



Policy brief

A model for restoring forests and improving livelihoods in Viet Nam

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Federal Ministry
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A model for restoring forests and improving livelihoods in Viet Nam: Private sector-community partnerships in the Lung bamboo value chain

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Private sector–community partnerships in the Lung bamboo value chain

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Foreword

Flourishing partnerships between communities that depend on forests and private sector businesses are integral to the restoration of forest landscapes and to sustainable livelihoods. These partnerships are also the foundation of the project Production-Driven Forest Landscape Restoration Under REDD+ Through Private Sector–Community Partnerships, or FLOURISH.

FLOURISH is an innovative four-year forest landscape initiative that uses market forces combined with community forestry to combat climate change, restore degraded forests and improve the well-being of forest communities. RECOFTC launched FLOURISH in Lao PDR, Thailand and Viet Nam in 2018.

Building and maintaining partnerships takes work and commitment. But these partnerships must start out as equitable and fair agreements. RECOFTC is committed to building partnerships between local communities and the private sector that benefit every party, most especially the forest.

This policy brief is part of that commitment. It is intended for policy-makers at the central level (Vietnam Administration of Forestry) and in Nghe An Province, who are developing, improving and implementing policies on forest landscape restoration, promoting cooperation between enterprises and communities and establishing community-based businesses.

Around 133 million people from indigenous or local communities in Southeast Asia live in or within one kilometre of forest that they rely on for their livelihoods. No single organization or approach can ensure that forest communities and forests thrive. Nor can one organization provide the diverse solutions the world needs to mitigate and adapt to climate change, transform conflict into collaboration, overcome poverty and food insecurity, achieve gender equality and social inclusion, protect the Earth's biodiversity and develop sustainable livelihoods and economies.

Local communities, governments, civil society and the private sector must work together to accelerate progress towards thriving forests and forest communities, sustainable economies and a world free of the threats posed by climate change.

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Summary

This policy brief describes how production-driven partnerships between forest communities and the private sector, with government support, can improve livelihoods and economic development while restoring forest landscapes. It addresses the lack of effective, self-sustaining models for community livelihood development based on the sustainable trade of forest resources.

The policy brief draws on experiences in Viet Nam's Nghe An Province, where RECOFTC (with its FLOURISH project), the Nghe An Forest Protection and Development Fund and the International Bamboo and Rattan Organization have been helping the local government to address challenges in the supply chain for Lung bamboo. These challenges include unsustainable harvesting and management, precarious trading relationships and limited knowledge among communities of their rights and responsibilities relating to forests.

In Nghe An, FLOURISH has facilitated partnership agreements between bamboo harvesters and a private company, provided training on forest management and helped vulnerable community members gain knowledge and information on applying for formal land rights and responsibilities. This has elevated people's interest in restoring and sustainably managing the forest resources. The project has increased incomes, improved supplies of raw materials and expanded the quality and area of Lung bamboo.

This policy brief recommends that such partnerships be replicated and scaled up, alongside technical, financial and policy support to develop the sustainable bamboo products sector.

Key messages

Efforts to restore forests should use a "landscape approach" that connects stakeholders from government, communities and the private sector in the restoration efforts, making the outcomes more effective and sustainable.

Partnerships between community members who harvest forest products and businesses that process and trade such products can help to restore forests, improve livelihoods, promote sustainable forest management and enable communities to adapt to and mitigate climate change.

Partnerships are effective when they are collaborative, have support of the local government and bring reliable incomes to business entities and community members.

Forest landscape restoration through partnerships directly benefits both the community and the private sector while contributing to the Government's socioeconomic development and environmental targets.

Introduction

Viet Nam has introduced laws and policies to protect and restore its forests so that the forests can deliver significant economic and employment benefits while contributing to action to address climate change. The policies include a national strategy on climate change, a national strategy on green growth and a national REDD+ action programme.¹

In April 2021, Prime Minister Nguyen Xuan Phuc set a target of planting 1 billion trees by 2025 and approved the Vietnam Forestry Development Strategy for 2021–2030 (MARD, 2021).² The strategy includes targets for planting about 340,000 hectares of production forests per year by 2030 and for planting 4,000–6,000 hectares of protection and special-use forests with native species each year.

The strategy envisions that, by 2050, Viet Nam will have a modern, competitive forestry sector with diverse products and services that have high added value in global

supply chains. It recognizes the need to engage local communities in the production and protection of forest resources as a way of eradicating poverty and building climate resilience in those communities.

Achieving these goals will require effective relationships between communities that sustainably harvest forest products and businesses that process and trade these products. However, several challenges associated with power dynamics, technical capacity, finance and governance prevail. There is a need for models of livelihood development for forest communities that are based on the principles of sustainable resource management and sustained through external resources.

A “landscape approach” to forest restoration offers a solution (Sapkota and Hoang, 2020). It works by bringing local stakeholders together to decide in a participatory way how to restore their forest landscape,



A local woman makes products from Lung bamboo at the factory of Duc Phong company, Vinh City, Nghe An.

Box 1. Growing markets for Viet Nam's bamboo

There are growing domestic and international markets for Vietnamese bamboo handicrafts, construction materials and modern products, such as cosmetics, water and air filters, medicines and clothing, made from bamboo-based activated carbon. The carbon footprint of bamboo-based panels for home use and construction are much lower than for such materials as plastics and metals, making them increasingly attractive to the market.

Inspiring statistics:

250

species of bamboo
in Viet Nam

10%

of Viet Nam's forest
cover is bamboo

US\$200 million

in yearly bamboo export
value for Viet Nam

3%

global market share for Viet
Nam's bamboo and rattan

improve their livelihoods and achieve other socioeconomic and environmental targets.

Since 2019, RECOFTC, the Nghe An Forest Protection and Development Fund and the International Bamboo and Rattan Organization have been testing such an approach in Nghe An Province, through the project Production-Driven Forest Landscape Restoration Under REDD+ Through Private Sector-Community Partnerships, or FLOURISH.³ This policy brief draws on that experience. It shows how production-driven forest landscape restoration can support livelihoods and economic development.

FLOURISH has identified bamboo as a key product for increasing forest value, developing and restoring degraded land and promoting private sector-community partnerships that generate sustainable livelihoods for local people (see box 1). The project focuses on an economically important species of bamboo known as Lung (*Bambusa longissima*). A non-timber forest product, Lung is native to the area. In recent years, unsustainable harvesting of this species has led to forest degradation and harmed people's livelihoods.

Table 1. Table 1. Area of Lung forest in Nghe An Province, 2018

Forest types	Area (hectares)
Natural forest – Lung and timber trees	21,111.41
Natural forest – pure Lung	5,815.01
Lung plantation forest	67.70
Total	26,994.12

Source: Nghe An Provincial People's Committee, Decision No. 654.

Lung bamboo in Nghe An Province: Status and challenges

Lung bamboo is distributed largely in Quy Chau and Que Phong districts. Most of it grows naturally in protection and production forests (below). There is also a small area of Lung plantations.

People use Lung to make toothpicks, incense sticks, garden fences, baskets and lanterns. Selling Lung bamboo to traders and processors is a major source of income, accounting for 14.2 percent of the average annual total in the mountainous areas where it grows (RECOFTC, 2021b).

To harvest Lung, farmers need prior approval from the district forest ranger. Harvesting is prohibited from November to June, when the bamboo shoots regenerate. Roughly 40–50 per cent of harvested Lung is processed by companies in Nghe An, while the rest is traded outside the province. Local processors include the Duc Phong Handicraft Company, which uses the bamboo to make lampshades and baskets for exporting to Europe.

Lung bamboo value chains have great potential to improve lives in Nghe An. The bamboo grows naturally, and men and women can easily harvest and transport it. There is growing demand for high-quality, sustainable natural materials, particularly in response to climate change and the need to reduce emissions of greenhouse gases. However, several challenges have limited the potential for sustainable Lung bamboo production and trade.

For instance, Lung harvesters have limited power in trading relationships. They are susceptible to exploitation when prices offered by traders are low. But high prices can trigger overharvesting. Growing demand for Lung has led many people to exploit local forests, often without regard for any process, regulations or concern about the age of bamboo being harvested.

There is limited use of silvicultural techniques to sustainably manage and restore Lung forests. In particular, there is a lack of knowledge on Lung bamboo propagation, which limits the development of Lung plantations. Harvests tend to be highly inefficient as well, wasting 40–50 percent of the bamboo (RECOFTC, 2021b).

Overexploitation and poor forest management have greatly reduced the quality and quantity of Lung bamboo. This poses risks to community livelihoods, to ecological integrity and to businesses that depend on reliable supplies of bamboo as raw material for handicrafts and other products. Other challenges limit the ability of smallholders to add value to their Lung bamboo and participate in the value chain (Lin et al., 2019). These include:

- The need for a land and forest use certificate to legally plant and harvest Lung bamboo
- Strict market requirements regarding legality and environmental protection
- High cost of sustainability certification, such as from the Forest Stewardship Council
- Limited capacity for community-based enterprise development
- Limited post-harvest processing capacity
- Use of outdated technology for processing
- A lack of skilled, full-time labour

Private sector–community partnerships and other solutions

The Nghe An Provincial People’s Committee took steps in February 2018 to promote the sustainable development of the bamboo and rattan sectors by issuing Decision No. 654.⁴ Among other things, the Decision sets goals and targets for protecting and sustainably harvesting Lung bamboo, increasing the value of Lung bamboo products and establishing 130 hectares of new Lung plantations (Phuong and Xuan, 2020). Planning and management strategies for the Lung bamboo sector in four project communes were developed and signed off by the Commune People’s Committees.

To help achieve these goals, FLOURISH has introduced and piloted an innovative new approach of creating private sector–community partnerships. The FLOURISH project aligns with Provincial Decision No. 654 and contributes to its implementation. The project has been piloting the following solutions to the challenges through activities in four communes of Quy Chau and Que Phong districts.⁵

Land tenure

Secure tenure incentivizes bamboo restoration. FLOURISH and district forest rangers trained community members on forest mapping, boundary identification and how to apply for land and forest use certificates. By the end of 2020, the project had supported 241 households to receive certificates covering more than 1,550 hectares, where they can now legally harvest and plant Lung.

Partnership agreements

FLOURISH facilitated partnership agreements between the Duc Phong Handicraft Company and smallholder groups in each of five villages in Chau Thang Commune, Quy Chau District. Through the agreements, local women and men now have stable jobs sustainably harvesting Lung bamboo that the company commits to buying at an agreed price. Overall, about 360 community members benefit directly.

In Chau Thang Commune, Quy Chau District:

- Incomes for Lung bamboo harvesters have doubled, on average, to 15–17 million Vietnamese dong (equivalent to US\$660–US\$750 per year (RECOFTC, 2021b).
- Turnover from selling Lung for the smallholder group with a partnership agreement rose from 473,825,000 Vietnamese dong (\$20,700) to 716,530,000 Vietnamese dong (US\$31,400) between 2019 and 2020.

The COVID-19 pandemic reduced earnings in 2021, but villagers with partnership agreements could continue selling their bamboo. This made them more economically resilient than other bamboo harvesters during the pandemic crises.

The parties to each partnership agreement also committed to work together on Lung bamboo protection, management and sustainable harvesting. Now, 121 smallholders are benefiting from the training that RECOFTC and the Duc Phong Handicraft Company organized on Lung forest management and primary processing techniques.

By protecting Lung bamboo, strictly following regulations about the timing of harvesting and using post-harvesting practices, the smallholders have shifted from unsustainable to sustainable practices. This has improved the quality and area of Lung bamboo.

- The proportion of harvested bamboo used in the value chain has increased from 50–60 percent to nearly 100 percent.
- Overharvesting of bamboo has stopped, and there is significantly less illegal harvesting.

Ultimately, under each agreement, the parties aim to establish units for pre-processing bamboo using the local labour force. The pandemic has delayed this part of the project.

Better propagation

In one commune, FLOURISH used a 0.2-hectare plot of land to pilot a method for propagating bamboo by transplanting culms and providing greater care (Tho, Lam and Khoa, 2020). This advanced approach increased survival rates from 20–30 percent to more than 90 percent. The project has trained local communities on this propagation technique, which can be replicated at large scale with financial support.

Integrated planning

FLOURISH supported four communes to develop forest protection and development plans that incorporate existing payments for forest environmental services and potential future carbon credits under REDD+. This enabled communes to better integrate forests into their social and economic development plans.

Forest and fire monitoring

The training on forest and forest fire monitoring that FLOURISH provided is contributing to the development of instructions and guidelines on forest protection and management. This has potential to reduce the frequency of forest fires and illegal practices.

Recommendations

Partnerships

The partnership model should be replicated and scaled up. Local authorities, international organizations, civil society groups and mass organizations (such as the commune or district-level Women's Union) can all act to link primary producers and traders in this way. Effective facilitation is essential. Step-by-step guidance is available (RECOFTC, 2021a).

Capacity and awareness

Communities need training and support on Lung bamboo restoration, sustainable forest management and harvesting, forest land allocation, Lung bamboo processing for value addition and community-based enterprise development and management. Local governments, businesses and other stakeholders should raise awareness of the environmental benefits of bamboo and how bamboo value chains contribute to resilient, sustainable livelihoods and climate change mitigation.

Incentives

Local authorities should provide grants, loans or other incentives to businesses to invest in sustainable bamboo value chains and to support households planting Lung bamboo on their forest land using the offset method (Tho, Lam and Khoa, 2020).

Forest land allocation

Local governments should accelerate and facilitate forest land allocation to create incentives for villagers to restore and sustainably manage forests. Participatory approaches to land allocation should be used. The field guide on land and forest allocation that district forest rangers and others developed should be presented in visual form to aid understanding by ethnic groups.

Alignment with REDD+ and payments for forest environmental services (PFES)

To promote participation in sustainable value chains, local authorities should reconsider the types and quantities of non-timber forest products that people participating in the PFES scheme can take from protection forests. Local governments should support community members to develop sustainable forest management plans that integrate REDD+ and PFES and align with commune social and economic development plans.

Policy support

The Ministry of Agriculture and Rural Development and the provincial authorities should develop strategies, policies and guides to encourage the use of bamboo and promote the development of the sustainable bamboo products sector, including by mobilizing private sector investment.

Research

More research is required to improve bamboo propagation techniques. There is also a need to quantify how much carbon bamboo forests and bamboo products store. The International Bamboo and Rattan Organization has recommendations for reducing carbon emissions associated with producing, transporting and processing bamboo (Phuong and Xuan, 2020; Bao and Long, 2019).

Endnotes

1. REDD+, or Reducing Emissions from Deforestation and Forest Degradation, conservation of existing forest carbon stocks, sustainable forest management and enhancement of forest carbon stocks, is a framework created by the UNFCCC Conference of the Parties to guide activities in the forest sector
2. Decisions No. 524 and No. 523, respectively
3. See www.recoftc.org/projects/flourish
4. The Decision approved the Nghe An's Bamboo and Rattan Raw Material Area Plan to 2025 and its Bamboo and Rattan Sector Development Plan to 2025
5. The four communes are Chau Hanh, Chau Thang, Dong Van and Thong Thu

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At RECOFTC, we believe in a future where people live equitably and sustainably in and beside healthy, resilient forests. We take a long-term, landscape-based and inclusive approach to supporting local communities to secure their land and resource rights, stop deforestation, find alternative livelihoods and foster gender equity. We are the only non-profit organization of our kind in Asia and the Pacific. We have more than 30 years of experience working with people and forests, and have built trusting relationships with partners at all levels. Our influence and partnerships extend from multilateral institutions to governments, private sector and local communities. Our innovations, knowledge and initiatives enable countries to foster good forest governance, mitigate and adapt to climate change, and achieve the Sustainable Development Goals of the United Nations 2030 Agenda.



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