

Preliminary Social Assessment

Project title: Sustainable trade in wild medicinal and aromatic plants: linking biodiversity, communities and livelihoods in the Sino-Vietnamese Limestone corridor

Organization: TRAFFIC International

Application code: 65925

1. Statement of Need

Based on CEPF feedback on the submitted Letter of Inquiry, we confirm that the proposed project does work in areas where indigenous peoples live in and the proposed activities might change their behaviours and schemes in relation to natural resources management and utilization. We do not anticipate that the project will have adverse impacts on these communities. Rather, we believe it will have positive impacts through strengthening the opportunities for local communities to access markets for wild plant products in a way that is ecologically, socially and economically sustainable. Our experience from similar work in other countries, including China and Viet Nam, indicates that such outcomes are likely. We have consulted with local counterparts, e.g. Flora and Fauna International (which has local presence) and others, as well as local government agencies with regard to social safeguards issues and prepared the present preliminary Social Assessment. However, additional field work needs to be conducted in order to produce a full assessment, and TRAFFIC had foreseen building this into the project design.

2. Project background

The project aims to conserve biological diversity in the Sino-Vietnamese Limestone corridor, through applying sustainability standards for wild-sourced plant products by local people whose livelihoods relies on wildlife.

Project partners will engage wild-harvesting communities in Guangxi and Yunnan provinces to complete the baseline research and social assessment. The initial scoping exercise will prioritize target species and map out supply/trade chains, establishing industry dialogue. Local authorities, including those involved in resource access and use, will be engaged to establish safeguard mechanisms. The resource management systems set up for medicinal and aromatic plants (MAPs) access and use will be evaluated, providing an entry for site-specific management plan development for target species jointly with the local government agencies and communities. This will guide the development of interventions on piloting the FairWild certification/verification for sustainably-harvested, fair-traded products for export.

Communities' capacity will be supported around the co-management of natural resources in the sites of conservation areas such as Longzhou. Species and area management plan, potentially integrated with the existing area management plans – will be supported. Harvesting communities' needs will be assessed and action plan developed, creating the basis for the development and delivery of training manual and hands-on materials on sustainable harvesting methods for target species, including for Jiaogulan *Gynostemma pentaphyllum* and other prioritized species. The project certification (pre)audit will be supported and labelling potential evaluated, building-up on the market interest in FairWild-labelled products from China. Links will also be established to companies associated to the major TCM markets where wild-harvested ingredients are sold, in order to optimize the niche local/national market strategy.

Partners will develop a capacity-building strategy for producers moving towards FairWild compliance. Initial capacity for piloting certification for suitable products will be built with partner agency CQM, including through the development of certification and guidance documents and the audit trainings. The project will scale up impact through work with the International Trade Union of Genuine Regional Materia Medica (TUGRMM), maintaining communication with authorities, including China National Certification Authority (CNCA) on FairWild piloting, documenting and disseminating best practices.

The project is anticipated to deliver the following **results**:

- Piloting of a China model of the first voluntary market tool for verification/certification of sustainably-harvested plant products;
- Increased number of plant species for which sustainable management practices can be demonstrated;
- Increased understanding of existing harvesting practices for MAPs, their impact on species populations and livelihoods;
- Increased awareness and developed skills for compliance with the FairWild Standard by producers in project sites and purchasing companies;
- Selected community groups/operations supported up to the level of compliance with the Y1 FairWild Standard requirements;
- Increased unit price paid to wild-harvesters, and longer-term plans for community investments through fair trade mechanisms;
- Increased amount of sustainably harvested material entering trade;
- Links between harvesting communities in China project sites and Viet Nam's Bac Kan project site, and joint market action plan for MAPs;
- Initial FairWild certification capacity in supporting training and application fostered.

3. Ethnic minorities and legal and framework for rights of communities in wild-harvesting of plants

Chongzuo is located in the south-west of Zhuang Minority Autonomous Region in Guangxi Province. Zhuang, Yao, Miao, Hui and Dong minorities inhabit Chongzuo. The Zhuang make up a majority (95%) of the population. Local community members from these minority groups collect medicinal plants to make ethnic medicine and trade them as an income source. The project is to help local community members sustainably manage harvest and use of wild plants, and improve the livelihood contributions of commercial trade in MAPs by establishing a long-term fair trade relationship with buyers. The project does not foresee adverse impact to indigenous peoples and the territories.

While much of the conservation work to date in Guangxi and Yunnan sites has been focussed on the management of protected and conservation areas (e.g. the FFI CEPF project), the complementary activities are need directed towards ensuring sustainable wild-harvesting of MAPs around protected areas, support to the local and provincial management authorities in integrating sustainable wild-collection into the existing area management plans, and increasing the value-addition and improved livelihoods options for harvesters in the sites.

Chongzuo City of Guangxi Province, for example, has seven National Conservation (NC) areas in Chongzuo and six of them are of collective ownership (owned by local people as a whole), following the reform of forest property rights system. The conservation authority links conservation with local community and created the mode of joint management. Through agreement with nearby households, the authority and community jointly share the of custody right over the forest land, forest, and wild species. By the end of 2011, Chongzuo White-headed Langur Conservation Area and Encheng Conservation Area has signed agreement with all households nearby. FFI has been working on conservation of White-headed Langur *Trachypithecus poliocephalus leucocephalus* and supporting joint management in White-headed Langur Conservation Area and Nonggang Conservation Area. The present proposed project will complement these efforts through supporting communities around the conservation areas in sustainable use of wild plants to contribute to communities' livelihoods and protection of the conservation area, including the plant diversity makes up the specialised diet of *T.p. leucocephalus*.

This project is designed to pilot the FairWild Standard as a best practice scheme for wild-harvested plants. Other locations where the project will extend its reach are neighboring sites in Guangxi and Yunnan provinces (e.g. Daweishang and Malipo), where a number of local medicinal plants important in local and national medicinal systems are harvested.

4. Potential Impacts on Indigenous People and prior consultations

Local people harvest resources, in some cases using unsustainable harvesting techniques and excessive rates of harvesting. If resources continue to be utilised at unsustainable rates, the impacts on local biodiversity and indigenous groups that rely on the resources will be severe. To address this

issue, the activity proposes to use research and local knowledge of NTFP collection to promote sustainable community MAP harvest around the protected and conservation areas, and create a long-term management plan for those species.

Project activities will be based on FairWild principles, which provide a framework for implementing a sustainable, fair and value-added management and trading system for wild-collected natural ingredients and their products. A central component of this is the active engagement and participation of local stakeholders. Meetings will be held to establish species selection criteria and best harvesting techniques, which will draw heavily on local forest knowledge and traditional NTFP collection and consumption practises. Local management authority, local harvesters and traders, and communities will be approached to form a working group to assist with creating a management plan (or adapting current management plans) that covers managerial structure, role and responsibility; collection regulation; and benefit sharing.

Furthermore, the MAP management planning will synergise with existing community planning conducted by the local conservation authorities, providing a unique opportunity to develop a collaborative management approach for forest resources, whereby the local community becomes jointly responsible for the sustainable management of local MAP resources.

While it has not yet been possible to conduct a comprehensive assessment of impacts on the project area, it is unlikely that this project will adversely impact local livelihoods as activities encourage additional livelihood generation through community management and sustainable collection of marketable MAP species. Positive impacts will include increased income for community members involved in the project from the sale of MAP species/products. This will help supplement household incomes, and therefore increase food security during hard times such as crop failures or natural disasters.

Depending on species selection, the MAP products themselves could be a positive impact of the project, in the form of traditional medicine to improve health within the community. Steps will be taken to maximize financial gains through the implementation of value-addition mechanisms. To aid this, meetings will be held with MAP traders to gauge interest in trading the species, help create market links, and improve processing techniques. Depending on the final species selected, the project is anticipated to increase financial income through sustainable harvest and trade and thereby enhance food security for these households.

There may be a small negative impact to the few households who have relied on the unsustainable collection of certain MAP species for income, especially illegal collection from within the protected/conservation areas. However, it is believed the number of households that benefit from this type of high volume harvest is low, with most of the profit going to traders and medicinal plant sellers outside the community. It is hoped that the long-term positive impacts of income generation to a larger section of the community, and at a level of harvest that can be sustained for future generations, will outweigh the immediate benefits of the current over-harvest. As most of the work of the project will be on-site and conducted with the community, further understanding of potential impacts will be refined and addressed throughout the duration of the project.

Free, prior and informed consultations shall be held with selected communities as part of the implementation process. Local communities will be involved at each stage of the project, through decision making and active implementation, in order to confer ownership and ensure the equitable sharing of benefits. Prior to the commencement of each activity, TRAFFIC will conduct an introductory session where the project and activity will be explained. Local participants will be encouraged to freely discuss how the project can or is affecting their livelihoods throughout the implementation, so that mitigation strategies can be developed and implemented in close collaboration with the appropriate community members. Should potential participants have any questions or concerns, they will be invited to seek clarification and will receive either immediate verbal replies or written information (if requested) from TRAFFIC staff addressing these concerns.

A working group of local stakeholders and project partners will be established to draft/revise the management plan and once drafted it will be circulated among community representatives. Following

feedback and revisions the management plan will be presented to the stakeholders for final comments and feedback. Once this process has been completed, results will be compiled and presented in a stakeholder action planning workshop at the next appropriate government level. This stakeholder workshop will include representatives from villages, communities, conservation and protected areas with technical support from TRAFFIC and other partners/stakeholders as appropriate.

5. Proposed Mitigation Measures

All local communities will undergo a process of Free, Prior and Informed Consultation regarding the CEPF-supported project. Affected persons will be identified and monitoring conducted through these community consultations and mitigation strategies discussed and developed with those persons and local communities.

Community consultations will be held with local participants approximately every 2 to 3 months for the duration of the project.

Mitigation strategies implemented by this CEPF-supported project are likely to include skills training and increased household income for community participants, and in kind benefits to local communities dependent upon benefit-sharing mechanisms pursued by participants.

6. Grievance mechanism

In the beginning of this project, a Free, Prior and Informed Consent with relevant local communities will be developed together with relevant partners and stakeholders. This consent will provide the guiding principles during the project implementation. All partners will make sure this consent is agreed by, satisfied, available and accessible to local communities, and also adaptive to changing situations.

During the project implementation, a multi-level grievance mechanism will be established. Within the community, all the management regulations and benefit sharing mechanism should be formulated and agreed by the majority of community members through community member workshops and public voting. The needs and interests of vulnerable groups will be fully considered and integrated into the CPAs management planning and implementation. An effective public monitoring and reporting mechanism will be developed by the community members. The working groups of each component will conduct on-site monitoring and solicit comments from community members, especially the vulnerable groups, if there are any adverse impacts or grievance on a regular basis. Meanwhile, at the socio-ecological landscape level, the comments and grievance of local communities will be solicited and discussed with solutions agreed in the CACs meetings.

Local communities where the project will be implemented will be provided with contact details of the CEPF Regional Implementation Team, with whom they could raise any concerns that they were uncomfortable to broach with the project team in Chinese language. CEPF and the Regional Implementation Team will be informed of any grievances within 30 days, together with a plan for remedial action if any is required.