

YEAR-END REPORT ON HULZA-FUNDED PROJECT
January – December 2022

I. Introduction

In the quest for creating jobs and generating income for the ethnic poor and contributing to forest protection and management in upland villages of Huong Hoa district, Quang Tri province, in the year 2022, MCNV has undertaken a vast of interventions with focus on optimum exploitation and development of eco-systems and non-timber forest products (NTFPs).

II. Strategies and interventions

II.1. Developing eco-tourism from FSC certified community-managed forests

- Provided financial and material support to improve facilities, infrastructures, and landscapes.



Check-in at Sa Muoi Hill campsite



Experience tour to FSC bamboo forest

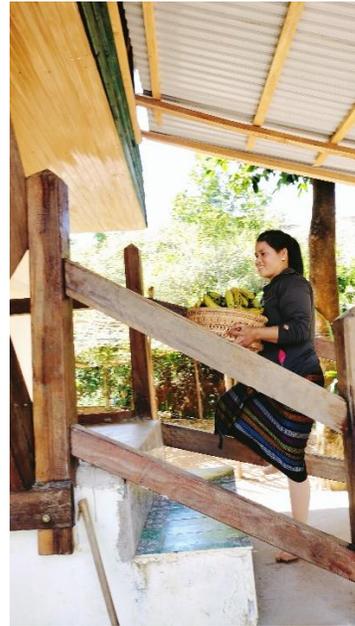


Enjoying BBQ at food court



Accommodation at homestays

- Developed capacity of the Management Board of the the Chenh Venh Eco-tourism Cluster on the management and operation of tourism, including trainings on food service and exposure visit to A Luoi district of Thua Thien Hue province which has successfully operated community-managed tourism.



Training on food service in April 2022



Visiting a tourism community-managed model in A Luoi district of Thua Thien Hue province in July 2022

- Promoted communication about tourism in combination of forest protection and development through events of opening ceremony of the Chenh Venh Eco-tourism Cluster, Weekend Market and declaration of the first FSC-certified natural forests with eco-system services including carbon storage and capture in Vietnam.



Opening ceremony of eco-tourism cluster



Weekend Market at Chenh Venh village



Meeting on declaring the first FSC-certified eco-system services on December 16, 2022

- Supported in designing diversified tourism services such as Education Tour on Nature and Environment.



Visiting a disaster-affected land



Students planting trees on landslide area

- Enhanced networking for cooperation and support via workshops and meetings with the local authorities, bodies and agencies, and tourist enterprises in the province.



Joining workshop on tourism in Huong Hoa



Signing agreement for tourism development



A Famtrip of 40 tourist enterprises nationwide to Chenh Venh in November 2022



Local authority organizing the “Preserving the New Rice Crop Celebrating Festive”

II.2. Strengthening the production and trading of bamboo products via enhanced Research & Development, marketing, and networking

- Improved production capacity of the producing groups via the provision of accessories and materials, repairing of equipment and tools, and technical coaching.



Carriage for transporting bamboo material



Technical coaching for new members

- Facilitated linkages between the production groups and a local enterprise for producing and consuming bamboo handicrafts.



Signing ceremony on supply of bamboo products



Bamboo straws from FSC forest

- Promoted marketing and sales through different sales channels and participating in big events inside and outside Quang Tri province.



Marketing bamboo products at Hue Festival 2022





Exhibition of bamboo handicrafts from FSC community-managed natural forest in HCMC

QUOTATION ON BKRONG AHO BAMBOO PRODUCTS

| | |
|--|--|
|  | Sender: Nhien Thao Quang Tri Co., Ltd. |
| | Address: 42 Hung Vuong Str., Ward 1, Dong ha city, Quang Tri province, Vietna |
| | Phone: +84 932 554 968 |
| | Website: https://nhienthao.vn |
| | Fanpage(s): https://www.facebook.com/groups/1728453347264202 https://www.facebook.com/krongaho |

| Seq. | Name of product | Image | Specifications | Unit |
|------|-----------------|---|--|------|
| 1 | Bamboo candles |  | <ul style="list-style-type: none"> - Height: 4.5 cm; diameter: 5.5cm - Incl. beeswax, laser engraving (finished product). - Scented with essential oils | Item |

An order of bamboo products from FSC International in November 2022

- Promoted communication about the significance of the FSC certified community-managed natural forests in poverty reduction and sustainable forest management.



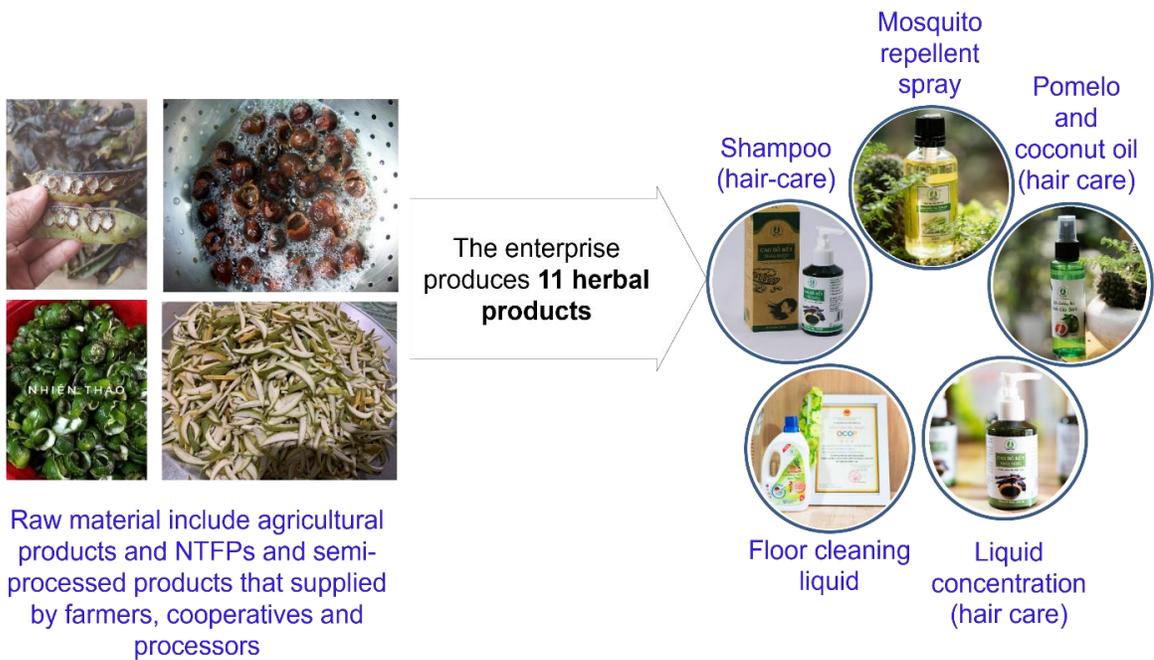
Filming on FSC-certified forest management conducted in Chenh Venh village in June 2022

II.3. Making optimum use of NTFPs for income generation and sustainable forest management

- Investigating other non-timber products such as wild pomelo, lime, and black locust



Black locust as material for haircare products



High demand for NTFPs material supply to produce eco-friendly and user-safe products

- Organizing a Custody of Chain exposure visit to the processing facility of a local enterprise to help build trust and business cooperation.



Visiting factory and showroom of Nhen Thao Quang Tri Co. Ltd. in November 2022

- Facilitating linkage between communities and local enterprise for NTFP's supply.



Signing contract for NTFPs material supply between women group and enterprise

- Upgrading facility for drying bamboo shoot of Doa But cooperative group.



The drying facility significantly improving the processing efficiency

- Promoted communication about the significance of the FSC certified community-managed natural forests in poverty reduction and sustainable forest management, including bamboo and other NTFPs.



Film making on dried bamboo shoot processing by FSC International

III. Progresses

- Up to December 2022, all of the interventions have been completed and 100% of the total funded budget spent.

IV. Achievements

IV.1. Eco-tourism development

- Awareness of the ethnic communities, particularly households getting involved in the operation of eco-tourism was improved in ways that they have applied and pursued hygienic practices in daily life. A behavior change was really made with their surrounding areas being kept cleaned, animals raised in separate cages, and restroom and bathroom facility effectively used.
- There has been a gradual change in the market-oriented mindset of the indigenous residents in generating income from tourism activities. "Now that they know they can get money from

tourism,” said Ho Van Nhang, a member of the Chenh Venh Eco-tourism cluster management board. “In quest of that, many other villagers have set up small shops to sell assorted things to tourists”.

- With funding from Hulza, MCNV has supported the development of the Chenh Venh Eco-tourism cluster, including the improvement of essential infrastructures and landscapes, and enhancement of capacity of tourism management and operation for the management board. Basically, the cluster was ready to receive tourists.
- More and more tourists inside and outside Quang Tri province have known and travelled to the Chenh Venh Eco-tourism cluster, thus creating extra income for the local people. It was recorded that there were over 2,000 tourists visiting the area in the period of April to December 2022. Albeit humble, the cluster had received a total revenue of more than VND 65 million, mainly from services of experience tours, accommodation, and food services.
- The initiative of eco-tourism was in line with the development strategies of the entire province and received active responses and effective cooperation from the local authority and other organizations. Huong Hoa district’s authority provided material support to the cluster with accommodation accessories and traditional costumes. In June 2022, a local tourist enterprise signed a framework agreement with the Chenh Venh Eco-tourism cluster management board on tourism investment and development in the principle of mutual benefit. Besides, Nam Mua Bungalows – a famous tourist destination in the commune expressed their interest in cooperating with the Chenh Venh Eco-tourism Cluster to provide traditional music performance and accommodation services.
- The presence of the Chenh Venh Eco-tourism cluster, together with the FSC certification for the community-managed natural forest, was expected to usher in numerous opportunities for development. For instance, the management board would cooperate with the education and tourism sectors in the province to organize educational tours for students or put new services into operation by using such NTFPs as black locust for hair washing and so. More importantly, as part of the FSC-certified natural forest on eco-systems and carbon storage and capture, the community would also be able to access to funding for investing in the Chenh Venh Eco-tourism cluster.

IV.2. Production and trading of bamboo products

- With continual efforts on the research and development, the entire technical process was finalized, particularly in terms of material processing and polishing, ensure the durability of the bamboo products – the biggest challenge ever faced in the past years.
- The production groups, that were located in different communes, were merged into a Chan May Agricultural Production Services Cooperative in Huong Phung commune. This umbrella organization, with a legal person, created more favorable conditions for the management and operation of the production activities.
- MCNV has facilitated a market linkage between the production groups and local enterprise, which resulted in a signed contract. Upon the contract, each month the production groups were required to supply around 300 products with a total value of VND 11.5 million.
- In cooperation with MCNV, WWF - Vietnam provided financial support to upgrade the processing facility of Chan May Agricultural Production Services and equip a laser-engraving machine to Nhien Thao Quang Tri Co. Ltd.
- Bamboo material, especially those from the FSC certified natural forest in Chenh Venh village, had attracted special attention from organizations and individuals, at both global and local levels. In June 2022, an FSC team, headquartered in Germany, undertook film production about FSC certified community-managed natural forests in villages of Chenh Venh and Ho, with focus on the significance of bamboo and other NTFPs. Bamboo products were on exhibition at an international trade fair in Ho Chi Minh city. MCNV is now working with Water Solutions South-East Asia, a

company in Vietnam on the possibility of producing bamboo biochar as natural solution for carbon storage.

IV.3. NTFPs for income generation and sustainable forest management

- Nhien Thao Quang Tri Co. Ltd., a company producing essential oils and herbal products signed a contract with the community in Huong Viet commune to supply NTFPs material at higher price. In late 2021, an ethnic women group with nearly 30 members gained a total amount of over VND 90 million from black locust seeds. By the end of 2022, the communities in Huong Viet and Huong Phung commune would supply wild pomelo and black locust seeds.
- Doa But cooperative group had processed bamboo shoot to implement contracts for the year 2022 from customers inside and outside Quang Tri province. The group purchased bamboo shoot material from 110 households (70% were ethnic minority people) with total value of VND 280 million. It was estimated by the end of this year, the group would produce 3.5 tons of dried bamboo shoot, gaining a total revenue of VND 1.3 billion and generating income of nearly VND 19 million per month per group member.

V. Challenges, lessons learnt and way forward

| Components | Challenges | Lessons learnt | Way forward |
|--|---|--|---|
| Eco-tourism development | <ul style="list-style-type: none"> - Time-demanding process of community engagement - Delay in the local authority's implementation plans - Limited capacity and proactiveness of the management board of the eco-tourism cluster. | <ul style="list-style-type: none"> - Diversifying working approaches and methods with communities - Strengthening cooperation and sharing with local partners. - Mobilizing a full participation of the communities. - Clarifying benefits and responsibilities among relevant stakeholders. - Promoting the marketing and communication for tourism development. | <ul style="list-style-type: none"> - To continue technical support to the eco-tourism. - To develop and connect a community tourism in Trang – Ta Puong village with the Chenh Venh eco-tourism cluster. - To lobby the local authority for plan implementation - To enhance networking and cooperation with INGOs and enterprises - To connect the demonstration of the existing production groups (bamboo, bamboo shoot, etc.) with tourism activities - To finalize a short video clip for the marketing purpose (late December 2022). |
| Production and trading of bamboo products | <ul style="list-style-type: none"> - Market-oriented mindset of the production group members were not much improved. - The production capacity did not fully respond to customers' requirements. | <ul style="list-style-type: none"> - Continuing supporting and monitoring the production activities. - Promoting networking and cooperation with relevant stakeholders. | <ul style="list-style-type: none"> - To supervise and support the contract implementation. - To pilot the production of bio-char from waste of bamboo products. |

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|---|---|---|--|
| | - There was no optimum use of bamboo material waste. | | |
| NTFP's for income generation and sustainable forest management | - Insufficient and unstable supply of NTFPs material. | - Supporting the communities to develop material areas. - Providing trainings on sustainable exploitation and management of NTFPs. | - To network potential INGOs and investors to develop material areas. - To sustain the supply chain between the communities and liked enterprise. |

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