

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 April

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
Funder (DFID/Defra)	DFID
Start/end dates of project	1st April 2015 to 31st March 2018
Reporting period and number	Apr 2015 – Mar 2016 and Annual Report 1
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1. Project Rationale

Viet Nam is home to about 4,000 medicinal and aromatic plants (MAPs), many of which are in significant declines due to a lack of adequate market information, inappropriate harvesting techniques, absence of adequate management practices, insufficient incentives for biodiversity conservation and weak enforcement and monitoring capacity.

Bac Kan province in northern Viet Nam 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 2013, the poverty rate in Bac Kan was 18.6%, double the national figure of 9.9%. Bac Kan Forest Protection Department (BK FPD) provides the figures that among 1011 collectors' households in 30 villages there were 306 households (30% of households) living under the poverty line.



Figure 1: Bac Kan location in Viet Nam

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, as well as the nature of relationships between local collectors and buyers. Improving links along trade chains, coupled with building local communities' and governments' 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 practicing 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 among the local 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 (see Annex 4 SD 13.1.) 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. Although Bac Kan Province does not border China, this province is one of the key points in the trade chain of raw MAP ingredients going to Chinese markets.

2. Project Partnerships

Project partnership includes TRAFFIC, BK FPD, the Traditional Medicine Administration (TMA) of the Ministry of Health (MOH), and an alliance of the companies DK Pharma and DK Natura. Since 2012, TRAFFIC has a Memorandum of Understanding (MoU) with BK FPD for cooperative action for biodiversity and livelihoods of Bac Kan. Additional MoU was signed in early 2015 between BK FPD, DK Pharma/DK Natura and the Bac Kan wild-harvesting communities to collaborate on project activities towards sustainable use of MAPs. Project collaborators, including MOH, the Ministry of Natural Resources and Environment (MONRE), the Ministry of Agriculture and Rural Development (MARD) participated in project activities and/or provided indirect support. Face to face meetings were conducted on regular basis in Year 1, key to ensure the active involvement and buy-in of the project partners. The active participation and commitment of BK FPD has been important for project planning, decision making and successful implementation (for example, see meeting minutes in Annex 4, SD 8.1). In Year 1, DK Pharma/DK Natura participated in seven project activity meetings (Annex 4, SD 6.1) demonstrating their engagement in ensuring efficient contractual relationships with producers. Effective project implementation relationships were established with all project partners, including grant agreements with BK FPD.

The Biodiversity Conservation Agency (BCA) of MoNRE, the Department of Nature Conservation (DONC) of MARD, and the TMA of MOH have been informed in writing and/or have been part of face to face discussions on their roles in the project. This creates opportunities for buy in among the government agencies for policy advocacy for replicating the Bac Kan model in other provinces and at the national level.

3. Project Progress

The project progress is elaborated in sub-sections 3.1-3.4. Annex 1 provides a condensed version of the Section 3 narrative, while the full project logical framework is included in Annex 2.

3.1 Progress in carrying out project activities

The following progress in carrying out project activities was achieved during Year 1 of the project.

To secure the permission for project activities, as required by the Vietnamese government, BK FPD and TRAFFIC prepared a submission to the to the Bac Kan Provincial People's Committee in September 2015 to receive government authorization for the project. Permission (Annex 4 SD 02) was granted in December 2015. The project was officially launched in October 2015, introducing the project objectives and outputs to 65 attendees (list of participants available in Annex 4, SD 1.2.), including the Vice-Chairman of the Bac Kan Provincial People's Committee (press release: <http://goo.gl/kEx9Q7>).

Under the **Output 1** activities, significant efforts in Year 1 were put into securing the engagement of target communities, government agencies and potential buyers in sustainable MAPs harvesting by promoting the benefits of applying the FairWild Standard and by improving the feasibility of applying the standard. A baseline survey (Annex 4, SD 4.3.) of collectors was conducted (**Activity 1.1**) to establish the baseline income generated from MAPs trade in MAPs-collecting households. 209 Dao and 200 Tay ethnic group households were surveyed, establishing the annual income from MAPs in a range of USD 150-250 per household, roughly 10-12% of total income. The survey also provided insights (e.g. locations with the highest populations of active collectors) that will assist in adaptively manage project activities to prioritize the project interventions in Years 2 and 3.

Several actions were carried out to identify, confirm and analyse value chains of target species *Gynostemma pentaphyllum* and *Cibotium barometz* and potential challenges (**Activity 1.2**). National and international market studies for these target species, as well as a long list of MAPs were sub-contracted and completed (Annex 4, SD 11.1 and SD 11.2), providing insights into national market demand for sustainably-produced ingredients. International market study focussed on the European Union (EU) and United States (US) markets, providing insights into the market sectors (herbal ingredients, cosmetics), regulatory and non-regulatory market barriers, and potential quality requirements for products. Simultaneously, links were strengthened between target collecting communities and the key corporate partners in Viet Nam (DK Pharma/DK Natura) by promoting the benefits of the FairWild Standard, regular consultative meetings between producers and companies, and verbal commitments made by DK

Pharma/Natura on both purchasing the ingredients and providing assistance with quality trainings (e.g. Annex 4,SD6.1, SD13.5).

Initial actions were carried out in designing and implementing training programme for collectors on improving entrepreneurial skills (**Activity 1.3**), with intensive roll-out planned in Years 2 and 3. In particular, 52 participants from collecting cooperatives/groups, companies and government agencies attended a training workshop (Annex 4 SD 9.1) on *fair pricing and benefit sharing mechanisms, as well as the operation and management of cooperatives* to build mutually beneficial relationships between trading partners. Presented tools and strategies to resolve challenges around sustainable harvesting and negotiating fair prices will further be made available to target collectors. To improve product quality and marketing through value addition, 4 herbal driers (funded by KNCF) were installed in the Ban Tun and Ban Eng Village of Xuan Lac Commune and Keo Nang and Phia Khao village of Ban Thi commune in April 2015, enabling primary processing. DK Natura delivered trainings to 51 registered collectors on the use of equipment and quality assurance, allowing communities add value to harvested products and decreasing wastage, reducing unsustainable harvesting practices (Annex 3 under Publications). Based on the success of the trainings and equipment use, 4 additional herb dryers and two herb vacuums and other equipment such as boots, knives, etc for sustainable collection practices were decided to provide to Xuan Lac, Ban Thi (Cho Don District) and My Phuong (Ba Be District) by end of Year 1. The instalment and equipment handover will be completed before the Gynostemma p. spring harvesting season (April/May 2016).

In order to facilitate the establishment of local collectors' organizations (**Activity 1.4**), project partners initiated major programme to actively engage target collectors to demonstrate the benefits of forming locally-run, officially-registered sustainable collecting groups to reduce barriers to markets and market information for local communities. A collaborator, Vietnamese NGO GreenViet (<http://en.greenviet.org>), was involved to apply the Asset-Based Community Development (ABCD) method to empowered local communities and facilitate community ownership of project outputs, previously successfully implemented for the protection of langurs. ABCD method (See Manual and full report in Annex 4 SD 3.1; SD 3.2) is based on communities identifying their strengths and potential for sustainable long-term uptake of the project interventions. Train the trainers workshops (<http://goo.gl/PYnlQQ>) were held (list of participants and outputs available) to equip 50 FPD staff, forestry officers and village heads with an understanding of the benefits of ABCD and tools to apply it in their local communities. Following from training, ABCD method was rolled out to target collectors, through a series of three village-level meetings. Members of all project 30 villages from nine communes in four target districts of Bac Kan Province participated in meetings, reaching respectively 948, 974 and 929 collectors (average of 950 collectors). The ABCD method was used for collectors to share their priorities and expectations, and to investigate the opportunity of establishing officially-registered collectors' organizations. Two cooperatives (Ban Thi and Xuan Lac commune) and 14 interesting groups were successfully formed by the end of Year 1 (List of registered member in Annex 4, SD 7.4) 212 households registered as members of cooperatives. The progress upgrading the groups to cooperatives with legal entities with other remaining communes will continue in Years 2 and 3. Parallel meetings with BK FPD and the People's Committee secured their support to the collecting groups and sustainable MAP products (Photos accessed in publication part of Annex 3).

As part of supporting the application of sustainability certification schemes (**Activity 1.5**), TRAFFIC sub-contracted an international consultant to conduct a baseline verification against the FairWild Standard and the EU organic regulations of project sites/communities to evaluate the gaps in potential compliance with the standards. ToRs and draft workplan is available, while the field verification will take place during 2016 September/October harvesting season. FairWild Standard and Performance Indicators were translated into Vietnamese and disseminated at all project events. In-depth FairWild and other standards trainings were delivered by TRAFFIC's Medicinal Plants Programme Leader during the visit to Viet Nam in October 2015. Vietnamese project manager (Ms. Mai Nguyen) attended the training events during the BioFach trade fair and received in-depth training in FairWild aspects through webinars and during her visit to TRAFFIC International office in Cambridge, UK in February 2016. TRAFFIC also organized field visits to Quan Ba District of Ha Giang Province for BK FPD staff to become familiar with the Good Agricultural and Collection Practices (GACP), which will become compulsory in Viet Nam for all traditional medicine manufacturers by 2020. Applying the FairWild Standard for several years coupled with lessons learnt from the GACP model in Ha Giang Province, Bac Kan FPD are trying to contextualise to reduce barriers for Bac Kan locals to establish sustainable harvesting techniques and gain access to markets and market information. To facilitate the dissemination of relevant FairWild and project information, FairWild and project communications materials and documents were translated into Vietnamese and contextualised to local conditions (Annex 4, from SD 13.1 to SD 13.6).

International and national market studies (described under Activity 1.2) contributed to the increased access for local collectors to national and international markets (**Activity 1.6**). Additionally, to engage other national pharmaceutical companies a workshop was conducted in October 2015, about the availability and application of sustainability certification schemes (including the FairWild Standard) in Viet

Nam and the demand for sustainably-sourced products nationally and internationally (Annex 4, SD2.1; SD 2.2 and SD2.3). Participants this workshop in Hanoi (12 in total), included the representatives of companies, Helvetas BioTrade initiative, SNV, Fairtrade Viet Nam and MOH. Connections with international buyers were strengthened at BioFach 2016, where the TRAFFIC project representative shared information about the project and samples of *Gynostemma pentaphyllum* with potential international buyers (See Annex 4, SD 5.1.). Meetings were facilitated during the year with potential international buyers, including with the Body Shop (UK) and Pukka Herbs (UK) in Hanoi, as well as NuHerbs (US) via skype calls.

Under the **Output 2**, activities in Year 1 focused on setting a strong foundation, by securing buy-in from relevant stakeholders and gathering baseline data, to enable for creating and implementing sustainable use/harvesting strategies and management plans in Years 2 and 3. In the scope of **Activity 2.1**, TRAFFIC conducted seven consultative meetings with partners in order to introduce the project to stakeholders at the commune, district and provincial levels; understand the current situation of MAPs harvesting and trade in target districts; identify villages and communes to be involved in the project; identify the needs and expectation of local authorities; consult regarding the project approaches and methodologies; and formulate the project implementation body on the ground. There consultative meetings, with the ABCD trainings, reached over 1000 participants (including at least 950 collectors).

Initial steps were taken in the preparation of training materials and implementing training programmes on sustainable harvesting methods and species monitoring (**Activity 2.2**) through the translation of relevant FairWild technical materials (Standard and Performance Indicators – Annex 4, SD 13.3, 13.4). Introduction to sustainable harvesting approaches was also made during the ABCD trainings in Year 1 (Activity 1.4). Key FPD staff were trained in resource management and monitoring approaches, as part of supporting the resource assessment (Activity 2.3). The roll-out of training programme is planned for Years 2 and 3.

As part of the development of species and area management plan in target project sites, a resource assessment (Annex 4, SD12.1) of *Gynostemma pentaphyllum* and *Cibotium barometz* across the sites was implemented (**Activity 2.3**) by the Institute of Ecology and Biology Resources (IEBR) in collaboration with BK FPD. Village meetings and group discussions were organized as part of it to document the current collection protocols for identifying unsustainable harvesting methods. The development of the management plan has started at the end of Year 1 and will continue in Year 2, as the harvesting season of target species is between March and May. The full report including the resource map, manual on sustainable harvesting and sustainable limits will therefore be completed in Year 2.

Technical input was provided to BK FPD to strengthen regulations (**Activity 2.4**) based through the recommendations from the meetings with BK FPD aligned with the provincial decision no. 3808/2009/QĐ-UBND. This decision approves NAO development programme in Bac Kan from 2010-2015 and its vision to 2020. In June 2015, BK FPD submitted formal recommendations to the Bac Kan People's Committee for the sustainable management of MAPs. The comment and feedback from the provincial government authorities is expected in Year 2 and would provide additional avenues for stakeholder engagement to further implement sustainable management of MAPs in Bac Kan province.

Under the **Output 3**, initial experiences of project implementation were summarized (**Activity 3.1**) in numerous publications, including for the Food and Agriculture Organization (FAO) Non-Wood Forest Products (NWFP) newsletter, newsletter of the IUCN Sustainable Use and Livelihoods Specialist Group, in the International Trade Center Market News Services report, TRAFFIC and FairWild communication channels (for selected publication details see Annex 3, Table 2). Further work will continue in Years 2-3.

Progress was made in promoting the FairWild Standard and linking it to existing Vietnamese organic wild-collection enterprises and communities (**Activity 3.2**) through a number of project meetings and workshops, most notably the workshop about sustainability certifications for national pharmaceutical companies (Activity 1.6). Information about the FairWild Standard was also disseminated in other meetings and training courses (including the ABCD meetings) with local collecting communities and project partners through presentations and printed communication materials. Conversations took place also with the BioTrade Viet Nam (**Activity 3.3**) about the opportunities for joint events, which to present day were more on the ad hoc basis, further actions planned for Years 2 and 3.

Advocacy for wider national-level policy changes in Viet Nam to create an enabling environment for intra-ministerial cooperation on sustainable and equitable MAPs harvesting and trade (**Activity 3.4**) was initiated in Year 1. In particular, TRAFFIC consulted with BCA of MoNRE, DNC of MARD, and the TMA of MOH regarding strategies to identify how the project could play a key role in the implementation of GACP at the national level (See meeting minutes at Annex 4, SD 8.4.) These preliminary consultations indicated that these government ministries have interest in promoting sustainable MAPs harvesting and trade, and project work will continue to secure further commitment and support.

In Year 1, the project was presented at several international events (**Activity 3.5**), including at a trade show, during the BioFach 2016 in Germany, during the II Traditional Chinese Medicine (TCM) CSR and

Sustainability Forum in Hangzhou, China (presentations available). The Viet Nam case study was included in the report on implementation of the CBD's Global Strategy for Plant Conservation (p. 18 of <https://www.cbd.int/doc/meetings/sbi/sbi-01/information/sbi-01-inf-32-en.doc>), to be presented to CBD Parties during the First meeting of the Subsidiary Body on Implementation in May 2016.

3.2 Progress towards project outputs

Output 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		
	Baseline	Change recorded by 2016	Source of evidence
<p><i>Indicator 1.1</i> By March 2016, 1000 local collectors' households and buyers have agreed to work together to develop a sustainable supply chain and trading agreements</p>	<p>Over 100 Collectors engaged with 51 registered officially (receive collection licenses and registered in the cooperative) from CEPF/KNCF project</p>	<p>By March 2016, an average of 950 collectors were introduced to the project, and expressed interest in further project activities (through ABCD trainings engagement). Of these, 221 local households registered as members of the official cooperatives formed in the reporting period.</p> <p>DK Pharma and DK Natura verbally agreed to work together to develop the sustainable supply chain for Jiaogulan species and trading agreements. An MoU was signed between DK Pharma/DK Natura, BK FPD, TRAFFIC and Xuan Lac and Ban Thi local communities detailing the commitment, including of paying premium price for the sustainably-harvested products</p>	<p>Annex 4, SD 7.1. – list of participants and trainings reports/surveys Annex 4, SD 7.4 – cooperatives registration and membership list Annex 4, SD 6.1 - companies meeting minutes Annex 4, SD 01 -MoU 2015</p>
<p><i>Indicator 1.2</i> 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</p>	<p>A framework MoU between DK Pharma/DK Natura, BK FPD, Communities and TRAFFIC signed in March 2015</p>	<p>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.</p> <p>Verbal agreements by the companies were made on fair pricing which includes a Premium price for sustainable harvested products. This agreement to be formalised in Year 2.</p>	<p>Annex 4, SD 9.1-Training report</p> <p>Annex 4, SD 6.1- Companies meeting minutes</p>
<p><i>Indicator 1.3</i> 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</p>	<p>No trade in line with the trading agreements in the project start</p>	<p>A MoU was signed between DK Pharma/DK Natura, BK FPD, TRAFFIC and Ban Thi and Xuan Lac local communities detailing the commitment, including of paying premium price for the sustainably-harvested products.</p> <p>Verbal agreements by the companies were made on fair pricing which includes a Premium price for sustainable harvested products. This agreement to be formalised in Year 2, with product trade commencing following it.</p>	<p>Annex 4, SD 01- MoU 2015</p> <p>Annex 4, SD 6.1 - companies meeting minutes</p>
Output 2:	Sustainable use strategies and management plans (species and area) designed and operational for target MAP species harvested at the project site		
<p><i>Indicator 2.1</i> Management plans for the target species and areas developed through a government-led multi-stakeholder consultation process by the end of year 2</p>	<p>A piloted management plan for <i>Alpinia</i> and <i>Amomum</i> species has been set up and endorsed by NXL SHCA under the CEPF funded project but no implementation</p>	<p>IEBR and Bac Kan FPD are engaged in drafting the species and area management plans for the target species and areas, based on the resource inventory conducted in Year 1.</p> <p>These plans will be finalised and endorsed by the provincial government at the end of year 2 for implementation in year 3.</p>	<p>Annex 4, SD 12.1 - resource inventory</p>
<p><i>Indicator 2.2</i> 1000 local collectors trained in FairWild Standard principles of sustainable wild collection by the end of project year 2</p>	<p>100 people were already trained in KNCF project</p>	<p>Initial introduction to FairWild principles to at least 950 local collectors during the ABCD training.</p> <p>Targeted in-depth training planned for Year 2</p>	<p>Annex 4 SD 13.1 to SD 13.6; SD 9.1; 2.1– list of trainings reports/surveys</p>
<p><i>Indicator 2.3</i> 1000 local collectors use sustainable harvesting practices based on the management plan and associated FairWild principles by the end of project year 3</p>	<p>100 people were already trained in KNCF project</p>	<p>Information recorded in collectors interviews, e.g. the project movie shown at the October 2015 launch event, demonstrates the use of sustainable harvesting methods by collectors trained previously in KNCF project</p> <p>Further work planned in Year 2 and 3.</p>	<p>Movie is in the process of being prepared for public release in English</p>
Output 3:	A mechanism for scaling up application of the project model and results established and an enabling environment created in other areas		
<p><i>Indicator 3.1</i> 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</p>	<p>No interest or knowledge from government end at project start</p>	<p>The project has received positive interest from MoNRE and MOH, in particular the aspects of relevance to the practices implementation of Access and Benefit Sharing provisions, and support to the implementation of GACP 2020 Viet Nam's strategy</p>	<p>Annex 4 SD8.1 to SD 8.3 - for meeting minutes</p>

Vietnam by the end of year 3 of the project			
<i>Indicator 3.2</i> 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 –	MOH TMA expressed interests in combining the FairWild Principles and indicators into the national GACP guideline for implementation by 2020 Policy review and the opportunities for influencing the national policy is planned for Year 2, in synergy with the parallel project of implementing sustainable and legal trade provisions for timber resources trade from Viet Nam	Annex 4 SD8.1 to SD 8.3 for meeting minutes

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 2016	Source of evidence
Indicator 0.1 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	100 at project start	<p>2 cooperatives and 14 groups with a total of 221 members are established. These members understand the need for sustainable harvesting through training, village meetings and communication materials.</p> <p>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.</p> <p>Verbal agreement with local companies for market access and premium price</p> <p>Verbal commitment from the 2 national companies (DK Pharma & DK Natura) to train the 16 cooperatives/groups on sustainable practices during harvesting season. However, this is hampered by slow action by FPD as they are hesitant to engage with private companies.</p> <p>50 local FPD staff, forestry officers and village heads participated the ABCD training. By March 2016, an average of 950 collectors were introduced to the project, trained in basics of FairWild Standard, and expressed interest in further project activities (through ABCD trainings engagement).</p>	Annex 4-evidences of the village meetings, ABCD trainings and training on fair price SD 7.1, SD 9.1, SD 6.1
Indicator 0.2 By March 2017, market intelligence provided and MAP value-addition mechanisms in place and accessed by 1000 local collectors.	Purchase agreement between local communities of Xuan Lac and Ban Thi and DK Natura in March 2015	<p>National and international market reports completed to be 'translated' into the information relevant for communities and companies involved, and for follow-up in Year 2.</p> <p>The benefit sharing mechanism agreed between members of the cooperatives and groups and is written in the cooperative operational agreement</p> <p>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.</p> <p>Project partners established priority processing equipment (e.g. 4 herbal dryers, 2 herbal vacuums) and made plans for its instalment in time for use during project Year 2 spring harvest season.</p> <p>DK Pharma and DK Natura committed to provide training to local collecting cooperatives and groups. Further formalised agreements will be finalised during Year 2 spring harvesting season.</p>	Annex 4 SD 11.1; 11.2–market reports Annex 4 SD 7.2 Vietnamese only Annex 4 SD 9.1 Training report
Indicator 0.3 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)	<p>Community survey has set baselines for the indicator monitoring and evaluation in Year 1.</p> <p>Baseline income from MAP collection at the start of the project ranges from 3 to 5 millions Vietnamese dong (~USD150 to 250) per household per year. This baseline will be used as representative for measuring change by the project end.</p> <p>Progress under Indicator 0.1 and 0.2 contribute to the delivery against Indicator 0.3</p>	Annex 4 SD4.3–baseline survey summary

Indicator 0.4 By March 2018, target MAP species monitoring based on developed species and area management plan show reduced overexploitation	A piloted management plan for <i>Alpinia</i> and <i>Amomum</i> species has been set up and endorsed by NXL SHCA under the CEPF funded project but no implementation	Resources assessment and market assessments completed in Year 1 will provide the data for the management plan. Management plan is in development. Preliminary results of the baseline survey conducted in Activity 1.1 show, supported by the local collectors, that the target species are overharvested in certain project locations. Project interventions will be tailored to address this.	Annex 4 SD 12.1 - resources assessment report SD11.2 and SD 11.1 - market reports Annex 4.3 - baseline report
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Comment: The outcome indicators are still measurable for the project outcomes. The project activities are on track to achieve the Outcome by end of funding. The indicators except of the indicator 0.3 are kept the same. Due to tight period of doing mid-term income knowledge, attitude and practice (KAP) baseline, the project proposed the most significant change (MSC) methodology instead of. The MSC focuses on qualitative impact and gained information from the project beneficiaries to monitor and evaluate the project effectiveness, efficiency and impacts.

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 involving 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 there remains flexibility with species selection. According to the market assessments, *Gynostemma pentaphyllum* has most potential in cosmetics and food supplements, however market access requirements are being clarified. In the meanwhile, the diversification of markets for *Gynostemma* was actively discussed with collecting communities, as small-scale local trade for tourists visiting province commands high prices, and could add into a diverse mix of market avenues.

Outcome Assumption 2/Output Assumption 4: This assumption is still valid, and the approach of inter-community fund that shares percentage of revenue to non-involved and non-harvesting members of community, will be pursued to reduce occasions of potential conflict and competition. The cooperatives of Ban Thi and Xuan Lac Commune are merging into one bigger cooperative with the headquarter located in Cho Don District in beginning of Year 2, and respective plans for fund will be set out at the time to further test the assumption.

Outcome/Output Assumption 3: The options for alternative project sites remain being explored. For example, an optional site has been offered by DK Pharma has offered a project site in Ha Giang Province. Since no unrest has occurred work proceed in the Bac Kan province.

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

Outcome Assumption 5/ Output Assumption 6: Bac Kan Provincial People's Committee has granted a 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 government agencies (from first consultation to recent discussion with relevant ministries (Oct 2015 to Feb 2016).

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: The relevant FairWild documents have been translated into Vietnamese and then distributed to government authorities and other stakeholders to build understanding of the Standard and potential benefits from its implementation. Specific training sessions to date included topics of fair payment, access and benefit sharing among other.

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

The declared project impact is: '*Increased livelihood benefits for low-income forest-dependent, ethnic minority groups in northern Vietnam through sustainable harvesting and equitable trade in medicinal and aromatic plant resources, contributing to improved environmental governance.*' Project started contributing to the impact by raising awareness and ownership of people of project outcomes. Over 950 collectors in project areas were engaged in the reporting period, many of Tay and Dao ethnic origin, approximately half of them women. Principles of cost calculation and fair price were introduced to local collectors. All project activities are on track to provide local collectors with an additional and more stable source of income. Not only will it promote the continued survival of plants at levels that will allow consistent seasonally-appropriate harvesting, it also establishes a more secure and direct channel to

access a market that promises a more stable price. These tools and approaches will be made available and disseminated beyond the identified project areas and stakeholders to further increase project outreach and contribute to the declared impact.

BK FPD committed to develop the management plan for target species and areas. This experience can be used in longer term as a case study for provincial leaders and national decision-makers to improve resource management plans in Viet Nam and improved income for local collectors.

Beyond working at project sites in Bac Kan (Outputs 1 and 2), project partners engaged at the national level advocating to design and implement a national strategy for better management of MAP resources and control unsustainable trade in MAPs within Viet Nam and between Viet Nam and China. Government departments such as DONC (MARD), Bac Kan Provincial People's Committee, BCA (MONRE), TMA (MOH), have shown interest in the conservation issue of overharvesting and unsustainable trade of MAP not only in Bac Kan but also in at national level. Furthermore, MOH expressed their interests in combining the FairWild Standard Principles and Criteria with GACP, which is a legal requirement (Circular 14/2009/TT-BYT implements GACP in Viet Nam). FairWild could support the implementation of GACP by operationalizing the implementation of good harvesting practices. The GACP guideline will be enhanced by integrating FW principles and criteria. Such national policy recognition, if introduced, could provide foundation for the improved environmental governance in northern Viet Nam and other areas.

4. Contribution to 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 work in the cooperatives and groups to practice sustainable harvesting and fair trade. Project activities deliver trainings and materials to contribute to the improvement of their livelihoods in the long term. Linked to the contribution to **SDG 15.Ecosystems**, the resource assessment was conducted to identify the natural distribution of target species in the project sites and its harvesting volumes. The results identify the species harvesting limitations and enabling conditions for the fair sharing of benefits from their trade and lead to the development of project interventions. Some of the medicinal plants harvested in project area are illegally traded internationally. Delivering on **SDG 17. Sustainability**, project brings together public and private partners, encouraging multi-stakeholder implementation towards resolving the issues which are of multi-stakeholder character by their nature.

5. Project support to the Conventions, Treaties or Agreements

The project directly supports Vietnam's delivery of CBD, Nagoya Protocol and CITES commitments, and also showcase effective implementation approaches to other Parties, i.e. as a case study in the Global Strategy for Plant Conservation (GSPC) implementation toolkit, achieving wider impact.

In Year 1, the project started disseminating the concept of sustainable use of biodiversity and equitable benefit sharing for the MAP resources in project workshops, meetings, trainings and events. TRAFFIC introduced the project and discussed the possibility to duplicate the Bac Kan project model and leverage project experiences through the implementation of the upcoming national regulations with the focus on ABS implementation, with CBA (MONRE), the agency responsible to deliver the Nagoya Protocol outcomes. Local collectors and government authorities committed to utilize the sustainable harvesting techniques and the area management plans of MAP. 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 Global Strategy for Plant Conservation, and in particular its Target 12, to be presented to CBD Parties during the First meeting of the Subsidiary Body on Implementation in May 2016. The above activities directly contributed to all three CBD Objectives with particular focus on sustainable use of biodiversity and equitable benefit sharing. Project contributes to the implementation of the CBD Strategic Plan, Aichi Targets 4, 14, 16, 18; and Targets of Objective III of GSPC. It also 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 the context of supporting CITES implementation, CITES Appendix II listed *Cibotium barometz* is one of the target species, and in the reporting period was included in the national and international market assessments, as well as resource assessment. The pilot implementation of the FairWild Standard on harvesting and trade in this species will provide a case study contributing to CITES agenda. TRAFFIC's Non-Detriment Findings guidance, piloted in Viet Nam on cycads in 2012, has apparently been in use by CITES authorities in Viet Nam for this and other taxa, to be further promoted by the present project. Contacts with Vietnamese focal points for CITES, CBD and GSPC are planned for Years 2-3.

6. Project support to poverty alleviation

The project is intended to have direct and indirect impacts on poverty alleviation for at least 1000 of 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. Section 19 of the application form details the project support to poverty alleviation. Bac Kan has high poverty rate, which in 2013 was 18.55%, double the national figure. In the Year 1 project collectors' income baseline survey, of 209 Dao people interviewed, nearly 70% of the respondents were of "poor" or "poverty" threshold level, while 27% were of "middle" or "wealthy" level.

Since 2016, Viet Nam has adopted the concept of multidimensional poverty for estimating poverty rate nationally, so the number of people recognized as 'poor' is likely to increase significantly. The stable and increased income from practice sustainable harvesting and fair trade of MAP will be more meaningful and useful for the local collectors who heavily rely on the forestry resources. Section 3 provides an overview of project deliverables in Year 1 of the project that contributed to poverty alleviation.

7. Project support to Gender equity issues

Amongst 221 collectors registered as members of 2 cooperatives and 14 groups in March 2016, more than 50% 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 to empower 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, especially at the beginning of the project, to attend village meetings. The number of women collectors that attended three village-level meetings were 427, 583 and 577 respectively (SD3.3)

8. Monitoring and evaluation

The project's M&E framework supports adaptive project management using six-monthly progress reviews.

The success of the project at increasing the income for the project participants and at helping to ensure sustainable collection of MAP species is evaluated by carrying out monitoring activities to assess the level of income derived from MAP collection. In Year 1, the initial baseline income survey was conducted to know the current economic-social status, knowledge, attitude and harvesting protocol. Additionally, the resource assessment for two target species was conducted in March in the beginning of spring harvesting season to identify the natural distribution of species and the sustainable harvesting volume. Previous project work (such as first phases of the project since 2011) provided initial baseline information regarding the income source from MAP collection and was supplemented with further data. Due to the length of gathering information on the ground, the Most Significant Change (MSC) methodology and the same baseline income survey have been proposed to use for the mid-term and final M&E respectively.

The results of the target MAP resources inventory will be used to develop species and area management plan, with integration of populations participatory monitoring. Direct involvement of the local groups is integral to the project process, and the final management plan will reflect both community and conservation needs. Resource inventory and management plan are the required components of the FairWild Standard, establishing system for monitoring of the impact of wild-collection on target (and affected) species in the area. It is of particular importance to ensure the rigour of project interventions to reduce MAP species over-exploitation. The FairWild certification audit is a third-party evaluation of the wild-harvesting operation against principles and criteria, including of ecological and social sustainability of. Planned for Years 2 and 3 of project, it will provide an additional source of data on ecological and social impacts.

Throughout the project, local stakeholders has been encouraged to voice issues or concerns as they arise, during the village meetings or directly with project staff. In particular, during the ABCD meetings, by identifying their own assets the project implementers much better understand their skills, their network, financial resources and other assets they own, local collectors voiced issues and concerns, which are being built in the project implementation. This is the base to drive the project to success.

Bac Kan FPD has set up a provincial-level management board to provide a review of technical and financial implementation on the ground. Bac Kan FPD and TRAFFIC met monthly or bi-monthly to ensure communications flow and that planning is on track, risk is managed and progress reviewed. TRAFFIC staff in the UK and Viet Nam communicate about project activities on daily basis and have formal project progress Skype calls every month. Implementing partners in Viet Nam communicate on daily basis.

9. Lessons learnt

ABCD method was found useful for community engagement and was positively received by the project stakeholders. Additionally, throughout direct communication via the training on fair price, both companies and local collecting communities have seen their own problem when calculating the product price. This is hopeful to be a good signal for both sides to commit to the trading agreement in Year 2 and Year 3.

Working with local partners like the BK FPD and government can be challenging due to the long lag time of approvals and slow action. Constant relationship management has been vital as this is an innovative approach that requires FPD and the People's Committee to carry out activities in the mode of collaboration that is not familiar to them. The project approval was delayed by the People's Committee, however once approved they have committed. Working closely with the BK FPD to encourage them and learn together has been critical for the successful achievements in Year 1. There was a number of challenges in implementing the baseline survey, including change in TRAFFIC staff during the survey, inconsistent quality of outputs from the BK FPD staff. This required additional time and effort from the project core team to address the inconsistencies. For future reference the survey should have been completed by independent consultants, rather than solely by FPD and commune staff. For capacity building and longer term impact, however, BK FPD should remain involved in the surveys and data collection.

Due to the complexity of technical issues and physical limitations of MAPs harvesting season, additional care will be taken in Years 2-3 in timing the external consultants' engagement.

10. Actions taken in response to previous reviews (if applicable): N.A

11. Other comments on progress not covered elsewhere

Year 2 faces a risk of changing government personnel from grassroots to national level due to the decision of 12th national congress of the communist party held in January 2016. After the congress party, a new national government will be formulated by April and from commune to provincial level, the new government structure will be completely formulated by end of May 2016. This means that the project may face the risk to work with many new leaders and the new people with possible different priorities. There is a change that the project may be delayed – however TRAFFIC will engage and advocate the project initiatives and what the project have been doing. TRAFFIC will also ensure the active engagement of the BK FPD so that they can also play a role in the advocacy of the program to the new National government.

12. Sustainability and legacy

The project has seen an increasing amount of buy in from stakeholders at many levels, from the local collectors coming to village meetings to potential international buyers who were reached e.g. through the BioFach 2016 trade show. Stakeholders and project partners have participated in regular meetings throughout Year 1, maintaining interest in and commitment to the project at all levels. The exit strategy at the end of project Year 1 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. Funding was secured by TRAFFIC for work in China's Guangxi province, neighbouring Viet Nam, which will provide opportunity for cross-project learning from the Darwin Initiative project.

13. Darwin Identity

Major efforts were put to ensure the steady stream of publicizing about the Darwin Initiative projects. Project flyer was developed and disseminated at the project launch event, trainings, BioFach 2016, 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. As elaborated in the application form, project partners have been involved in project sites since 2011, however with smaller funding support, from the Critical Ecosystem Partnership Fund and Keidanren Nature Conservation Fund. The programme phase, which started in April 2015 with Darwin Initiative funding has distinct identity and recognition between partners and stakeholders. 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 during the reporting period (1 April 2015 – 31 March 2016)

Project spend in this financial year	2015/16 Grant (£)	2015/16 Total Darwin Costs (£)	Variance %	Comments
Staff costs			-1%	see narrative below
Consultancy costs			-8%	see narrative below
Overhead Costs			9%	see narrative below
Travel and subsistence			9%	see narrative below
Operating Costs			-13%	see narrative below
Capital items (see below)			-8%	see narrative below
Others (see below)			-13%	see narrative below
TOTAL			-2%	1,992

Comments to explain variance:

- There was a budget reallocation in February and in March which re-forecast costs between travel, operating costs and staff costs budget lines. LTS were informed but a formal request was not necessary because forecast variance between Darwin Initiative budget lines was not above 10%.
- Expenditure against the original budget includes GBP1,992 expenses under 'other funding sources' hence the -2% variance. The variance will be cleared by TRAFFIC's match funding.
- Expenditure incurred in foreign currency resulting in some fluctuation from the GBP budgeted amounts

Annex 1: Report of progress and achievements against Logical Framework for Financial Year 2015-2016 (to be updated)

Project summary	Measurable Indicators	Progress and Achievements April 2015 - March 2016	Actions required/planned for next period
<p>Impact</p> <p>Increased livelihood benefits for low-income forest-dependent, ethnic minority groups in northern Vietnam through sustainable harvesting and equitable trade in medicinal and aromatic plant resources, contributing to improved environmental governance.</p>		<p>Project started contributing to the impact by raising awareness and ownership of people of project outcomes. Over 950 collectors in project areas were engaged in the reporting period, many of Tay and Dao ethnic origin, approximately half of them women.</p> <p>Principles of cost calculation and fair price were introduced to local collectors. All project activities are on track to provide local collectors with an additional and more stable source of income. Not only will it promote the continued survival of plants at levels that will allow consistent seasonally-appropriate harvesting, it also establishes a more secure and direct channel to access a market that promises a more stable price. These tools and approaches will be made available and disseminated beyond the identified project areas and stakeholders to further increase project outreach and contribute to the declared impact.</p> <p>BK FPD committed to develop the management plan for target species and areas. This experience can be used in longer term as a case study for provincial leaders and national decision-makers to improve resource management plans in Viet Nam and improved income for local collectors.</p> <p>Beyond working at project sites in Bac Kan (Outputs 1 and 2), project partners engaged at the national level advocating to design and implement a national strategy for better management of MAP resources and control unsustainable trade in MAPs within Viet Nam</p>	

	<p>and between Viet Nam and China. Government departments such as DONC (MARD), Bac Kan Provincial People's Committee, BCA (MONRE), TMA (MOH), have shown interest in the conservation issue of overharvesting and unsustainable trade of MAP not only in Bac Kan but also in at national level. Furthermore, MOH expressed their interests in combining the FairWild Standard Principles and Criteria with GACP, which is a legal requirement (Circular 14/2009/TT-BYT implements GACP in Viet Nam). FairWild could support the implementation of GACP by operationalizing the implementation of good harvesting practices. The GACP guideline will be enhanced by integrating FW principles and criteria. Such national policy recognition, if introduced, could provide foundation for the improved environmental governance in northern Viet Nam and other areas.</p>		
<p>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 overexploitati</p>	<ol style="list-style-type: none"> 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 	<p>Additional details in Section 3.3.</p> <p>A number of activities were delivered to ensure that the local collectors commit to implement sustainable harvesting and processing practices in compatible with being confident to access market information and market:</p> <ol style="list-style-type: none"> 1. ABCD train the trainers sessions conducted to 52 local village leaders and BK FPD officials so that they could better engage local collectors particularly women. 2. Conducted three rounds of village/commune meetings (integrating the ABCD tool) to call for active participation of local collectors in cooperative establishment. – on average 950 collectors participated 	<p>In the year 2, three main components are planned to be delivered in year 2:</p> <p>COMPONENT 1: CAPACITY BUILDING LOCAL COMMUNITIES/AUTHORITIES TO SUSTAINABLE HARVESTING AND MANAGEMENT PRACTICES</p> <p>Act 2.3 Carry out resource inventory, develop and support the endorsement and implementation of a species and area management plan for target MAP species</p> <p>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</p> <p>Processing equipment for products value-addition</p> <p>COMPONENT 2: SUPPORTING ALL ACTORS</p>

<p>on and provides models for replication</p>	<p>measured mid-way and in the end of project)</p> <p>4. By March 2018, target MAP species monitoring based on developed species and area management plan show reduced overexploitation</p>	<p>3. 2 cooperatives and 14 groups with a total of 221 members were established. These members understand the need for sustainable harvesting through training, village meetings and communication materials.</p> <p>4. 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.</p> <p>5. A resource assessment was conducted to identify the current volume of target species, the sustainable harvesting limitation and the local harvesting protocol. Such information will help the project implementers address their unsustainable harvesting practices.</p> <p>6. An agreement made amongst TRAFFIC, Bac Kan FPD and IEBR to develop a species/area management plan</p> <p>7. Project partners established priority processing equipment (e.g. 4 herbal dryers, 2 herbal vacuums) and made plans for its instalment in time for use during project Year 2 spring harvest season.</p> <p>8. DK Pharma and DK Natura committed to provide training to local collecting cooperatives and groups. Further formalised agreements will be finalised during Year 2 spring harvesting season.</p> <p>Connecting all actors along the value trade</p>	<p>ALONG THE VALUE TRADE CHAIN TOWARDS SUSTAINABLE HARVESTING AND FAIR TRADE</p> <p>ACT 1.5 Support application of sustainability certification schemes (e.g. FairWild, organic wild, CITES non-detriment finding and/or similar as appropriate) --- pre-audit</p> <p>1.6.1. Facilitate at least two meetings in each project site between collectors and manufacturers; at least one meeting between potential trading partners.</p> <p>International events (for example WCC 2016, CBD COP 2016 and 2018, CITES COP 2016 and Plants Committee meetings, BIOFACH 17,18)</p> <p>Travelling and subsistence cost for both TRAFFIC and local partners staff to attend National trade fairs and national events</p> <p>Facilitate a forum for TM practitioners and companies that are interested in sustainable harvesting and fair trade in Viet Nam</p> <p>3.2.2 Carry out the FairWild training and workshop with the selected interested Vietnamese organic wild-collection enterprises and communities</p> <p>COMPONENT 3: GOVERNMENT ADVOCACY</p> <p>POLICY REVIEW 3.4.1. Review current relevant policies and regulations on MAP management, trade, sourcing practices and sustainability at national level to find any gaps and identify opportunities for strengthening; may include natural resources management; GACP legislation; opportunities for investment to support sustainable sourcing practices for business. Develop summary and recommendations for policy improvements/changes (e.g. opportunity to offer practical measures for demonstrated sustainability of wild-collection for companies that need to comply with GACP by 2020 (all pharmaceutical companies legally required), in multi-stakeholder fashion (ie</p>
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		<p>chains of target species:</p> <p>9. A training workshop for 12 pharmaceutical companies on different sustainability certifications in October 2015.</p> <p>10. Meetings were facilitated between DK Pharma, DK Natura in July, October and December 2015, February and March 2016. Local collecting communities has opportunities to directly and openly discuss with the companies</p> <p>11. National and international market assessments were completed that provide the opportunities to link collectors with private sectors in order to improve their MAPs products, access to market information and increase their income.</p> <p>12. Verbal agreement reached with local companies for market access and premium price</p> <p>13. Verbal commitment from the 2 national companies (DK Pharma & DK Natura) to train the 16 cooperatives/groups on sustainable practices during harvesting season. However, this is hampered by slow action by FPD as they are hesitant to engage with private companies.</p> <p>14. TRAFFIC have still been looking for and following up with potential international companies i.e Nu Herbs (USA), Pukka Herb (UK), etc via many communication channel such as attending BioFach 2016</p> <p>Policy advocacy:</p> <p>15. Commitment of Bac Kan People's Committee has been evident through the attendance of the Vice-Chairman of the People's Committee at the project launch</p>	<p>consult private sector, communities, CSOs)</p> <p>INTER-MINISTRY WORKSHOP including presenting the findings of the policy review</p> <p>Develop province-level sustainable MAPs use strategy and communicate it to all stakeholders through project activities and Vietnam's BioTrade network</p> <p>3.4.3. Compiling the FairWild into GCP and developing the manual of FairWild-GCP endorsed by MOH</p>
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		in October 2015.	
		16. Consultative meetings with District level from Feb to March 2016 to promote the cooperative establishment.	
Output 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	<ol style="list-style-type: none"> 1. By March 2016, 1000 local collectors' households and buyers have agreed to work together to develop a sustainable supply chain and trading agreements 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 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 	<p><i>Project activities are on track (see the table above in section 3.2)</i></p> <p>By March 2016, an average of 950 collectors were introduced to the project, and expressed interest in further project activities (through ABCD trainings engagement).</p> <p>Of these, 221 local households registered as members of the official cooperatives formed in the reporting period.</p> <p>DK Pharma and DK Natura verbally agreed to work together to develop the sustainable supply chain for Jiaogulan species and trading agreements. An MoU was signed between DK Pharma/DK Natura, BK FPD, TRAFFIC and Xuan Lac and Ban Thi local communities detailing the commitment, including of paying premium price for the sustainably-harvested products</p> <p>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.</p> <p>Verbal agreements by the companies were made on fair pricing which includes a Premium price for sustainable harvested products. This agreement to be formalised in Year 2.</p> <p>A MoU was signed between DK Pharma/DK Natura, BK FPD, TRAFFIC and Ban Thi and Xuan Lac local communities detailing the commitment, including of paying premium price for the sustainably-harvested products.</p> <p>Verbal agreements by the companies were made on fair pricing which includes a Premium price for sustainable harvested products. This agreement to be formalised in Year 2, with product trade commencing following it.</p>	
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)		<p>A baseline survey was conducted in Year 1 of the project focussing on collecting data about the baseline income generated from the MAPs collection of local villagers and their level of knowledge, attitude and current practice (KAP) regarding MAPs collection. The baseline survey results will be used to set up project baseline Monitoring & Evaluation indicators.</p> <p>The survey was conducted in 16 Dao and Tay villages, including 409 face-to-face interviews with respondents from different households of seven communes in all four districts of the project site (45.45% of them female respondents). During the results evaluation, it was found out that some of the survey resulted (with Tay group) were not reliable, that reflects the real situation. The survey indicated the annual income from MAPs of local people in a range of USD 150-250 per household, roughly 10-12% of total income. The survey also provided insights (e.g. locations with the highest populations of active</p>	

	<p>collectors) that will assist in adaptively manage project activities to prioritize the project interventions in Years 2 and 3. (Details in Annex 4, SD (4.1, 4.2, and 4.3).</p> <p>Next priorities:</p> <p>The mid-term and final income evaluations will be conducted. It is suggested by the project team to use the Most Significant Change (MSC) methodology for the mid-term evaluation, in order to reduce the time and effort of surveying. This methodology focuses on gathering the significant change stories from different stakeholder groups. By analysing the stories, project achievements, limitations, opportunities and threats will be highlighted. These main findings will help the project stakeholders better improve their activities in Y3.</p>
<p>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</p>	<p>Partly done: identify the key actors and also potential partners along the value trade chains of target species.</p> <p>Activities were initiated to analyse value chains of target species, in particular through strengthening the market linkages to potential corporate partners, and obtaining recommendations on methods for improving the quality of and adding value to the target species. In the first six months, TRAFFIC and the FPD continued to facilitate the links between local collecting communities and the alliance of DK Natura and DK Pharma, a major corporate partner and market for the wild-collected MAPs. In the last six months of Year 1, the project team met the representative of the alliance to discuss steps to move forward the cooperation between the companies and the local cooperatives. In the meeting, the company representative expressed his concerns over the quality and high price offers made by local collectors, and about the alliance's lack of experience working with potential international buyers such as Nu Herb (USA).</p> <p>Communication with international buyers is still ongoing from before the project initiation steps. At BioFach 2016 in February, TRAFFIC disseminated information about the project and activities and shared <i>Gynostemma pentaphyllum</i> samples with potential buyers. A major mark of progress in terms of accessing an international market was seen in the increased interest expressed by international buyers for <i>Gynostemma pentaphyllum</i>. Although a sourcing manager from Pukka Herbs (UK) stated that they had no present demand for <i>Gynostemma pentaphyllum</i> during a visit to Viet Nam in April 2015, when he met project team, further interest was expressed in receiving the target species sample. The Pukka Herbs team, together with the Organic Herb Trading Company (OHTC) (UK), plans visit Viet Nam in April 2016. This is an opportunity providing a lot of potential for growth for both newly established local cooperatives and local pharmaceutical companies. A meeting with the Body Shop International Sourcing manager on her visit to Viet Nam was conducted in Year 1, followed up by a meeting at BioFach trade fair. So far, sustainably-sourced wild-collected <i>Gynostemma pentaphyllum</i> samples have been presented to a number of companies: the Body Shop, OHTC, Pukka Herbs, Neal's Yard Remedies, and other.</p> <p>In addition to these meetings, two studies – on national and international market potential for sustainably certified target species was contracted and completed in Year 1 of the project. This creates opportunity</p>

	<p>for the follow-up in Year 2, Next priorities</p> <p>In beginning of Y2 project, an action plan to approach both international potential companies and national companies. Regular communications and meetings will be arranged to ensure a fair trade between local suppliers and buyers negotiated and reached by end of Y2.</p>
<p>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 skills, and associated access and benefit sharing mechanisms.</p>	<p>A number of printed FairWild publications (the FairWild flyer - 1000, the FairWild Performance Indicators – 500) have been translated into Vietnamese and distributed at relevant events. These documents are relevant to the development and refinement of the project-specific training materials on improving quality, marketing and entrepreneurial skills. Annex 4 SD 13.3, 13.4</p> <p>Project overview flyers in both Vietnamese (1,000) and English (100) have been designed and distributed. Annex 4, SD 13.1 A poster (50 copies) on the processing of Jiaogulan has been developed based on the requirements of DK Pharma and DK Natura. Annex 4 SD 13.5</p> <p>Folders (1,000) for disseminating project information at project meetings, workshops, seminars and other events were designed and printed, featuring information about the project in Vietnamese. Annex 4, SD 13.6</p> <p>In March 2016, 52 individuals from collecting cooperatives, pharmaceutical companies and the local government received training on fair pricing and the operation of cooperatives/groups to help these individuals identify the problems that arise when practicing sustainable harvesting techniques, working together, and negotiating a fair price for both local traders and pharmaceutical companies. These trainings identified the different perspectives and expectations of the communities and the companies regarding cost calculation. The training also provided some insight into ways to better manage the collecting operations in order to ensure they work smoothly and that the benefits are shared based on individual contributions. The workshop also provided an opportunity to present and discuss a standard for working conditions for the collecting groups/cooperatives, and to talk about the relationship between local collectors and buyers/companies. These group discussions also emphasised the weaknesses of the project and the needs of the local people to improve their trade flows in coming years. The results of these discussions will help the project implementers identify the most relevant themes for the coming training series in Y2 and Y3. The discussions in the trainings also helped different stakeholders understand their positions in the value trade chain and how they can negotiate to leverage their position to achieve a fairer trade mechanism and gain more benefits from sustainable harvesting and fair trade.</p> <p>A new partnership with the local NGO GreenViet (http://en.greenviet.org) was established to promote the concept of Asset-Based Community Development (ABCD), a methodology for the sustainable development of communities based on their strengths and potential for sustainable long-term uptake of the project interventions. After facilitating the initial ABCD training for local project executants,</p>

	<p>GREENVIET continued to provide additional coaching for project stakeholders in using ABCD on the ground from December 2015 to end of March 2016. The local executants conducted three village/commune meetings to establish sustainable cooperatives with legal entities through application ABCD. After each meeting, GREENVIET tried to provide feedbacks to the trained executants to ensure cooperative establishment. A last coaching conducted on 30th and 31st of March 2016, together with the fair price workshop, inspired more confidence to local leaders and collectors for their community development efforts in next two years.</p> <p>Training on fair price and social aspects for local collecting cooperatives/groups was conducted, as mentioned under Activity 1.2.</p> <p>Four dryers (funded by the matching KNCF funding) were installed in April 2015 for the cooperative groups to add value to their wild-sourced products. This equipment provides an incentive for the local collectors to change their previous unsustainable harvesting habits. DK Natura provided technical advice and training to the collectors about using the dryers. Additionally, the local communities requested in March 2016 a list of equipment that they will use to add more value to their wild-collected products before the Jiaogulan harvesting season begins. TRAFFIC, in coordination with the Bac Kan FPD, has reviewed the request and will be installing 4 herb dryers, 2 herb vacuum and other requested equipment in next two months.</p> <p>Next priorities:</p> <p>A comprehensive capacity building trainings implemented for collectors on cooperative operation, marketing skills, price calculation, benefit sharing mechanisms, sustainable harvesting technique, etc is essential.</p> <p>The training theme and contents should be met with the market requirement in consultation with all project stakeholders.</p>
<p>Activity 1.4. Facilitate the establishment of local collectors' organization (e.g. a cooperative, social enterprise or association)</p>	<p>Since late 2011, local collectors were encouraged to work together in sustainable collecting groups that were not officially recognized legal entities, which created a barrier to accessing markets and market information. With an understanding of the advantages of establishing local collectors' organisations such as cooperatives, small-scale social enterprises or associations, TRAFFIC conducted a number of meetings in the project's inception phase (April to September 2015) with relevant stakeholders to show both the advantages and disadvantages of working as part of an organization recognized as a legal entity and endorsed by local authorities. One of the challenges faced by the TRAFFIC team in implementing this project is to engage local communities to actively participate and implement the project activities as their own work, which has made it difficult to encourage the formation of collectors' organizations. To facilitate the voluntary establishment of local collectors' organizations, TRAFFIC designed and carried out a three step plan:</p> <p>Step 1: Conduct ABCD training for the project site focal points who are in charge of assisting local collectors and implementing the project activities. The training, held in November 2015, provided the</p>

ABCD methodology as an innovative development strategy that could identify and mobilize existing community assets in local project sites. This strategy would allow community members to create and take advantage of new economic opportunities without being dependent on outside organizations. More than 50 local Forest Protection Department (FPD) staff, forestry officers and village heads in Ngan Son, Na Ri, Cho Don and Ba Be Districts of Bac Kan Province received the training. The two four-day training sessions, held November 17 to 20 in Ngan Son and November 24 to 27 in Ba Be, will provide opportunities for the participants to uncover and understand the strengths and assets already existing in their communities. Local assets, categorized as individuals, associations, institutions, physical, financial and cultural assets and connections, were reviewed and analysed in relation to MAPs conservation and livelihood development efforts. Using connections and opportunities created by the ABCD model, local collectors will be able to build collecting co-operatives, mobilize their own assets to practice sustainable harvesting techniques, and improve their processing skills. Additionally, they will be able to improve their market access by building stronger relationships with pharmaceutical and cosmetic companies.

Step 2: Trainees of the ABCD trainings conducted two 30-village meetings from November 2015 to middle of March 2016 to (1) identify the community assets and rank the community development opportunities and (2) consider types of legal entities they want to set up based on their actual expectations and conditions. In the first village meeting, 948 villagers of 30 project villages of 9 communes (which included 427 women, 521 men and 905 people from ethnic minority groups) were invited to identify their community assets. In the interactive village meetings, local participants compared MAP conservation and trade opportunities to other livelihood alternatives. All participants agreed that practising sustainable harvesting of MAP products and improving their market access would provide good opportunities to help them protect MAP resources and increase their limited income. The second village meeting drew an even larger crowd of 974 villagers and a higher proportion of woman (583 women, 391 men and 923 from ethnic minority groups). After the first two village meetings, 14 out of 23 villages agreed to form sustainable collecting groups while 7 sustainable collecting groups in Xuan Lac and Ban Thi commune wanted to establish a cooperative.

Step 3: Consult with relevant authorities and organise a training on how to organise such cooperatives to ensure the benefits are shared equally among all members.

Several meetings with Commune and District People's Committee conducted from January to March 2016 established an understanding of the district and commune development plans for the next five years (2016-2020) from 2016 to 2020 and the thoughts of these authorities on the establishment of cooperatives. In the meetings, the People's Committee was very supportive of the cooperative establishment and the ideas of promoting the resulting products.

Earlier meetings with DK Pharma had already convinced them to support local collectors in the project site and resulted in the memorandum of understanding (MOU) signed in the KNCF II project in early 2014.

Step 4: the third commune meetings were conducted at 9 communes and 21 villages where One

	<p>cooperative for 7 villages of Xuan Lac and Ban Thi Commune has newly established; One (HTX Bao Chau) in Lang San Commune (Na Ri District); 14 Groups have formulated in other communes of three new project sites.</p> <p>Next priorities:</p> <p>Helping the 16 newly established cooperatives/groups to work effectively and efficiently via providing both technical and financial support. By Y2, Y3, they are hoped 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.</p>
<p>Activity 1.5. Support application of sustainability certification schemes (e.g. FairWild, organic wild, CITES non-detriment finding and/or similar as appropriate)</p>	<p>In order to help local collecting cooperatives and the alliance of DK Pharma/Natura to know what are their strengths and weakness when application of FairWild in the project site and what is the feasibility/possibility to gain a sustainability certification scheme, TRAFFIC contracted an international consultant to deliver a pre-audit activity to deliver baseline verification against FairWild Standard and the EU organic standard in project sites in Bac Kan province. The main findings of this activity will help companies and local people to address current gaps and improve product quality. As harvesting season falling in April-May and Sept-Oct so his field work to Viet Nam will be arranged in second harvesting season of the year.</p> <p>The FairWild Standard is used in the project as clear guidelines to help local collectors and companies produce sustainably-sourced, wild-collected products and ingredients. FairWild is a verification system that provides a meaningful and comprehensive guidance framework and certification option for all sustainably collected wild plant species worldwide, and covers both ecological sustainability and aspects of fair trade and social sustainability. Many FairWild documents were translated into Vietnamese and contextualized to local conditions.</p> <p>In-depth FairWild and other standards trainings were delivered by TRAFFIC's Medicinal Plants Programme Leader during the visit to Viet Nam in October 2015. Vietnamese project manager (Ms. Mai Nguyen) attended the training events during the BioFach trade fair and received in-depth training in FairWild aspects through webinars and during her visit to TRAFFIC International office in Cambridge, UK in February 2016.</p> <p>TRAFFIC also organized field visits to Quan Ba District of Ha Giang Province for BK FPD staff to become familiar with the Good Agricultural and Collection Practices (GACP), which will become compulsory in Viet Nam for all traditional medicine manufacturers by 2020. Applying the FairWild Standard for several years coupled with lessons learnt from the GACP model in Ha Giang Province, Bac Kan FPD are trying to contextualise to reduce barriers for Bac Kan locals to establish sustainable harvesting techniques and gain access to markets and market information. DK Pharma, drawing upon their experience engaging</p>

	<p>local communities in the production of organic medicinal products and ingredients, will start combining FairWild¹ principles and indicators to their GACP model. Bac Kan FPD applied many lessons learned from GACP to how they structure their cooperatives and practice FairWild Standards on the ground. The lessons will help Bac Kan people to reduce limitations and build more confidence when practicing sustainable harvesting techniques and establishing access to markets and market information.</p> <p>Next priorities:</p> <p>Delivery of the pre-audit for target species; Trainings on FairWild Standard; Distribute FairWild Principles/criteria materials in Vietnamese to the project partners; Improve/Address the problems/weakness that Pre-audit consultants show; Combining FairWild Principles/criteria into GACP guidance issued by TMA of MOH.</p>
<p>Activity 1.6. Increase access to national and international markets for local collectors via facilitating relationships with selected manufacturers</p>	<p>International and national market studies (described under Activity 1.2) contributed to the increased access for local collectors to national and international markets.</p> <p>Additionally, to engage other national pharmaceutical companies a workshop was conducted in October 2015, about the availability and application of sustainability certification schemes (including the FairWild Standard) in Viet Nam and the demand for sustainably-sourced products nationally and internationally (Annex 4, SD2.1; SD 2.2 and SD2.3). Participants this workshop in Hanoi (12 in total), included the representatives of companies, Helvetas BioTrade initiative, SNV, Fairtrade Viet Nam and MOH.</p> <p>Connections with international buyers were strengthened at BioFach 2016, where the TRAFFIC project representative shared information about the project and samples of <i>Gynostemma pentaphyllum</i> with potential international buyers (See Annex 4, SD 5.1.). Meetings were facilitated during the year with potential international buyers, including with the Body Shop (UK) and Pukka Herbs (UK) in Hanoi, as well as NuHerbs (US) via skype calls.</p> <p>Project training on fair trade conditions organized in March 2016 improved the link between local communities and national companies.</p> <p>Next priorities:</p> <p>Reinforcing the relationship between 16 sustainable collecting cooperatives/groups with DK Pharma/Natura through a purchase contract signed and included premium price.</p> <p>Enhance capacity of 16 cooperatives/groups to be more confident to negotiate with DK Pharma/DK Natura and potentially international companies</p> <p>16 cooperatives/groups actively sell and market for their own sustainably-sourced wild collected</p>

¹ The FairWild Standard applies to wild plant collection operations wishing to demonstrate their commitment to sustainable collection, social responsibility and fair trade principles, and FairWild Certification is one of the ultimate goals of this project.

		products/ingredients. This may lead to develop a stable marketing strategy for their sustainable products.
<p>Output 2. Sustainable use strategies and management plans (species and area) designed and operational for target MAP species harvested at the project site</p>	<ol style="list-style-type: none"> 1. 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 3. 1000 local collectors use sustainable harvesting practices based on the management plan and associated FairWild principles by the end of project year 3 	<p><i>Project activities are on track (see the table above in section 3.2)</i></p> <p>IEBR and Bac Kan FPD are engaged in drafting the species and area management plans for the target species and areas, based on the resource inventory conducted in Year 1. These plans will be finalised and endorsed by the provincial government at the end of year 2 for implementation in year 3.</p> <p>Initial introduction to FairWild principles to at least 950 local collectors during the ABCD training.</p> <p>Information recorded in collectors' interviews, e.g. the project movie shown at the October 2015 launch event, demonstrates the use of sustainable harvesting methods by collectors trained previously in KNCF project</p>
<p>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</p>		<p>TRAFFIC conducted preliminary consultative meeting with partners in order to prepare for the project launch; introduce the project to multiple stakeholders at the commune, district and provincial levels of Bac Kan; understand the current situation of MAPs harvesting and trade in four target districts</p> <p>In June 2015, BK FPD submitted formal recommendations to the Bac Kan People's Committee for the sustainable management of MAPs. The comment and feedback from the provincial government authorities is expected in Year 2 and would provide additional avenues for stakeholder engagement to further implement sustainable management of MAPs in Bac Kan province.</p> <p>TRAFFIC conducted seven consultative meetings with partners in order to introduce the project to stakeholders at the commune, district and provincial levels; understand the current situation of MAPs harvesting and trade in target districts; identify villages and communes to be involved in the project; identify the needs and expectation of local authorities; consult regarding the project approaches and methodologies; and formulate the project implementation body on the ground. There consultative meetings, with the ABCD trainings, reached over 1000 participants (including at least 950 collectors).</p> <p>According to the preliminary report of resource assessment, FPD has committed to develop a MAPs management plan in collaboration with consultant group which started in March 2016.</p> <p>Next priorities:</p> <ul style="list-style-type: none"> - Training themes are discussed and agreed to ensure they meet the local training needs of local

	<p>collectors, pharmaceutical companies and authorities</p> <ul style="list-style-type: none"> - Training schedules should be flexible to achieve the project goals and meet the stakeholders' expectations - Training materials are developed in easy language.
<p>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.</p>	<p>Initial steps were taken in the preparation of training materials and implementing training programmes on sustainable harvesting methods and species monitoring (Activity 2.2) through the translation of relevant FairWild technical materials (Standard and Performance Indicators – Annex 4, SD 13.3. SD 13.4). Introduction to sustainable harvesting approaches was also made during the ABCD trainings in Year 1 (Activity 1.4). Key FPD staff were trained in resource management and monitoring approaches, as part of supporting the resource assessment (Activity 2.3).</p> <p>The roll-out of training programme is planned for Years 2 and 3.</p>
<p>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</p>	<p>As part of the development of species and area management plan in target project sites, a resource assessment (Annex 4, SD12.1) of <i>Gynostemma pentaphyllum</i> and <i>Cibotium barometz</i> across the sites was implemented by the Institute of Ecology and Biology Resources (IEBR) in collaboration with BK FPD. IEBR is one of five VN CITES scientific authorities.</p> <p>The survey team of six researchers conducted the first inventory in March 2016. The team surveyed 44 transects to map the natural distribution and estimate the entire volume of <i>Gynostemma pentaphyllum</i> and <i>Cibotium barometz</i>. The team also conducted village meetings and group discussions to learn about the current collection protocols in the project site. A full report including the resource map, manual on sustainable harvesting and sustainable limits will be completed in the next four months.</p> <p>The development of the management plan has started at the end of Year 1 and will continue in Year 2, as the harvesting season of target species is between March and May. The full report including the resource map, manual on sustainable harvesting and sustainable limits will therefore be completed in Year 2.</p> <p>Next priorities:</p> <ul style="list-style-type: none"> - Develop and endorse a species and area management plan. - Carry out the second resource assessment.
<p>Activity 2.4. Develop province-level sustainable MAPs use strategy and communicate it to all stakeholders through project activities and Vietnam's BioTrade network</p>	<p>TRAFFIC provided technical support to the FPD to improve regulations based on recommendations of the review developed during the meeting in March 2015 to discuss MAPs conservation in accordance to the provincial decision no. 3808/2009/QD-UBND (approval of MAP development program in Bac Kan Province from 2010 to 2015 and its vision to 2020); a proposal was submitted to Bac Kan People's Committee in June 2015. As per the Vietnamese governing process, which requires consultation with and buy-in from a wide range of different stakeholders, the outcomes of the proposal are expected to be presented by the Bac Kan People's Committee in the next reporting period. The comment and feedback</p>

	<p>from the provincial government authorities is expected in Year 2 and would provide additional avenues for stakeholder engagement to further implement sustainable management of MAPs in Bac Kan province.</p> <p>Next priorities:</p> <ul style="list-style-type: none"> - Policy review - Management Plan
<p>Output 3. A mechanism for scaling up application of the project model and results established and an enabling environment created in other areas</p>	<ol style="list-style-type: none"> 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 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 <p><i>Project activities are on track (see the table above in section 3.2)</i></p> <p>The project has received positive interest from MoNRE and MOH, in particular the aspects of relevance to the practices implementation of Access and Benefit Sharing provisions, and support to the implementation of GACP 2020 Viet Nam's strategy</p> <p>MOH TMA expressed interests in combining the FairWild Principles and indicators into the national GACP guideline for implementation by 2020</p> <p>Policy review and the opportunities for influencing the national policy is planned for Year 2, in synergy with the parallel project of implementing sustainable and legal trade provisions for timber resources trade from Viet Nam</p>
<p>Activity 3.1. Share project results showcasing successes, challenges and lessons learned with specific regard to:</p> <p>A. Negotiating multi-stakeholder (government, local community, business) arrangements and agreements for sustainable resource management and trade in wild-harvested products;</p> <p>B. The potential and challenges of achieving sustainable management of NTFP trade to increase incomes in protected area buffer zones;</p> <p>C. Practical approaches to achieve equitable access and benefit sharing for trade to local and international markets</p> <p>D. Compliance with CITES requirements for international trade in CITES-listed species</p> <p>E. Operationalizing third party certification systems for wild-harvested products destined for local and</p>	<p>Initial experiences of project implementation were summarized in numerous publications, including for the Food and Agriculture Organization (FAO) Non-Wood Forest Products (NWFP) newsletter, newsletter of the IUCN Sustainable Use and Livelihoods Specialist Group, in the International Trade Center Market News Services report, TRAFFIC and FairWild communication channels (for selected publication details see Annex 3, Table 2).</p> <p>Further work will continue in Years 2-3.</p>

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.	Progress was made in promoting the FairWild Standard and linking it to existing Vietnamese organic wild-collection enterprises and communities through a number of project meetings and workshops, most notably the workshop about sustainability certifications for national pharmaceutical companies (Activity 1.6). Information about the FairWild Standard was also disseminated in other meetings and training courses (including the ABCD meetings) with local collecting communities and project partners through presentations and printed communication materials.
Activity 3.3. Input into the existing BioTrade Vietnam multi-stakeholder forum on private sector leadership for sustainability of sourcing and production in Vietnam	Conversations took place also with the BioTrade Viet Nam about the opportunities for joint events, which to present day were more on the ad hoc basis, further actions planned for Years 2 and 3.
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	<p>The Biodiversity Conservation Agency of the Ministry of Natural Resource and Environment, the Department of Natural Conservation of the Ministry of Agriculture and Rural Development, and the National Institution of Medicine Materials have been consulted regarding the potential contribution of project to Viet Nam's commitment to implementing the GACP. They expressed their interests in the project and are ready to support the project implementation in Viet Nam.</p> <p>Communication and outreach materials developed in the reporting period include a 20 minute-documentary about the project. In preparation for the project inception workshop, 2,400 FairWild Standard and project overview flyers and 500 FairWild Performance Indicators brochures were printed. These materials provide information on sustainable harvesting and management and fair trade of wild MAPs (Activity 2.1, 2.2; Activity 3.2, 3.3).</p> <p>A profile of the project, titled 'The FairWild approach in Vietnam is helping communities and conservation,' was published in the March 2015 Darwin Newsletter on Trade and Biodiversity. An article 'Asia: Biodiversity and human health – implementing best practices in sustainable harvesting and trade of medicinal plants' by Anastasiya Timoshyna (TRAFFIC), covering a range of projects including the Darwin Initiative project in Viet Nam, was published in the Food and Agriculture Organization (FAO) Non-Wood Forest Product Update September 2015 Newsletter (http://forestry.fao.org/msgfocus.com/q/1bwAVLdrLMLyAbKkg6j/wv). The Darwin Initiative project update was also included in the Edition 5 and 6 of the FairWild Foundation Newsletter, published in August and December 2015, respectively (http://www.fairwild.org/newsletter).</p> <p>Next priorities.</p> <ul style="list-style-type: none"> - A related policies review at national level will be undertaken by some officials from MOH and MORNE. - Field visits should be organized for national stakeholders to provide them with facts and evident to favour the policy revising process.

<p>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)</p>	<p>In Year 1, the project was presented at several international events, including at a trade show, during the BioFach 2016 in Germany, during the II Traditional Chinese Medicine (TCM) CSR and Sustainability Forum in Hangzhou, China (presentations available). The Viet Nam case study was included in the report on implementation of the CBD's Global Strategy for Plant Conservation (p. 18 of https://www.cbd.int/doc/meetings/sbi/sbi-01/information/sbi-01-inf-32-en.doc), to be presented to CBD Parties during the First meeting of the Subsidiary Body on Implementation in May 2016.</p>
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Annex 2: Project's full current logframe as presented in the application form

Project summary	Measurable Indicators	Means of verification	Important Assumptions
<p>Impact: Increased livelihood benefits for low-income forest-dependent, ethnic minority groups in northern Vietnam through sustainable harvesting and equitable trade in medicinal and aromatic plant resources, contributing to improved environmental governance.</p>			
<p>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</p>	<p>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.</p> <p>2. By March 2017, market intelligence provided and MAP value-addition mechanisms in place and accessed by 1000 local collectors.</p> <p>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).</p> <p>4. By March 2018, target MAP species monitoring based on developed species and area management plan show reduced overexploitation</p>	<p>Indicator 1:</p> <ul style="list-style-type: none"> • Lists of project activity participants and photos • Project reports • Feedback from training sessions including pre and post questionnaires • Registration forms and membership lists from local collector organisations <p>Indicator 2:</p> <ul style="list-style-type: none"> • Value chain analyses and reports for target species identifying value addition mechanisms • Photos and evidence of processing equipment installed • Report outlining benefit sharing mechanism • Report detailing effectiveness of benefit sharing mechanism amongst the value trade chain • Photos and minutes of meetings between collectors and representatives from international and domestic markets. <p>Indicator 3:</p> <ul style="list-style-type: none"> • Agreements/contracts between manufacturers and local collectors on supply of sustainably harvested products • Project baseline, monitoring and evaluation reports including income data and statements from collectors. 	<ol style="list-style-type: none"> 1. 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 2. 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. 3. 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. 4. 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 5. Provincial or national government agencies continue to support sustainable use and do not ban trade in wild harvested plants

		<p>Indicator 4:</p> <ul style="list-style-type: none"> • Reports of population status of target species. • Resource inventory and management plan reports 	
<p>Outputs:</p> <p>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</p>	<p>1a. By March 2016, 1000 local collectors' households and buyers have agreed to work together to develop a sustainable supply chain and trading agreements</p> <p>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</p> <p>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</p>	<ul style="list-style-type: none"> • List of project activity participants; • Value chain details and reports including value addition mechanisms; • Agreements between buyers and local collectors on supply of sustainably harvested products; • Receipts showing increased prices for target species; • Baseline and progress/final income reports from local collectors 	<ol style="list-style-type: none"> 1. 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 2. Local government remains supportive of institutional mechanisms enabling delivery of technical support, value-addition, including allowing registration of collectors' organizations. 3. 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. 4. 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. 5. 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
<p>2. Sustainable use strategies and management plans (species and area) designed and operational for target MAP species harvested at the project site</p>	<p>2a. Management plans for the target species and areas developed through a government-led multi-stakeholder consultation process by the end of year 2</p> <p>2b. 1000 local collectors trained in FairWild Standard principles of sustainable wild collection by the end of project year 2</p> <p>2c. 1000 local collectors use sustainable harvesting practices based on the management plan and associated FairWild principles</p>	<ul style="list-style-type: none"> • Target MAP species resource inventory and management plan; • Training records and post-training survey; • Surveys and collectors' interviews; • Species monitoring reports 	

	by the end of project year 3		6. Provincial or national government agencies continue to support sustainable use and do not ban trade in wild harvested plants 7. 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
3. A mechanism for scaling up application of the project model and results established and an enabling environment created in other areas	3a. 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 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	<ul style="list-style-type: none"> • Government agencies media reports; • Project case-study publication; • Workshop and meeting reports 	

Activities

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)

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	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			52 + 950 (see in Year 1 column)	1000
7	Number of project training materials produced for use by Viet Nam	n/a	n/a	4			4	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			0	One management plan covering two target species: <i>Cibotium barometz</i> and <i>Gynostemma pentaphyllum</i>

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			0	One manual covering two target species: <i>Cibotium barometz</i> and <i>Gynostemma pentaphyllum</i>
14A	Number of conferences/seminars/workshops to be organised to present/disseminate findings	n/a	n/a	3			3	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			1	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)
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				£12,480
21	Number of local collectors' organization (e.g. a cooperative, social enterprise or association) established and then continued	40.6% of members are women	Vietnamese (all are ethnic minorities: Tay, Nung, Dao)	16 organizations (2 cooperatives and 14			16	At least one

	after Darwin funding has ceased			sustainable harvesting groups)				
23	Value of resources raised from other sources (e.g., in addition to Darwin funding) for project work	n/a	n/a	£30,500				£56,394

Annex 3 Standard Measures

Table 1 Project Standard Output Measures

Comment:

Standard measures, relevant to the present project are listed below, however work carries on to complete the table with project-specific information and will be submitted separately.

Table 2 : Publications

Title	Type (e.g. journals, manual, CDs)	Detail (authors, year)	Gender of Lead Author	Nationality of Lead Author	Publishers (name, city)	Available from (e.g. weblink or publisher if not available online)
'The FairWild approach in Vietnam is helping communities and conservation	Newsletter article	Anastasiya Timoshyna, 2015	Female	Ukrainian	Darwin Initiative Newsletter on Trade and Biodiversity (DEFRA, UKAID, Darwin Initiative)	http://goo.gl/PsCihm
'Asia: Biodiversity and human health – implementing best practices in sustainable harvesting and trade of medicinal plants	Newsletter article	Anastasiya Timoshyna, 2015	Female	Ukrainian	Food and Agriculture Organization Non-Wood Forest Product Update Newsletter	http://goo.gl/C6tNN6

FairWild Newsletter entries	Newsletter entry	Bryony Morgan, Mai Nguyen August 2015, December 2015	Female * 2	UK Vietnamese	FairWild Foundation Newsletter, Editions 5 and 6	http://www.fairwild.org/newsletter
FairWild: looking forward to a sustainable and prosperous 2016	TRAFFIC web update	TRAFFIC International (mixed authorship) 24/12/15			TRAFFIC International webpage	http://bit.ly/1Ocmms7
Sustainable plant harvesting as straightforward as ABCD	TRAFFIC web update	Mai Nguyen and Jill Capotosto 1/12/15	Female	Vietnamese USA	TRAFFIC International webpage	http://bit.ly/1Pz4sSe
Wild plant project sows the seeds of sustainable harvesting	TRAFFIC web update	Mai Nguyen and Jill Capotosto 2/10/15	Female	Vietnamese USA	TRAFFIC International webpage	http://bit.ly/1P8QPrh
Strong FairWild presence at world leading organic food fair	TRAFFIC web update	TRAFFIC International (mixed authorship) 4/3/16			TRAFFIC International webpage	http://bit.ly/21NifYx
“An introduction to TRAFFIC's project on sustainable wild collection and fair trade in medicinal and aromatic plants in Bac Kan Province, Viet Nam. Contact us for full story in English. http://www.thiennhien.net/2016/02/14/khai-thac-ben-vung-va-thuong-mai-cong-bang-cay-huong-duoc-lieu-tai-bac-kan/ “	Facebook post	Mai Nguyen TRAFFIC in Viet Nam 16/2/16 428 views, 7 shares/likes	Female	Vietnamese	TRAFFIC in Viet Nam Facebook page	https://goo.gl/L6Sx4X
“Looking forward to a sustainable and prosperous 2016 http://bit.ly/1Ocmms7 “	Facebook post	TRAFFIC International 24/12/15 16 likes, 3 shares	Male	UK	TRAFFIC International Facebook page	https://goo.gl/HzHBfW
“Sustainable plant harvesting - it's as straightforward as ABCD. See how:	Facebook post	TRAFFIC	Male	UK	TRAFFIC International	https://goo.gl/Q9G1X4

http://bit.ly/1Pz4sSe “		International 3/12/15 13 likes, 2 shares			Facebook page	
“TRAFFIC is involved in a 3-year sustainable wild plant harvesting and trade project launched today in Bac Kan province, Viet Nam, which aims to improve the livelihoods of at least 1,000 low-income households. http://bit.ly/1P8QPrh “	Facebook post	TRAFFIC International 2/10/15 50 likes, 2 shares	Male	UK	TRAFFIC International Facebook page	https://goo.gl/54bBzu
Wild plant project sows the seeds of sustainable harvesting: Bac Kan, Viet Nam, 2nd October 2015—A three-year ... http://bit.ly/1N8su5s	Tweet	TRAFFIC International 2/10/15 621 impressions, 1 like, 1 retweet	Male	UK	TRAFFIC International Twitter	http://goo.gl/XCG1z2
Sustainable plant harvesting as straightforward as ABCD: Bac Kan, Viet Nam, 1st December 2015—More than 50 loc... http://bit.ly/1RjLVC	Tweet	TRAFFIC International 1/12/15 749 impressions, 1 like, 1 retweet	Male	UK	TRAFFIC International Twitter	http://goo.gl/iLxp5j
FairWild: looking forward to a sustainable and prosperous 2016: Cambridge, UK, 24th December 2015—The December... http://bit.ly/1Vca5Fn	Tweet	TRAFFIC International 24/12/15 1058 impressions, 2 likes, 1 retweet	Male	UK	TRAFFIC International Twitter	http://goo.gl/YgCD3G
Retweeted from @ITCnews: New joint report of @ITCnews & @TRAFFIC_WLTrade looks at potential of sustainable Chinese medicinal plants. Download: http://bit.ly/1PkoAEY	Tweet	Intracen 10/2/16 5 likes, 8 retweets			@ITCnews Twitter (retweeted by TRAFFIC International)	http://goo.gl/PCO7Fs
Retweeted from @ITCnews: Did you know #China is the largest producer, user &	Tweet	Intracen			@ITCnews Twitter	http://goo.gl/pbNkdR

exporter of medicinal & aromatic plants? http://bit.ly/1PkoAEY		11/2/16 6 likes, 8 retweets			(retweeted by TRAFFIC International)	
Strong FairWild presence at world leading organic food fair: March 2016, Nuremberg, Germany—Last month more th... http://bit.ly/21NifYx	Tweet	TRAFFIC International 2/10/15 Impressions: 680 2 likes /1 retweet	Male	UK	TRAFFIC International Twitter	http://goo.gl/Z40m3i

- TRAFFIC in Viet Nam (<https://www.facebook.com/trafficsea.gmp/?fref=ts>) - 1,583 followers
- TRAFFIC International (<https://www.facebook.com/trafficnetwork/?fref=ts>) - 28,955 followers
- Access to see project photos at <https://www.flickr.com/photos/134909125@N04/albums> at Flickr address: traffic.vietnam