

# Moving to International Markets that Care for Sustainability

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Providing medicinal plants and non-timber forest products as ingredients for the international herbal and health care industry often destroys forests and forest communities in remote regions of the world. In small villages of the Nepal Himalaya for example, medicinal herb traders encourage the poorest of the poor living in the forests to harvest as many medicinal plants as they can, then pay them the lowest prices, and abandon the community when the plant supplies are exhausted.

These herbs then end up as herbal medicines that western consumers buy from pharmacies or health shops at often exorbitant prices. The result is that the poor become poorer and end up destroying their only source of livelihood – the biodiversity-rich forests.

The Nepali Non-timber Forest Product Promotion Alliance, a unique alliance of corporations, government, and non-profit organisations, was formed with the goal of combating the crisis of biodiversity loss in Nepal and preserving sustainable rural life by establish-



Forest user group discussing the issue of certification.

ing responsible business practices and educating business users. This alliance includes representatives from the government; non-government organisations (NGOs); private companies active in the herbal products industry including Aveda; Rainforest Alliance, a Forest Stewardship Council (FSC) forest certification organisation; community forestry user groups represented by the Federation of Community Forestry Users Nepal (FECOFUN); and donors, including the United States Agency for International Development (USAID), Ford Foundation, and the Netherlands Development Organisation (SNV). This is the first time that industry, government, NGOs, communities, and forest certifiers are combining expertise to make commercial trade of non-timber forest products in Nepal sustainable.

The Asia Network for Sustainable Agriculture and Bio resources (ANSAB) coordinated the alliance and took a lead role in developing methodologies for the sustainable collection of medicinal herbs and other non-timber forest products (NTFPs) from forests and to enhance their marketing. Forest certification was realised as essential in achieving the goal of conserving medicinal plants and NTFPs as well as in raising the living standards of the people. Amongst many options for forest certification, ANSAB in coordination with the alliance chose the most practical option, the Forest Stewardship Council (FSC) certification. FSC supports environmentally appropriate, socially beneficial, and economically viable management of the world's forests

and promotes responsible forest management. It also promotes responsible forest management by evaluating and accrediting certifiers, encouraging the development of national and regional forest management standards, and providing public education and information about independent third party certification as a tool for ensuring that the world's forests are protected for future generations. So far, FSC has certified over 50 million hectares of forest in 76 countries around the world.

The FSC certification initiative in Nepal undertook extensive efforts, from capacity building of relevant stakeholders, to complying with different requirements per FSC guidelines. After the necessary criteria were fulfilled, Rainforest Alliance/Smart Wood awarded the FSC certification to FECOFUN, provided that its members supply medicinal plants and NTFP ingredients to the international herbal and medicinal products industry. The certified medicinal plants and NTFP ingredients include jhyau (*Parmelia sp.*), majitho (*Rubia manjith*), pakhanved (*Berginia ciliata*), dry chiraito (*Swertia chirayita*), satuwa (*Paris polyphylla*), padamchal (*Rheum australe*), bhutkesh (*Selinum candollii*), guchchhi chyau (*Morchela sp.*), sugandhawal (*Valeriana jatamansi*), kutki (*Picrorhiza scrophulariiflora*), jatamansi (*Nardostachys grandiflora*), atis (*Aconitum heterophyllum*), dry lokta bark (*Daphne spp.*), argeli whiteskin (*Edgeworthia gardnerii*), machhino leaves (*Gaultheria fragrantissima*), and dry allo fiber (*Girardinia diversifolia*).

Nepal is the first country in Asia and the fifth in the world to obtain FSC certification for these medicinal plants and non-timber forest products. The certification is also the first in the world for handmade paper.

Making the certification process a success in Nepal has been a challenging task for ANSAB and the alliance. Since certification is a new subject, it took great effort to bring awareness among relevant stakeholders. Community forest user groups (CFUGs) were strengthened and assessed. Eventually 11 CFUGs in Bajhang and Dolakha districts were brought to the pool of certification, which covered 10,500 ha of forest land and 2,754 households. Certification is part of a larger effort of the alliance to combat destruction of forest and forest communities.

Efforts of the alliance to promote responsible buying practices among industry in the West through industrial symposiums sponsored by Aveda have attracted buyers who are ready to partner with the alliance and buy FSC-certified products from Nepal. The pilot phase objectives were achieved despite civil strife in many areas in Nepal and have generated significant cash benefits to CFUG members, as well as improved the governance of FECOFUN and targeted CFUGs. In the programme's second year, the alliance's activities contributed to sales of 602,865 kg of raw and processed NTFPs with a value of Rs. 35,130,254 (about US\$ 500,000). Alliance activities have generated 1,209 direct NTFP processing and marketing jobs and benefited 5,334 households. Industry coaching has resulted in the development of a wide range of

products including pain relief oil, personal care products, herbal teas, and handmade paper in 14 enterprises. A total of 11,209 grassroots participants received technical assistance on sustainable forest management that will allow other groups to join the FECOFUN FSC certification.

The alliance enjoyed achievements that exceeded members' expectations from the positive working model developed for community forestry governance, FECOFUN's services to its CFUG members, and improved relations with the government. Before the formation of the alliance, FECOFUN did not offer services or promote enterprise development activities among its CFUG members. Neither did it have a uniform protocol for advising CFUGs on developing its operational plans and constitutions. The training from ANSAB and the FSC certification process provided a uniform protocol for advising CFUGs. FECOFUN has also noted a dramatic improvement in its relationship with the government, and they now feel more respected and able to represent the CFUG's interests.

There are over 13,000 forest user groups composed of people living in or near forests across Nepal. They include almost a third of Nepal's population and cover 25% of the country's biodiversity-rich forests. For most of these communities, medicinal plants and NTFP trade are the only means of livelihood besides subsistence agriculture. Nepal receiving this certification is groundbreaking and hopes to be a model for the rest of the world.