

SCALING UP OF ETHICAL BIOTRADE INITIATIVES WITHIN PHYTO-PHARMACEUTICAL INDUSTRY IN VIETNAM

Helvetas Germany GmbH

Support for improving market access for Biotrade products

BACKGROUNDS

The context

Vietnam has a large natural resource of ingredients with more than 40,000 species which can be used as raw materials for phyto-pharmaceutical, cosmetic, and food industry. 95% of Vietnamese remedies, including over 1,760 medicinal products, rely on natural resource base. Vietnam also produces up to 40,000 tons of raw medicinal materials annually. Additionally, significant amount of natural resource ingredients is being imported from overseas, China and India, most of them illegally and of low quality, though many of those plant species are available in Vietnam.

In reality, the supply of natural ingredients in Vietnam is declining due to (a) ineffective management of natural resources, (b) lack of incentives to encourage smallholders to harvest products sustainably, and (c) weak linkages between players on both of upstream and downstream of the value chain that uses natural ingredients. On the other hand, the demand for natural ingredients in national and international market is increasing, amplifying the trend towards decreasing resource base.

Since 2013 to 2015, Helvetas Vietnam had been running a SECO-funded project to promote Biotrade initiatives in Vietnam's phyto-pharmaceutical sector. As at the end of this project, four companies have successfully established 4 value chains that source supplies from EBT-complying plantation resource. However, further effort is required to lift up EBT practice to a sustainable level.

The Project

In the lights of above context, the Project of 'Upscaling of ethical Biotrade initiatives within phyto-pharmaceutical industry in Vietnam' has been launched since Apr 2016. The project is funded by European Union, implemented by Helvetas Vietnam, and will take place from 2016 to 2020. The project is composed of four components:

- Component 1: Promote the application of production practices that comply with ethical Biotrade standards. These standards are seen as a fundamental ground for sustainable production and exploitation of materials from natural resources;
- Component 2: Increase consumers' awareness as to the need for, and the value of, products that have been made as per ethical Biotrade standards;
- Component 3: support for performance improvement of value chains that uses natural ingredients as raw materials;
- Component 4: facilitate for improvement of enabling policy environment.

The project area: will depend on the particular areas of resources, from which the participating companies source input supplies.

The assignment:

Over the last two years, the project has successfully established relationships with a number of private partners to develop production system for multiple Biotrade products for domestic and export market. In regard to export in particular, some encouraging outcomes in terms of penetration into international market for Biotrade products have been achieved. However, the export remains vulnerable to changes in market conditions. To improve the companies' capacity to manage this risk, this assignment aims to conduct a market study on some key selected export products, in order to provide more market insights for the project's partners.

CONSULTANCY OBJECTIVES

The study will focus specifically on the cinnamon, star anise, turmeric, and ginger product.

The Consultancy is expected to:

- Provide the Project and partners with an insightful understanding of the export markets for cinnamon, star anise, turmeric, and ginger, enabling Vietnam businesses in the sector to gain practical knowledge and information as inputs for deciding which market segments should be targeted as well as designing proper business strategies to manage the risk associated with the nature of the target products' market;
- Considering the current practices of the partners to suggest solutions for improving export capacity of stakeholders and competitiveness of the sector.

In general, the consultancy should give the answers to the following research questions (but not exhaustively):

Regarding the potential market (demand side):

- What are the market trends of the target products in Vietnam and international market?
- What are potential for Vietnam to enter international market? (etc.)
- Who are the large producing and exporting countries of star anise, cinnamon, ginger, and turmeric? Main features of these markets?

Regarding the sector performance:

- What is the current performance of Vietnam's sector (star anise, cinnamon, ginger, and turmeric)? (Its competitive edges: prices, productivity, exports, quality...)?
- What are the market constraints and opportunities at the national, regional and international market levels for these products?
- What are the quality management systems/standards used by producers/farmers and enterprises? Especially, Biotrade standards are to be in focus.

Value chains analysis: need to focus on product quality as well as other values associated with the products.

- What would be the opportunities for product development towards meeting market demand, especially the export one?
- Who are the current/potential secondary stakeholders that could take a lead role in product development for export purpose?
- What stages in the value chain should be concentrated on to increase the value chain's export capacity?
- What are the current linkages or coordination between producers, collectors, and traders along the value chain? How could existing cooperation/linkages be further improved

Recommendations for appropriate interventions to build up an effective/efficient Biotrade value chain for export are also to be identified.

SCOPE OF WORK

The consultant will conduct the activities to deliver the outputs meeting the objectives, including:

- Designing the research methodology
- Formulating the research plan
- Conducting the data collection
- Data processing
- Briefing on first findings with Helvetas
- Report drafting
- Validation workshop (if requested as this will depend on availability of stakeholders)

And regularly communicate with Helvetas staff on the progress and the quality of work.

DELIVERABLES

A complete report of the actions in Vietnamese/English is to be finalized and submitted to the Project by 28 Feb 2019

TIME

The activity will be carried out from Dec 2018 to the end of Feb 2019. An estimate of 10-15 days is allowed for each product.

QUALIFICATIONS OF CONSULTANT

The consultant(s) need to be able to meet the following requirements:

- Holding Master degree either in Economics or Business Administration;
- Having good understanding on value chain approach, product development, and market assessment;

- Being fluent in research methodologies (qualitative and quantitative methods);
- Being fluent statistics software users;
- Being able to deliver the committed outputs on time;
- Having Excellent analytical skills and report writing skill in English;
- Having experience in agricultural sub-sector analysis and market study is an asset;
- Understanding on Biotrade sector development is an advantage;
- Language: Excellent level of written and spoken English and Vietnamese is a must;
- Vietnamese nationals would be an advantage. Due to the budget condition, no translator is provided.

Interest parties please send updated CVs and technical/financial proposal to cuong.vien@helvetas.org by 10 Dec 2018. Only short-listed candidates will be contacted.