC) were also identified.

The results of the resources inventory were used to develop a species and area management plan, which will be implemented in Year 3 with FPD and local communities taking part in the monitoring of population changes of target species. Resource inventory and management plans are the required components of the FairWild Standard, as well as establishing a system for monitoring the impact of wild-collection on target (and affected) species in the area (please refer to section 3.1 and Annex 1 for the detailed results). It is of particular importance to ensure the rigour of project interventions to reduce over-exploitation of MAP species. The FairWild verification pre-audit (SD8.1) a third-party evaluation of the wild-harvesting operation against principles and criteria which, was conducted in year 2. The results demonstrated key achievements such as the resources inventory, and capacity-building of local collectors, contributing to the ecological and social sustainability of the province. However, there were also major gaps in FairWild implementation, e.g. the lack of collection area maps. The work continues to address the gaps.

Throughout the project, local stakeholders have been encouraged to voice concerns as they arise during the village meetings or directly with project staff. Bac Kan FPD has set up a provincial-level management board to provide a review of technical and financial implementation on the ground. FPD and TRAFFIC met regularly and had weekly phone contact for planning, progress review and risk management. TRAFFIC team in the UK and Viet Nam communicate about project daily and have project Skype calls every month.

#### 9. Lessons learnt

Engagement of companies DK Natura/DK Pharma from the beginning of the project, as buyers in the project, was helpful to collecting communities, to demonstrate that there was local interest to purchase their collected species. Companies were able to manufacture final products, sourced 100% from the project sites, now sold online, and in Thai Nguyen province, Ha Noi, and Nghe An province. By year two 523 collectors were sufficiently trained in sustainable harvesting principles and 16 groups/cooperatives were developed. After a slow uptake in Year 1 by the local community, year 2 focused on generating a sustainable buy-in by collectors and their groups/cooperatives. The training of these 523 collectors was prioritized to build an important opportunity for a larger outreach through peer-to-peer interaction. Such exchanges are an important tool for local groups and cooperatives to follow suit and join the project.

#### 10. Actions taken in response to previous reviews (if applicable)

The comments and queries of Year 1 annual report review were accordingly below.

- 1. It would be useful if the Project timeline (submitted with the Stage 2 Application) could be revisited and updated. (Reporting of Activities in this AR does not tally with the original timeline Section 4.1 below) The project timeline was revised and the revision is enclosed with this report (SD11.01)
- 2. Clarify progress reported against Indicator 1.1 (individual collectors vs 'households): Is cooperative membership required of collectors?

Within project rationale, collectors are encouraged to be joining groups or cooperatives, which has benefits for market price negotiation and improved capacities. However, it is by initiative of the local groups that these collectives are set-up, and the participation of collectors is voluntary. The training sessions and materials disseminated by the project are delivered to all collectors in target area, irrespective of whether they belong to a group. The number of collectors participating in the training/workshops and other activities to enhance expertise, is measured as equal to the number of households.

There are a number of assumptions common to both the Output- and Outcome-levels of the log frame

 which is somewhat irregular. These would merit revisiting / revising.

The project team reviewed the assumptions, and still believe they hold true. An advice from the review committee would be appreciate in terms of the Assumptions that are deemed inappropriate at either level.

4. There is a suggestion in the AR (comments at end of Section 3.3) that Indicator 0.3 has changed – but it is not clear to this Reviewer whether the proposed change is only methodological, or whether the metric itself (20% income increase for 1,000 collectors) is being changed. Please clarify / reassure that whatever methodology is used will be able to measure improvements in household income.

The metric is kept the same. We have proposed and justified the methodological change to assessing the project impact mid-term, however there is still a plan to carry out the quantitative household evaluation of impact at the end of the project.

5. (AR Section 3.3) records that BK-FPD are somewhat reluctant to work with private companies. It would be useful to have a follow-up report on how this situation is resolved.

BK FPD is responsible for the control of species taken out of forest or protected areas, and is intrinsically concerned about species that companies want to buy. DK Pharma/DK Natura has so far purchased Jiaogulan which is not a threatened species, no issues by FPD were raised. Additional companies were introduced to the project as part of the market diversification. They are always required to comply with the existing regulations. FairWild principles were introduced as a basis for sustainable trade of MAPs to reassure the concerns of FPD, which currently welcomes responsible traders.

#### 11. Other comments on progress not covered elsewhere

Year 2 faced a risk of changing government personnel due to the decision of 12th national congress of the communist party. A new national government was formulated in April 2016, which resulted in a change of leadership in BK FPD. However, the project implementers regularly met and communicated with the new director to facilitate his understanding of the project. There was also a change in DK Pharma director, who was replaced by another person. This led to a weakening in the cooperation between the project and the company. TRAFFIC staff had several meetings with Mr On and DK Pharma to find a way of cooperation and project is now focusing more on DK Natura and trying to find other responsible companies.

#### 12. Sustainability and legacy

The project has seen further buy in from stakeholders: from the local collectors coming to village meetings to potential national buyers, and national-level institutions. Stakeholders and project partners have participated in regular meetings throughout Year 2, maintaining interest in and commitment to the project at all levels. The exit strategy at the end of project Year 2 is still valid given one of the project's main intentions is to help all actors work together to maintain sustainable harvesting practices, to strengthen the value trade chain building on long-term trustful commercial relations and benefit-sharing, and to enable better governance of MAP resources. Additional funding requests were developed to ensure that the long-term actions continue. The team identified new opportunities for sustaining the project impact beyond the project end, including through the collaboration with FDP on developing the plan for OCOP; identifying major policy opportunities for influence around ABS, GACP; partnering with other local NGOs for using the Bac Kan experience in other places in Viet Nam and beyond (e.g. through the China exchange visit).

#### 13. Darwin identity

Efforts carried on to ensure the steady stream of publicizing about the Darwin Initiative projects. Project flyers were disseminated at the project workshop, trainings, BioFach 2017, and other meetings. In all publications (press releases, articles, flyers), project video, and during trainings and workshops, the financial support of the Darwin Initiative was acknowledged (see in particular Annex 3, Table 2 for illustration of communication outputs). Darwin Initiative funding was recognized as a distinct project with clear identity. In Year 2, it was the only source of contribution towards the project, and this was clearly communicated. Darwin Initiative is known in Viet Nam, through funding previous and ongoing projects, in particular among the development and conservation organizations community.

#### 14. Project expenditure

Table 1: Project expenditure <u>during the reporting period</u> (1 April 2016 – 31 March 2017)

Project spend (indicative) since last annual report	2016/17 Grant (£)	2016/17 Total Darwin Costs (£)	Variance %	Comments (please explain significant variances)
Staff costs (see below)			1%	
Consultancy costs			3%	
Overhead Costs			5%	
Travel and subsistence			0%	
Operating Costs			-4%	
Capital items (see below)			-10%	
Others (see below)			2%	
TOTAL -4%				See below

Expenditure incurred in foreign currency resulted in some fluctuation from the GBP budgeted amounts. The deficit will be covered by TRAFFIC Core funds.

Annex 1: Report of progress and achievements against Logical Framework for Financial Year 2016-2017

Project summary	Measurable Indicators	Progress and Achievements April 2016 - March 2017	Actions required/planned for next period
dependent, of through sust medicinal ar	velihood benefits for low-income forest- ethnic minority groups in northern Vietnam cainable harvesting and equitable trade in and aromatic plant resources, contributing to vironmental governance.	By the end of year 2, 523 collectors (who participated in year 1) in project areas have benefited from the project activities. Their capacities, knowledge, and skills were built through training, meetings, and learning visit so far. 93% of these participants are Tay and Dao ethnic origin. 140 participants were women.	
		After 2 years of practicing sustainable harvesting techniques on target species, a notable figure of increasing Jiaogulan regeneration in Xuan Lac and Ban Thi commune has been observed – the total volume of Jiaogulan has increased up to 45 tonne, double the figure found in the baseline inventory.	
		Local collectors now have knowledge and experience on sustainable use of their wild resources, they know the wild-MAP sustainable harvesting process better now, which contributes to long-term conservation of natural resources.	
		Having access to market for Jiaogulan materials in Xuan Lac commune is more possible now and this contributed to increasing the income of ethnic minority collectors. "After working in our cooperative, our income from wild collection has doubled," Mr Huong, head of Xuan Lac cooperative shared.	
		Project started contributing towards policy impact through stronger engagement of relevant Ministries into the project implementation process. In this way, government officials are aware of gaps of	

government policies/ regulations. This is a chance for the project to promote a policy reform in the coming year towards sustainable management of wild-MAP in Vietnam.

#### Outcome

**Improved** market opportunities and skills in sustainable harvesting practices for wild MAPs increases income of 1000 lowincome households in Vietnam by 20%, reduces overexploitati on and provides models for replication

- By March 2017, 1000 households from the project site participate in project training and other relevant activities and demonstrate knowledge of sustainable harvest practices, increasing from 100 at project start
- By March 2017, market intelligence provided and MAP value-addition mechanisms in place and accessed by 1000 local collectors.
- By March 2018, the income derived from sustainable wild collection of selected MAP species increases by 20% for 1000 local collectors (baselines set in Year 1 through household baseline surveys; progress measured mid-way and in the end of project)
- 4. By March 2018, target MAP species monitoring based on developed species and area management plan show reduced overexploitation

A number of activities were delivered to ensure that local collectors commit to implementing sustainable harvesting and processing practices:

- 950 collectors' households have been introduced to the project, with 523 of those participating in additional trainings and activities on the sustainable use of wild-MAP resources. 353 collectors participated in the training on the cooperative and group operations.
- 2. 523 wild-MAP collectors in the project site have access to market information on target wild-MAP materials including *Jiaogulan, Cibotium barometz*.
- A contract for purchasing Jiaogulan materials between Xuan Lac cooperative and DK Natura was signed with a threeyear commitment to work together in line with FairWild principles.
- A pocket guide on wild-MAP sustainable collection for collectors was developed as a basis for practicing the FairWild standard and for use as training materials as well
- Meetings between collectors and pharmaceutical companies were held to increase the collectors' market access to national and international markets.
- Seven billboards on FairWild promotion at the community level were developed and established

In the year 3, three main components are planned to be delivered:

COMPONENT 1: CAPACITY BUILIDING LOCAL COMMUNITIES/AUTHORITIES TO SUSTAINABLE HARVESTING AND MANAGEMENT PRACTICES

ACT 1.1 Final household income evaluation survey

Act. 1.2. Engage more responsible traders to support established collectors' organizations in market access.

Act 1.3/2.1/2.2: Provide trainings for local cooperatives/groups both on the aspects of product quality, marketing, as well as sustainable harvesting and monitoring

Act. 1.5. Facilitate DK Natura and collectors/cooperatives to address the gaps identified in the FairWild verification.

Act 1.6. Processing equipment for products valueaddition and providing continuous support for established collectors' organization to get them operated well.

COMPONENT 2: SUPPORTING ALL ACTORS
ALONG THE VALUE TRADE CHAIN TOWARDS
SUSTAINANABLE HARVERSTING AND FAIR TRADE

Act 2.1 Facilitate market access to groups/cooperatives

Act 2.3 Complete area management plan for target MAPs species and monitor and evaluate implementation of the completed management plan.

2.4.3 Provide ongoing support and monitoring of implementation of Bac Kan MAPs product development plan.

- 7. 16 collectors' organizations were established and are operating;
- Additional equipment and harvesting tools were installed just after harvesting season in 2016 and provided to the project cooperatives and groups for use during year 3 harvesting reason (May 2017).
- A draft of management plan was completed and made ready for piloting in year 3.
- 10. A mid-term review was conducted from December 2016 to February 2017 using the most significant change method. The evaluation mostly focused on changing areas that were generated by project interventions measured with qualitative assessment

Connecting all actors along the value trade chains of target species:

- An exchange learning visit was organised for FPD staffs and local collectors to a community and pharmaceutical company – Sapa Napro in Lao Cai province.
- DK Natura signed two contracts on purchasing Jiaogulan for the period of 2017-2020 with the two cooperatives in Xuan Lac commune and Lang San commune.
- 13. Solavina pharmaceutical company verbally agreed to meet with heads of the cooperatives and groups to identify potential trade of species.
- 14. A visit to China was organised for the project team to explore potential market for Bac Kan collectors as well as to exchange experience of MAPs project implementation.

Policy advocacy:

#### **COMPONENT 3: GOVERNMENT ADVOCACY**

- 3.1 Case studies: produce a final report (for publication) which will compile various case-studies to address Activity 3.1; highlight the experiences and lessons learnt.
- 3.2 Peer-to-peer learning (between companies): training companies on FairWild.
- 3.4.4 Provide technical support for MARD, MONRE and MOH in order to better manage wild MAPs resource and promote one appropriate standards/scheme. This will lead to better control sustainable harvesting and trade of MAP.

Closing project workshop

15. TRAFFIC further strengthened partnership
with ATM (MOH) and BCA (MONRE) in
this year, a partnership agreement was
signed with each party, this allows high
and active buy-in at the national level in
the project implementation.

- 16. Gaps between FairWild and national guide of GACP, interface between FairWild and ABS implementation regulation were identified. Possible recommendations were submitted to MOH and MONRE for further actions.
- 17. A plan of MAPs product development was developed to support Bac Kan provincial MAPs development programs. This plan was integrated with One commune – One product model and the project good practices such as FairWild principles on sustainable harvesting and fair trade.

#### Output 1.

The feasibility and benefits (financial, product quality and conservation ) of applying the FairWild Standard to wild MAP harvest clearly demonstrate d in a valuechain approach

- By March 2016, 1000 local collectors' households and buyers have agreed to work together to develop a sustainable supply chain and trading agreements
- Trading agreement between buyers and local collectors based on sustainability criteria and a fair pricing arrangement negotiated and agreed by the end of year 2 of the project
- 3. Product trade in line with the trading agreement ongoing and commitment to continue and/or further strengthen trading relationship maintained for target MAP species by the end of project year 3

Project activities are on track (see the table above in section 3.2)

By March 2017, 16 collectors' organizations were established and starting their operation, 221 local households registered as members of the official organizations. 523 collectors (including 221 registered members) in the project sites were trained on MAP sustainable collection and 353 collectors trained in a separate session on groups/cooperative operation between August and October 2016. After several months of application of trained skills and knowledge, 776 collectors (of which 712 were ethnic minorities) in the project sites met during village meetings to discuss and exchange their experience since they applied what they have learnt. This is a helpful practice to facilitate awareness raising efforts.

A contract between the Xuan Lac cooperative and DK Pharma/DK Natura for trade in Jiaogulan was signed. The contract includes a contractual obligation to pay 5% mark-up on the market price for ingredients.

A Pocket Guide to promote FairWild principles on sustainable harvesting has been developed and will be provided to the collectors and partners before the harvesting season in year 3. This guide provides a basis to drive collectors to the sustainable use of wild-MAP resources. This also guides people in addressing the gaps found during FairWild pre-audit.

Activity 1.1 Assess baseline income generated from MAP collection and increases in income from MAP collection over the project course (mid-term and final)

A mid-term review (MTR) was conducted from December 2016 to February 2017 focussing on changing areas that were generated by project interventions measured with qualitative assessment. The mid-term evaluator was not encouraged to use the quantitative method to measure MAP income of the local collectors because it was not relevant. Since the assessment period is only 1 year from the baseline survey the change in terms of income is not significant.

The assessment was conducted in four project districts with participation of project implementing partners, DK companies' representatives, local authorities, collectors and TRAFFIC staff. The results of the assessment verified the project progress, achievements of the project at the collector level, enterprise and local authority levels against the three outputs set forth in the project document. Specifically, positive impacts at community level were acknowledged — relationships among villagers were strengthened through participation in groups/cooperatives; collectors' confidence in social activities and understanding in MAPs market have been increased; DK Pharma/DK Natura and collectors developed trust relationship for ongoing trading of MAPs. Meanwhile, major gaps were also identified. Reduced interest of DK Pharma/DK Natura in FairWild certification; slow development of trading volumes in Jiaogulan, except for the Xuan Lac cooperative. Such findings will help project stakeholders improve their activities in the remaining project period. (SD 10.1)

Next priorities:

The success and limitations will be shared amongst project stakeholders for further improvement in the coming years. A quantitative assessment will be employed to carry out final project evaluation to measure quantitative indicators of the set project's objectives.

Activity 1.2 Identify, confirm and analyse value chains of target species and any potential challenges to achieving sustainable collection and improving product trade flows and benefits

At the national level, efforts have been taken to link actors together, such as facilitating discussions between DK Natura and DK Pharma and collectors, assisting representatives of collectors' groups/representatives to visit DK Natura's site. These meetings resulted in the signing of a contract between the Xuan Lac cooperative and DK Pharma/DK Natura for trade in Jiaogulan. The contract includes a contractual obligation to pay 5% mark-up on the market price for ingredients. Discussions were also ongoing with potential buyers in the EU and US. A potential medicinal plant species list was shared with stakeholders during a knowledge exchange visit to China by the project staff. The meeting included company partners. This was a good opportunity to link the responsible traders in China to companies or collectors' organizations in Viet Nam and share good practices as well.

An exchange learning visit in December 2016 was organised for 23 participants (of which 7 were female) including FPD staffs at provincial, district, and community levels and representatives of cooperative and groups to visit Sapa Napro – a community company in Lao Cai province (SD 6.1). Feedback from Bac Kan participants were that some of them already made networks with the owner of Sapa Napro to create possible trade of local herbs; others had great impression with Sapa Napro accomplishment and had some planning. Bao Chau head of cooperative, for example, shared that he would mobilise more active members, design flyers of the cooperative's products and become more pro-active in approaching MAPs buyers. The visit also facilitated understanding of BK FPD and local collectors on a benefit and sharing scheme that Sapa Napro is operating with the local communities which was unfamiliar to BK participants until they witnessed it on the trip.

At international level, conversations with several companies are ongoing, both in herbal teas and cosmetics sectors. One of the limitations of the international trade in Jiaogulan for food purposes appeared to be regulatory (ingredient registration issues). To address this, the project team developed a list of species available from the project site, which extends beyond Jiaogulan. This list was distributed at the BioFach 2017, In-Cosmetics trade fair and other events (SD 3.4) Next priorities: In year 3, a plan for engaging more responsible traders with other collectors' groups should be developed and implemented to secure sustainability of operation of the established collectors' organization and ensure that MAP resources are collected in a sustainable manner. Activity 1.3 Design and implement training programme for The training of trainers' materials on sustainable harvesting methods and monitoring of species in response at least 1000 collectors on improving product quality, to harvest were developed and delivered to 12 Bac Kan FPD staff and 18 community representatives (4 of marketing and other entrepreneurial skills, including fair them women) in August 2016. The trainers have since been delivering training sessions to the collectors cost calculation and negotiation skills, and associated (Activity 2.2). Two sessions were held: one with the focus on sustainable collection (523 participants, 140 women), and one on the cooperative and group operations (353 participants, 115 of which women). Active access and benefit sharing mechanisms. participation of women collectors was encouraged and further efforts will be taken to support their empowerment. The Pocket Guide to promote FairWild principles on sustainable harvesting was developed and printed in March 2017 (Activity 2.2) targeting collectors and covering issues of sustainable harvest, processing, and storage, of MAPs. The guide was illustrated with pictures/symbols/graphics and fewer texts so that it can reach the target audience easier, especially ethnic minorities. (SD 7.1) The draft of management plan was complete in the reporting period (Activity 2.3). The species inventory was finished based on the most recent surveys. The sustainable harvesting manual, together with the establishment of sustainable collection quotas and the identification of collection areas for target species were completed. External experts and the project team have been drafting the species and area management plan, in parallel with the province-level MAPs policy review and field studies. The draft of the species and area management plan will be piloted and finalised in year 3. In year 2, members of cooperative and collectors' groups were provided with personal harvesting tools such as cloth gloves, rubber boots. 1 dryer and 1 drying station were supplied to Na Ri and Ba Be districts to facilitate the drying process and practice the drying processes before the next harvest season. Next priorities: A training need assessment should be done before providing additional trainings for both collector and relevant stakeholders to ensure that the gap of capacity of project stakeholders is fully addressed. Training program should also be develop based on relevant mid-term review's recommendations. Activity 1.4. Facilitate the establishment of local collectors' After four steps of establishing collectors' organization, two cooperatives and 15 harvesting groups were organization (e.g. a cooperative, social enterprise or established with endorsement by local authorities and operation regulations in place, 221 members of the association) organizations are working together. In the reporting period, 16 organisations continued the operations and developed their structure set-up. Issues of non-discrimination against gender, ethnicity, and economic

	status were considered in forming the collectors' organisations. All group members were trained in FairWild principles of sustainable harvesting, processing and trading.
	Next priorities:
	Supporting the 16 newly established cooperatives/groups to work effectively and efficiently via providing both technical and financial support. By Year 3, they are expected to be active and confident enough to improve the sustainably-sourced wild-collected MAP products/ingredients and access the market and market information/price. Besides, they are confident to negotiate the fair price to responsible buyers.
Activity 1.5. Support application of sustainability certification schemes (e.g. FairWild, organic wild, CITES non-detriment finding and/or similar as appropriate)	A pre-audit of FairWild and the EU Organic application for Jiaogulan products in Bac Kan province was carried out by an international auditor (Activity 1.5). The verification identified strengths and weaknesses of FairWild/Organic application at collector, processor, and trader levels. Some key achievements were observed, such as sound implementation of management plan and resources inventory; capacity building local collectors on wild-sourced sustainability, which contributed to ecological and social sustainability of the province. The gaps between current practices and the standard were revealed (SD 8.1) such as unavailability of collection area maps; DK Pharma has not strictly applied social aspects of employment. Practical recommendations for further improvement were circulated among relevant stakeholders at all levels. Several discussions dealing with the gaps between TRAFFIC staff and collector organization/ DK companies have been taken place, some critical recommendations from the pre-audit report were taken into consideration when developing the contract of product quality registration between TRAFFIC and DK Natura.
	Seven billboards on FairWild promotion at the community level were developed and established (SD 9.1) that help promote the basic principles of sustainable collection at the collector level. Through this way, local people are aware of their MAP resources, sustainable collection measures and benefits of applying the principles.
	Next priorities:
	TRAFFIC will continue to work with DK Natura and collectors to address the issues detected during the audit while maintaining FairWild principles on sustainability and fair trade.
Activity 1.6. Increase access to national and international markets for local collectors via facilitating relationships with selected manufacturers	Meetings between DK Pharma/DK Natura and local collectors were organized in the project sites of Xuan Lac and Ban Thi communes and another meeting in Thai Nguyen province where DK Natura is located. In August 2016, 8 representatives from DK Pharma and DK Natura traveled to Xuan Lac and Ban Thi communes to meet 17 representatives (of which 10 were female) of the cooperative and groups. In September 2016, a visit to DK Natura in Thai Nguyen was organized for 24 group/cooperative representatives (of which 12 were female). This meeting was also joined by another pharmaceutical company – Vherb to diversify market demands for the target species (SD 3.1). This created a platform for sharing information/knowledge/experience on market access and opportunities to interact with potential buyers, linkages between collectors and buyers. In addition, DK Natura explained to local collectors a full process of Jiaogulan production in the company site and also shared with them their price analysis/calculation on which they based the offer purchasing price to the project collectors. In each meeting, the project officer facilitated to ensure that principles of FairWild on fair trade and prices were taken into negotiation. The outcome of these meetings was the signing of a contract between the Xuan Lac

cooperative and DK Pharma/DK Natura for trade in Jiaogulan. The contract includes a contractual obligation to pay 5% mark-up on the market price for ingredients. A three-year commitment from DK Natura was made regarding buying Jiaogulan materials from Xuan Lac cooperative in line with FairWild principles (SD 3.2). New commercial and pharmaceutical partners, Vherb, Solavina and BioTrade Implementation Group Vietnam were also introduced to the project to promote market access of other target MAP materials.

At the international level, the project staff in Viet Nam office paid a visit to TRAFFIC project sites located in China to exchange and share experience of implementing MAPs projects. Lessons learned from market access and linking with responsible buyers were shared between Vietnam team and China team (SD 6.2). Different approaches to promote FairWild certification scheme or engage pharmaceutical companies were introduced by the China's team such as building local human resources on auditing (instead of having international auditor); engaging leading pharmaceutical companies who have strong influence others in the industry to facilitate the process of increasing market opportunities for local collectors. Such experience will support the project implementation. After the visit, the list of potential market species in the Bac Kan province was introduced to the relevant stakeholders, including Wecome company – a partner project in China, creating possible linkages between the two projects in general and between collectors and overseas traders in particular.

At international level in EU, US, conversations with several companies are ongoing, both in herbal teas and cosmetics sectors. One of the limitations of the international trade in Jiaogulan for food purposes appeared to be regulatory (ingredient registration issues). To address this, the project team developed a list of species available from the project site, which extends beyond Jiaogulan. This list was distributed at the BioFach 2017, In-Cosmetics trade fair and other events (SD 3.4)

#### Next priorities:

- Strengthen commitment of purchase project collected species by additional pharmaceutical companies (such as Solavina or Vherb). Outsource relevant project activities for DK Natura for further engagement and supporting the market access.
- Enhance capacity of 16 cooperatives/groups on negotiation skills with buyers and potentially international companies
- Facilitate 16 cooperatives/groups' sale and marketing their own sustainably-sourced wild collected products/ingredients, which may encourage development of a stable marketing strategy for their sustainable products.

# Output 2. Sustainable use strategies and management plans (species and area) designed

- Management plans for the target species and areas developed through a government-led multi-stakeholder consultation process by the end of year 2
- 2. 1000 local collectors trained in FairWild Standard principles of sustainable wild collection by the end of project year 2
- 1. In year 2, a management plan was drafted by an independent consultant group from Hanoi University of Pharmacy based on results of resource assessments made by HUP in year 1, IEBR in year 2, and additional surveys. This draft plan will be piloted in the field in year 3 to see how feasible it is. This will also allow the project to identify shortcoming points to finalize the plan accordance with the Bac Kan condition.
- 2. An additional training program on FairWild based sustainable collection was delivered, 523 collectors participated in the trainings and they have applied principles of sustainable harvesting from the training. Due to budget restrictions, the additional 500 collectors will be trained in beginning of Year 3 associated with the success of some of the collector groups and harvesting seasons.

and operational for target MAP species harvested at the project site	3. 1000 local collectors use sustainable harvesting practices based on the management plan and associated FairWild principles by the end of project year 3	3. Participatory approach will be used in the pilot of the management plan in year 3. Local collectors (as well as FPD staffs) will be engaged to implement and monitor the process.
Activity 2.1. Raise awareness of economic and biodiversity benefits of sustainable harvesting among identified beneficiaries including collectors, manufacturers, traders and local authorities through project consultation processes, including individual and multi-stakeholder meetings		A training of trainers on MAP sustainable harvesting and group/cooperative operation for rangers, representatives of collectors, communal people was organised in August 2016. 32 trainings on the same themes were delivered to cooperative members and non-members in four project sites by the trained trainers (see details in section 1.3). These trainings raised awareness of beneficiaries including, local collectors, resources management, local authorities and pharmaceutical companies in sustainable use of their MAP resources.
		Raising awareness in the local community through communication billboards. 7 billboards were established by FPD in project communes. These signs provide the message of the benefits of complying with FairWild principles in using MAP resources. (SD 9.1)
		A communication plan for the project year 2 was developed and implemented accordingly, which outlined important tasks to keep target audiences updated about project activities. It also helped to raise awareness of relevant stakeholders on the sustainable use of wild-MAP resources and FairWild principals as well. The updates were available on local newspapers, internet and social networks. (Please refer to publications in table 2)
		During the meetings between pharmaceutical companies with collectors, the companies were informed of practices on fair trade as well as responsibility to communities
		Next priorities:
		Train local collectors on sustainable harvesting and promote the theme in different events of the project
direct training a least 1000 colle and key FPD s	velop training materials and implement and 'train the trainers' programmes for at ectors' households in Bac Kan province taff, with a focus on sustainable harvesting nonitoring of target species populations in rvest.	The training of trainers' materials on sustainable harvesting methods and monitoring of species in response to harvest were developed and delivered to 12 Bac Kan FPD staff and 18 community representatives (4 of them women) in August 2016. The trainers have since been delivering training sessions to the collectors (linked to Activity 1.3). Two sessions were held: one with the focus on sustainable collection (523 participants, 140 women), and one on the cooperative and group operations (353 participants, 115 of which women). Active participation of women collectors was encouraged and further efforts will be taken to support their empowerment.
		A pocket guide of MAP sustainable collection was developed (SD7.1)
		Distributing the guide to local collectors and promoting its use are important to outreach the target of sustainable use of wild-MAP resources, which contributes to increase income of forest-dependent collectors.
		This guide will also be used in the next training program.

Activity 2.3. Carry out resource inventory, develop and support the endorsement and implementation of a species and area management plan for target MAP species	Resource inventory has been carried out in the four project districts focused on <i>Jiaogulan and Cibotium barometz</i> species (Activity 2.3) (SD 4.1). The inventory showed species' distribution in the project areas, potential volume of each species, identified sustainable quotas and mapping harvest areas.
	A group of consultants from Ha Noi University of Pharmacy developed and completed the draft of management plan from which outcomes of the resources inventory were used and helpful.
	Next priorities:
	<ul> <li>Project impacts monitoring should be conducted in Year 3 to measure the impact of project interventions. Participatory approach will be employed - local collectors and resource management staffs will be engaged in this process to practice the assessment so that they can implement when project ends.</li> </ul>
	- Pilot the species management plan in the project fields and finalize it.
Activity 2.4. Develop province-level sustainable MAPs use strategy and communicate it to all stakeholders through project activities and Vietnam's BioTrade network	After several consultations with BK FPD, due to different MAPs program newly developed by BK provincial committee, and considering the effectiveness of the project support to BK province, this activity has been replaced by MAPs product development plan. The former director of the national Institute of Traditional Materials, as a consultant, developed the plan with BIG (BioTrade Implementation Group), BK FPD, and TRAFFIC's involvement. TRAFFIC conducted several meetings with relevant provincial departments such as Department of Agriculture and Rural Development, the provincial One Commune One Product program (OCOP) management board, Provincial People Committee to discuss the objective and outlines of the plan in which good practices and lessons learned of the project will be integrated. The plan was presented in a consultative workshop organized in BK province to get inputs and comments for further improvement. The plan provided background and evidence for which BK should follow – 4 species with full descriptions of traditional treatment purposes and economic values were proposed. Criteria for an OCOP-certified product were set up, including FairWild principles on sustainability. Relevant stakeholders such as ATM and BCA and provincial departments participated in the workshop. BK FPD and relevant provincial representative appreciated the plan and found it feasible. The plan will be integrated into the OCOP program in 2017 of BK province. This ensures that the project approach and lessons learned will be used by the province to expand the impact of sustainable use of MAP resources throughout the province.
	- Facilitate integration of the plan into OCOP program of BK province.
	- Monitoring the implementation of the plan.
Output 3. A 1. VN government ministries mechanism (environment, health),	Project activities are on track (see the table above in section 3.2)
for scaling up application of the project model and results established and an (environment, fleatin), representatives from the site, and companies recommend replication and scaling up of Bac Kan MAP model for additional species and sites in Vietnam by the end of year 3 of the project and an	In year 2, TRAFFIC further expanded partnership with ATM (MOH) and BCA (MONRE), a partnership agreement was signed by each party allowing active involvement at the national level in the project implementation. Various activities were taken such as policy review, FairWild, and GACP workshop, and ABS and FairWild studies. Three consultative workshops organized with participation of various stakeholders including MARD, MOH, MONRE representatives, traditional practitioners, and pharmaceutical companies. Gaps in current MAP policies/ regulations were identified and recommendations were provided. A FairWild and ABS study was conducted and recommended including

enabling
environment
created in
other areas

 National level government agencies commit to the development and implementation of a sustainable management strategy for Vietnam's MAP resources by the end of year 3 of the project FairWild Principles into ABS implementation guidelines. Some of these recommendations can also be applied to the implementation of ABS. (SD 1.2 and SD 1.3)

Activity 3.1. Share project results showcasing successes, challenges and lessons learned with specific regard to:

- A. Negotiating multi-stakeholder (government, local community, business) arrangements and agreements for sustainable resource management and trade in wild-harvested products;
- B. The potential and challenges of achieving sustainable management of NTFP trade to increase incomes in protected area buffer zones;
- C. Practical approaches to achieve equitable access and benefit sharing for trade to local and international markets
- D. Compliance with CITES requirements for international trade in CITES-listed species
- E. Operationalizing third party certification systems for wildharvested products destined for local and international

Activity 3.2. Promote the FairWild Standard through peerto-peer learning mechanisms and links to existing Vietnamese organic wild-collection enterprises and communities. Project results were shared via a contribution to the delivery of the CBD's Global Strategy for Plant Conservation (in the Report submitted to the 1st meeting of the Subsidiary Body on Implementation, May 2016), and in the preparation of the study "The applicability of traceability systems for CITES medicinal plants with a focus on the Greater Mekong countries". The project mid-term successes were also presented at several events (e.g. Better Deals for Nature and People: Collaborations for Responsible Sourcing of Wild Plant Ingredients) during the IUCN World Conservation Congress (Activity 3.5). Project staff has engaged with the BioTrade stakeholder forums in Viet Nam and provided the technical inputs drawing on the experience of FairWild implementation (Activities 3.2 and 3.3.). A new partnership with the BioTrade Implementation Group (BIG) was established to further support the delivery of Activity 3.3. Main findings of the analysis were circulated among project partners and government people to showcase the gaps of current MAP policies/regulations for further improvement.

#### Next steps:

- Identify priority opportunities for sharing the project lessons and outcomes along the various thematic priorities as identified in the logframe

In the forum and workshops co-hosted by ATM, approximately 20 pharmaceutical companies participated. In the workshop co-hosted by BAC, approximately 5 pharmaceutical companies attended. With these 3 events, FairWild principles were presented and explained its requirements of fair trade and social aspects, which was then linked and illustrated by the project activities in Bac Kan provinces and partnership with ATM or BCA regarding policy advocacy. FairWild booklets were also distributed to them. In the meeting between collectors and pharmaceutical companies in which Vherb was engaged, the representatives of this companies were also introduced about FairWild and they become interested, they asked the project team to send them soft version so that they could circulate to wider ranges of their colleagues and partners. Additionally, in the meeting with pharmaceutical companies preparing for FairWild-GACP workshop, participants, including Nam Duoc pharmaceutical company (http://namduoc.vn/) - a key company in the industry - were introduced about FairWild. With the facilitation of the project team, they analysed FairWild principles and proposed the extent to which FairWild can supplement GACP. Nam Duoc became interested in this issue, in the FairWild-GACP workshop co-hosted by ATM, they presented their proposal on integrating FairWild principles to government policy of MAPs management in general and in the Circular on GACP (which is in amendment) in particular, including traceability because they argued, if traceability is not seriously controlled, it harms responsible enterprise such his organization, it devalues or equalizes products from prestige companies with uncontrolled products in market. If FairWild is applied, it will help address this matter.

In addition to this, in the exchange visit to Sapa Napro in Lao Cai province, FairWild and its interventions in Bac Kan province was introduced to the director and his colleagues. FairWild booklets were also shared with them.

#### Next priorities:

- Build capacity of pharmaceutical companies on CSR/FairWild requirement of fair trade and social requirement
- Participate in relevant conferences to promote FairWild

Activity 3.3. Input into the existing BioTrade Vietnam multi-stakeholder forum on private sector leadership for sustainability of sourcing and production in Vietnam

In June 2016, project staff engaged with the BioTrade stakeholder forums on the identification of barriers to the trade of biodiversity based and BioTrade products from Viet Nam and in a workshop entitled, Addressing the Intersection Between the Nagoya Protocol, Access and benefit sharing rules and BioTrade in Viet Nam. The project team provided the technical inputs to these forums, drawing on the experience of FairWild implementation.

In the workshop with ATM, the project Coordinator from Helvitas participated and contributed her valuable inputs. She argued the analysis of FairWild by TRAFFIC from lens of policy demonstrated the benefits to manufacturers and communities, this point should be taken by the government of Viet Nam, ATM specifically and proceed moving toward in this regard. This event also allowed the Coordinator to have an opportunity to discuss and urge ATM take further action on a proposal of amending the Circular directing GACP application.

#### Next priorities:

- Strengthen sound partnership with relevant organisations such as BIG and Helvitas to promote FairWild

Activity 3.4. Advocate for the wider policy impact on the national level in Vietnam on creating the enabling environment for sustainable MAPs harvesting and equitable trade in resources and intra-ministerial cooperation on the issue

A new partnership with the BioTrade Implementation Group (BIG) was established to support the delivery of Activity 3.3. To date, BIG supported the gap analysis of policies/laws that cover harvesting and trade of forest resources (including MAPs), using the Timber Legality Framework and the FairWild Standard as frameworks. The findings highlighted that Viet Nam's existing legal framework is incomprehensive on sustainable collection directions for specific groups of species, including maps of identified collection areas, post-harvesting monitoring and evaluation. In addition to this, a mechanism for ownership or benefit sharing for local collectors is not available. The findings were disseminated at relevant forums and workshops. Many attendees, , including, at one event, Mr. Pham Vu Khanh – director of ATM and his colleagues, expressed their interests in the results, particularly through the lens of legality framework on MAPs as non-timber forest products (NTFPs). They found it comprehensive and holistic and were interested in the follow-up of the review. Some of helpful policy recommendations were that MAPs traceability should be seriously addressed, for example, there should be central/national distributors at different levels (province, district, commune) where all buyers of respective levels have to purchase from this source; roles and responsibilities on MAPs management should be 'revisited', e.g: FPD has control over collection practices but has no expertise to specify between plants as medicinal or agricultural products.

TRAFFIC has strengthened its partnership with the Administration of Traditional Medicine (ATM) to promote sustainable harvesting with the government and other local organisations. A collaboration contract between TRAFFIC and ATM was signed in October 2016 to engage ATM in the project implementation. A

forum for traditional medicine practitioners on sustainable wild collection was co-organised by TRAFFIC and ATM in December 2016 (SD 1.2). Different presentations were introduced by TRAFFIC and its stakeholders (BioTrade Implementation Group Viet Nam – BIG) on MAPs policy review, DK Pharma on partnership with TRAFFIC, and Bac Kan FPD on MAPs sustainable issues. Dialogues/talks were linked to the forum theme of sustainability and frequent discussion focused on exporting of MAPs to China and importing of used/extracted MAPs materials to Viet Nam, for which, many participants agreed, sustainability would entail strong collaboration between relevant actors (MOH and MARD, TM Associations/hospitals and TM practitioners). In this regard, they referred to TRAFFIC's model and encouraged the replication that could allow TM hospitals or TM traders to have access to traceable and quality MAPs materials/products.

In March 2017, a workshop integrating of FairWild and Good Agriculture and Collection Practices (GACP) was co-held by ATM and TRAFFIC. The main output of the workshop was a plan of action to integrate FairWild standards into GACP developed for wider policy impact in the industry. The action plan indicated the existing incomprehensiveness of GACP, specifically exclusion of wild collection, social and fair trade requirements, and management and business requirements and demonstrated how FairWild principles could fill in the gap.

Discussion on TRAFFIC's proposal of the integration highlighted that FairWild is beneficial to Vietnamese communities and TRAFFIC should maintain its efforts in this regard. There were several points of confusion from participants of the integration given that GACP is locally endorsed while FairWild is about international certification scheme. Project staff differentiated the value changes of FairWild as a certification and how it strengthens policy and noted that while the FairWild certification seems challenging in Viet Nam, FairWild as a guiding principle would be the priority. The proposal for integration was agreed on by all workshop participants, including ATM. TRAFFIC will continue with implementation of the plan.

In year 2, TRAFFIC also strengthened partnerships with another government agency – Biodiversity Conservation Agency (BCA) under MONRE. A memorandum of understanding (MOU) for the period of 2016-2018 was signed in February 2017 (SD 1.3) in which BCA collaborated with TRAFFIC to implement ABS-related activities aligned with the implementation of Nagoya protocol in Viet Nam. Specifically a study on the interface of ABS and FairWild principles was carried out (SD 5.1). The main findings of the study stated common rules of ABS with 8 FairWild principles: principle 1 (maintaining wild plant resources); 2 (preventing negative environmental impacts); 3 (complying with laws, regulations and agreements); 4 (respecting customary rights and benefit sharing); 5 (promoting fair contractual relationships between operations and collectors); 7 (ensuring benefits for collectors and their communities); 9 (applying responsible management practices); and 10 (applying responsible business practices).

These 8 FairWild principles were analysed, demonstrated the linkages with ABS rules, and showcased to what extent they could contribute to ABS implementation in Viet Nam. FairWild principle 9, for example, is helpful to the ABS regulations on monitoring, reporting on access of genetic resource; transparency of genetic resources use permit granting/withdrawal. To inform the public and related government agencies of the application of the FairWild standard to the implementation of Nagoya on ABS in Viet Nam, a consultative workshop was co-hosted by BCA and TRAFFIC in March 2017 (SD 9.4) to present the report recommendations and introduce ABS rules and FairWild principles and its implementation in Bac Kan province.

The outcome of the consultations was that participants agreed to apply the FairWild standard to ABS implementation because legal frameworks in Viet Nam should take into consideration available and updated frameworks, particularly ethical and social aspects often neglected in Viet Nam, that enable policymakers to introduce comprehensive regulations beneficial to Vietnamese communities. Additionally, traceability has been an issue in Viet Nam as reported by Nam Duoc pharmaceutical company. Mr. Tap, former director of National Institute of Medicinal Materials argued that if traceability was made a central part of the Vietnamese government's attention, the application of FairWild strongly contributed to this process. Some participants suggested having a specific guidance on FairWild/ABS implementation and policy levels (Decree or Circular etc.) in which FairWild principles are included.

In addition to the workshop, a peer-reviewed panel was organized to review the report (SD 5.1). Major comments from the experts include: the report provided sufficient and convincing arguments and evidence for the proposal of integrating FairWild into ABS; it should include a proposal for FairWild application in legislations that direct ABS implementation; it should also propose stronger actions from the government of Viet Nam on wild MAPs management, particularly for endangered species as this also links to conservation where FairWild can contribute.

#### Next priorities:

- Disseminate findings of MAPs policy review at relevant workshops/ events for wider policy impact and advocate for policy changes as recommended in the review, such as a legal framework on ABS allowing benefits to all actors in the chain.
- Follow-up with ATM/MOH on the action plan of FairWild and GACP integration
- Collaborate with BCA/MONRE to publish guidance/manuals directing ABS implementation which will include FairWild as outputs of the study report.

Activity 3.5. Present the project and outcomes of the project at international fora, including trade show, high-level policy events (e.g. CITES or CBD CoPs)

The project mid-term successes were also presented at several events (e.g. Better Deals for Nature and People: Collaborations for Responsible Sourcing of Wild Plant Ingredients) during the IUCN World Conservation Congress. Project staff has engaged with the BioTrade stakeholder forums in Viet Nam and provided the technical inputs to these, drawing on the experience of FairWild implementation.

The project and key achievements were also presented at the workshops co-held with ATM, BCA, and Bac Kan FPD.

In addition to this, while participating in the workshop on ABS and FairWild, representatives from the Voice of Viet Nam became interested in the project, they developed a summary with a particular attention on conservation benefits of the project by interviewing the project staff, Mr. Huong, head of the cooperative and Ms Hue, cooperative member in Xuan Lac commune, and studying the project document. The summary was aired by the Voice of Viet Nam on 17 April 2017.

#### Next priorities:

- Continue to promote the project achievement and good practices at different events

## Annex 2: Project's full current logframe as presented in the application form (unless changes have been agreed)

Project summary	Measurable Indicators	Means of verification	Important Assumptions
<b>Impact</b> : Increased livelihood benefits for medicinal and aromatic plant resources,			gh sustainable harvesting and equitable trade in
Outcome: Improved market opportunities and skills in sustainable harvesting practices for wild MAPs increases income of 1000 low-income households in Vietnam by 20%, reduces overexploitation and provides models for replication	1. By March 2017, 1000 households from the project site participate in project training and other relevant activities and demonstrate knowledge of sustainable harvest practices, increasing from 100 at project start.  2. By March 2017, market intelligence provided and MAP value-addition mechanisms in place and accessed by 1000 local collectors.  3. By March 2018, the income derived from sustainable wild collection of selected MAP species increases by 20% for 1000 local collectors (baselines set in Year 1 through household baseline surveys; progress measured mid-way and in the end of project).  4. By March 2018, target MAP species monitoring based on developed species and area management plan show reduced overexploitation	<ul> <li>Indicator 1:</li> <li>Lists of project activity participants and photos</li> <li>Project reports</li> <li>Feedback from training sessions including pre and post questionnaires</li> <li>Registration forms and membership lists from local collector organisations</li> <li>Indicator 2:</li> <li>Value chain analyses and reports for target species identifying value addition mechanisms</li> <li>Photos and evidence of processing equipment installed</li> <li>Report outlining benefit sharing mechanism</li> <li>Report detailing effectiveness of benefit sharing mechanism amongst the value trade chain</li> <li>Photos and minutes of meetings between collectors and representatives from international and domestic markets.</li> <li>Indicator 3:</li> <li>Agreements/contracts between manufacturers and local collectors on supply of sustainably harvested products</li> <li>Project baseline, monitoring and evaluation reports including income data and statements from collectors.</li> <li>Indicator 4:</li> <li>Reports of population status of target species.</li> </ul>	<ol> <li>A wider range of species and buyers is available in the event that demand and/or market opportunities for target MAP species fluctuate drastically during the project period, for example due to the development of preference for cultivated ingredients or major unanticipated problems with quality</li> <li>Established inter-community conservation and livelihood support fund (sharing percentage of sustainably traded products revenue with non-involved and non-harvesting members of community and implementing alternative livelihood initiatives) create incentives for sustainable collection and reduces occasions of competition and potential conflict between collector groups.</li> <li>Alternative projects sites are available in the event that civil and political unrest prevent participation of collector households in the pre-selected site in the project.</li> <li>Alternative projects sites are available in the event that natural disasters, extreme weather events and/or climate change impacts, pest out-breaks prevent implementation of activities in project sites</li> <li>Provincial or national government agencies continue to support sustainable use and do not ban trade in wild harvested plants</li> </ol>

Outputs:  1. The feasibility and benefits (financial, product quality and conservation) of applying the FairWild Standard to wild MAP harvest clearly demonstrated in a value-chain approach	1a. By March 2016, 1000 local collectors' households and buyers have agreed to work together to develop a sustainable supply chain and trading agreements  1b. Trading agreement between buyers and local collectors based on sustainability criteria and a fair pricing arrangement negotiated and agreed by the end of year 2 of the project  1c. Product trade in line with the trading agreement ongoing and commitment to continue and/or further strengthen trading relationship maintained for target MAP species by the end of project year 3	<ul> <li>Value chain details and reports including value addition mechanisms;</li> <li>Agreements between buyers and local collectors on supply of sustainably harvested products;</li> <li>Receipts showing increased prices for target species;</li> <li>Baseline and progress/final income reports from local collectors</li> </ul>	<ol> <li>A wider range of species and buyers is available in the event that demand and/or market opportunities for target MAP species fluctuate drastically during the project period, for example due to the development of preference for cultivated ingredients or major unanticipated problems with quality</li> <li>Local government remains supportive of institutional mechanisms enabling delivery of technical support, value-addition, including allowing registration of collectors' organizations.</li> <li>Alternative projects sites are available in the event that civil and political unrest prevent participation of collector households in the pre-selected site in the project.</li> <li>Established inter-community conservation</li> </ol>
designed and operational for target MAP species harvested at the project site	developed through a government-led multi-stakeholder consultation process by the end of year 2  2b. 1000 local collectors trained in FairWild Standard principles of sustainable wild collection by the end of project year 2  2c. 1000 local collectors use sustainable harvesting practices based on the management plan and associated FairWild principles by the end of project year 3		revenue with non-involved and non-harvesting members of community and implementing alternative livelihood initiatives) create incentives for sustainable collection and reduces occasions of competition and potential conflict between collector groups.  5. Provincial or national government agencies continue to support sustainable use and do not ban trade in wild harvested plants  6. National level government agencies commit to the development and implementation of a sustainable
A mechanism for scaling up application of the project model and	3a. VN government ministries (environment, health), representatives from the site, and	Government agencies media reports;	management strategy for Vietnam's MAP resources by the end of year 3 of the project

the end of year 3 of the project  3b. National level government agencies commit to the development and implementation of a sustainable management strategy for Vietnam's MAP resources by the end of year 3 of the project
--

Activities (each activity is numbered according to the output that it will contribute towards, for example 1.1, 1.2 and 1.3 are contributing to Output 1)

#### **Output 1**

- Activity 1.1: Assess baseline income generated from MAP collection and increases in income from MAP collection over the project course (the initial baseline survey).
- Activity 1.2: Identify, confirm and analyse value chains of target species and any potential challenges to achieving sustainable collection and improving product trade flows and benefits
- Activity 1.3: Design and implement training programme for at least 1000 collectors on improving product quality; marketing and other entrepreneurial skills, including fair cost calculation and negotiation; and associated access and benefit sharing mechanisms.
- Activity 1.4: Facilitate the establishment of local collectors' organizations (a cooperative, social enterprise or association)
- Activity 1.5: Support application of sustainability certification schemes (e.g. FairWild, organic wild, CITES non-detriment finding and/or similar as appropriate)
- Activity 1.6: Increase access to national and international markets for local collectors by facilitating relationships with selected manufacturers

#### Output 2

- Activity 2.1: Raise awareness of economic and biodiversity benefits of sustainable harvesting among identified beneficiaries including collectors, manufacturers, traders and local authorities through project consultation processes, including individual and multi-stakeholder meetings
- Activity 2.2 Develop training materials and implement direct training and 'train the trainers' programmes for at least 1000 collectors' households in Bac Kan province and key FPD staff, with a focus on sustainable harvesting methods and monitoring of target species populations in response to harvest.
- Activity 2.3: Carry out resource inventory, and develop and support the endorsement and implementation of a species and area management plan for target MAP species
- Activity 2.4: Develop province-level sustainable use strategy for MAPs and communicate it to all stakeholders through project activities and Vietnam's BioTrade network

#### Output 3

- Activity 3.1 Share project results showcasing successes, challenges and lessons learned with specific regard to:
  - A. Negotiating multi-stakeholder (government, local community, business) arrangements and agreements for sustainable resource management and trade in wild-harvested products;

- B. The potential and challenges of achieving sustainable management of ntfp trade to increase incomes in protected area buffer zones;
- C. Practical approaches to achieve equitable access and benefit sharing for trade to local and international markets
- D. Compliance with CITES requirements for international trade in CITES-listed species
- E. Operationalizing third party certification systems for wild-harvested products destined for local and international
- Activity 3.2: Promote the FairWild Standard through peer-to-peer learning mechanisms and links to existing Vietnamese organic wild-collection enterprises and communities.
- Activity 3.3: Input into the existing BioTrade Vietnam multi-stakeholder forum on private sector leadership for sustainability of sourcing and production in Vietnam
- Activity 3.4: Advocate for wider national-level policy changes in Vietnam to create an enabling environment for sustainable MAPs harvesting, equitable resource trade and intra-ministerial cooperation on the issue
- Activity 3.5: Present the project and outcomes of the project at international fora, including trade show, high-level policy events (e.g. CITES or CBD CoPs)

#### **Annex 3: Standard Measures**

 Table 1
 Project Standard Output Measures

Code No.	Description	Gender of people (if relevant)	Nationality of people (if relevant)	Year 1 Total	Year 2 Total	Year 3 Total	Total to date	Total planned during the project
6A	Number of collectors trained in FairWild Standard principles of sustainable wild collection by the end of project year 2	66.6% of trainees are women in Y1 140 women of 523 trained in Y2 (~27%)	Vietnamese (Tay, Nung, Dao ethnic minorities)	52 – training on fair pricing and benefit sharing mechanism; and cooperative management 950 – introductory FairWild training sessions through the Asset Based Community Development engagement sessions Total 950	523 (140 women) training on sustainable harvesting 353 (115 women) training on cooperative and group operations Total 523		950 Y1 523 Y2 (sub-set of 950 above)	1000
7	Number of project training materials produced for use by Viet Nam	n/a	n/a	4	2		6	At least six (including training materials on improved quality of products, marketing, entrepreneurial skills; on sustainable harvesting methods and species monitoring; on ABCD approach; on fair pricing; on FairWild certification application; on good practices in Jiaogulan processing)
9	Number of species management plans to be produced for Bac Kan FPD in Viet Nam	n/a	n/a	0	1		1	One management plan covering two target species: Cibotium barometz and Gynostemma pentaphyllum
10	Number of manuals to be produced to assist work related to sustainable harvesting of medicinal plant species identification and monitoring	n/a	n/a	0	1		1	One manual covering two target species: Cibotium barometz and Gynostemma pentaphyllum

14A	Number of conferences/seminars/ workshops to be organised to present/disseminate findings	n/a	n/a	3	4	7	At least 10 over the project duration (including in Year 1: Company presentation as at the event in Hanoi October 2015; Project launch workshop in Bac Kan; presentation at the event organized in the Cambridge Conservation Initiative in David Attenborough Building, UK February 2016)
14B	Number of conferences/seminars/ workshops attended at which findings from Darwin project work will be presented/ disseminated.	n/a	n/a	1	6	7	At least 7 (including in Year 1: BioFach 2016 FairWild event; and e.g. in Year 2: Forum on building a platform for biodiversity conservation and sustainable use of ecosystem services, Hanoi Vietnam; World Conservation Congress events; DEC presentation; Beyond Enforcement presentation; BioFach 2017; Helvetas/BIG meeting)
20	Estimated value (£'s) of physical assets – processing equipment for harvesting communities - to be handed over to Viet Nam	n/a	n/a	£4,823	£7,069	£11,892	£12,544
21	Number of local collectors' organization (e.g. a cooperative, social enterprise or association) established and then	40.6% of members are women	Vietnamese (all are ethnic minorities:	16 organizations (2 cooperatives and 14 sustainable harvesting groups)		16	At least one

	continued after Darwin funding has ceased		Tay, Nung, Dao)				
23	Value of resources raised from other sources (e.g., in addition to Darwin funding) for project work	n/a	n/a	£30,500	£ 13,773	£44,273	£56,394

#### Table 2 Publications

Title	Type (e.g. journals, manual, CDs)	<b>Detail</b> (authors, year)	Gender of Lead Author	Nationality of Lead Author	Publishers (name, city)	Available from  (e.g. weblink or publisher if not available online)
Teaching the teachers—learning how to train local harvesters	TRAFFIC Web Update	Thuy Nguyen, Nikolas Veinot 2016	Female	Vietnamese USA	TRAFFIC International Webpage	http://bit.ly/2o5thO3
Viet Nam's traditional medicine sector sees clear benefits of using sustainably sourced wild plants	TRAFFIC Web Update	Thuy Nguyen, Nikolas Veinot 2016	Female	Vietnamese USA	TRAFFIC International Webpage	http://bit.ly/2hd80hO
Collectors Increase Knowledge from Other Successful Sustainability Projects	TRAFFIC Web Update	Thuy Nguyen, Nikolas Veinot 2016	Female	Vietnamese USA	TRAFFIC International Webpage	http://bit.ly/2joAB4X
Access and Benefit-sharing policies to be implemented in Viet Nam	TRAFFIC Web Update	Thuy Nguyen, Nikolas Veinot 2016	Female	Vietnamese USA	TRAFFIC International Webpage	http://bit.ly/2opCU6o
Improving Livelihoods to Reconcile Wild Plant Harvesting with Biodiversity Protection	Newsletter Article	Ba Cuong, Richard Thomas, 2017	Male	Vietnamese UK	Darwin Initiative Newsletter on Conflict and Conservation	http://bit.ly/2nfTiW8
"Delegates form Dk Pharma and Dk Natura trekked to meet with members of a newly formed cooperative"	Facebook Post	Nikolas Veinot TRAFFIC in Viet Nam 17/08/16	Male	USA	TRAFFIC in Viet Nam Facebook Page	http://bit.ly/2nfZDAU

		162 Views, 6 Likes				
Symposium highlights threats to the world's plants, but solutions are to hand: London, UK, 12th May 2016—TRAF https://t.co/2CT7g3sevW	Tweet	TRAFFIC International 12/05/16	Male	UK	TRAFFIC International Twitter	http://bit.ly/2nu388G
Retweeted from @Darwin_Defra: Our latest edition of the newsletter features articles from @TRAFFIC_WLTrade, @ZSLconservation, @MarineMegafauna a https://t.co/vnyHRVoXSC	Tweet	TRAFFIC International 25/01/17	Male	UK	@Darwin_Defra retweeted byTRAFFIC International Twitter	http://bit.ly/2nzigmU
#FairWild sustainability solutions to wild-harvesting plants and benefitting people at world's largest trade fair http://bit.ly/2mBrCiP	Tweet	Anastasiya Timoshyna 12/05/16	Female	Ukrainian	TRAFFIC International Medicinal Plants Programme Leader Twitter	http://bit.ly/2nlbY7V
Discussing sustainability of wild plants sourcing in Viet Nam's traditional medicine http://bit.ly/2hd80hO @Darwin_Defra @TRAFFIC_WLTrade	Tweet	Anastasiya Timoshyna 09/12/16	Female	Ukrainian	TRAFFIC International Medicinal Plants Programme Leader Twitter	http://bit.ly/2mRhFhK
FairWild and the Good Agricultural & Collection Practices at the last week's workshop in Hanoi! http://bit.ly/2n0l7Wv @Darwin_Defra	Tweet	Anastasiya Timoshyna 09/12/16	Female	Ukrainian	TRAFFIC International Medicinal Plants Programme Leader Twitter	http://bit.ly/2niBo5i
An interview of the project was aired by the Voice of Viet Nam on 17 April 2017	Interview	Interviewer: An Hoang Interviewees: Thuy Nguyen (project staff)		Vietnamese	The Voice of Viet Nam	http://vov1.vov.vn/moi-truong-phat-trien/chuan-hoa-quoc-te-thu-hai-cay-thuoc-va-loi-ich-bao-ton-1742017-c21-32130.aspx

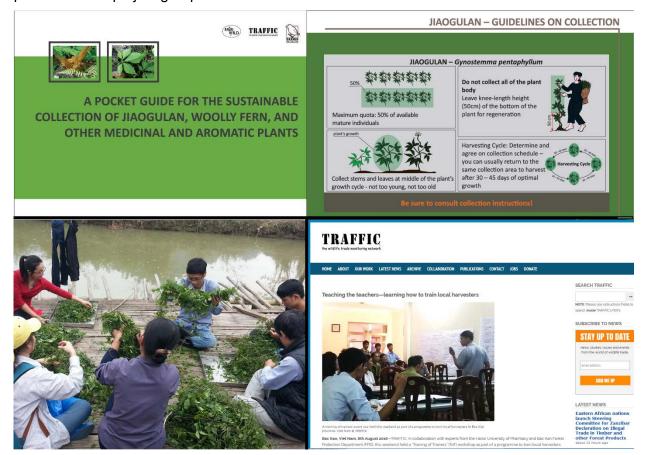
Huong Nong (Head of Xuan Lac Cooperative)	
Hue Nong (member of Xuan Lac Cooperative)	

- TRAFFIC in Viet Nam (https://www.facebook.com/trafficsea.gmp/?fref=ts) 1,767 followers TRAFFIC International (https://www.facebook.com/trafficnetwork/?fref=ts) 30,489 followers
- Access to see project photos at <a href="https://www.flickr.com/people/147530120@N02/?rb=1">https://www.flickr.com/people/147530120@N02/?rb=1</a> at Flickr address: trafficvietnam

# Annex 4 Onwards – supplementary material (optional but encouraged as evidence of project achievement)

No	Content	List of supporting documents (SD)
1	MoU and permission	SD 1.1. MOU amongst TRAFFIC/BK FPD- Companies and local
		communities in year 2
		SD 1.2 Collaboration contract with ATM in year 2
		SD 1.3 MOU with BCA in year 2
2	Training on sustainability	SD 2.1. ToT training report included training agenda, list of
	wild-MAP collection and	participant and pictures
	cooperative operation	SD 2.2. A part of the list of participants (collector training)
		SD 2.3 Pictures of practicing FW standard
3	Facilitating market access	SD 3.1. Meeting with company minutes/reports in year 2
		SD 3.2. Jiaogulan purchasing contract in year 2
		SD 3.3 Jiaogulan quality registration contract in year 2.
		SD 3.4 Marketing material MAPs species Bac Kan
4	Resource inventory and	SD 4.1. Resource inventory year 2 (executive summary);
	management plan	SD 4.2. Draft of management plan – in Vietnamese only.
5	Policy influence	SD 5.1 FairWild-ABS interface study reports.
		SD 5.2 Policy review reports.
6	National and international	SD 6.1 Lao Cai exchange visit report
	exchanges visit	SD 6.2. China exchange visit report
7	Sustainable harvesting hand- book	SD 7.1 Pocket guide of sustainable MAP collection
8	FairWild/EU Organic	SD 8.1. FairWild/EU organic verification report
	verification	4
9	Communication material	SD 9.1. MAP sustainable harvesting billboards
		SD 9.2. Press releases on ATM workshop
		SD 9.3: Press release on ABS and FairWild consultation workshop
10	Project mid-term review	SD 10.1 Project mid-term review report
11	Project timeline	SD 11.1 Revised proposed project timeline

Examples of supporting documents: TOT training press-release screenshot, Pocket Guide and photo from the project group



#### **Checklist for submission**

	Check
Is the report less than 10MB? If so, please email to <a href="mailto:Darwin-projects@ltsi.co.uk">Darwin-Projects@ltsi.co.uk</a> putting the project number in the Subject line.	Yes
Is your report more than 10MB? If so, please discuss with <a href="Darwin-noiects@ltsi.co.uk">Darwin-noiects@ltsi.co.uk</a> about the best way to deliver the report, putting the project number in the Subject line.	No
<b>Have you included means of verification?</b> You need not submit every project document, but the main outputs and a selection of the others would strengthen the report.	List of supporting documents included
Do you have hard copies of material you want to submit with the report? If so, please make this clear in the covering email and ensure all material is marked with the project number.	No
Have you involved your partners in preparation of the report and named the main contributors	Yes
Have you completed the Project Expenditure table fully?	Yes
Do not include claim forms or other communications with this report.	l