

Upscaling of Sustainable Forest Management and Certification

Sustainable forest management contributes to green economic growth and net-zero emissions

Context

Covering 42 per cent of the nation's land area, forests play a central role as natural carbon sinks that contribute to Viet Nam's goal to reach net-zero emissions by 2050. However, the overall quality of forests remains poor and species diversity is low. Forests are subject to major climatic risks such as damages from storms, which are exacerbated by climate change.

Viet Nam is the largest exporter of timber products in Southeast Asia. The plantation economy is dominated by short-term rotation models that produce wood chips for biomass. On the other hand, 60 per cent of timber imported to Viet Nam is sawn timber, because domestic production of timber cannot meet the increasing demands for large-sized sustainable timber.

Despite an existing political will, the transition to sustainable climate-friendly forest management has not yet fully been put into practice. Forest owners have little experience with large-sized timber cultivation. They also do not have any access to information on how to mobilise financing to bridge the gap during the transition period. The regulatory framework needs to provide more incentives to foster the transition.

Objectives

Viet Nam is moving forward in its transition to sustainable climate-friendly forest management with a higher diversity of tree species, long-term rotation of harvesting, and sawn timber production.

The legal and institutional prerequisites for the transition to sustainable climate-friendly forest management are established.

The capacities of relevant actors in the forestry sector for the transition to sustainable, climate-friendly forest management are strengthened.



Project name	Upscaling of Sustainable Forest Management and Certification in Viet Nam
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Project region	Hanoi / Quang Tri, Binh Dinh and Phu Yen provinces
Lead executing agency	Ministry of Agriculture and Environment (MAE)
Implementing partner	Management Board of Forestry Projects (MBFP) Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ) GmbH
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Information and instruments for financing the transition to sustainable, climate-friendly forest management are available to relevant forestry actors.

Overall, sustainable forest management with long-term rotation of timber harvesting acts as a natural climate sink, thereby contributing to achieving Viet Nam's climate goals.

Approach

The project follows a multi-level approach. It works at national as well as provincial level, focusing on the provinces of Quang Tri, Binh Dinh and Phu Yen. Results from provincial level will be fed back into policy-making and capacity development processes at national level.

The Management Board of Forestry Projects (under MAE) and GIZ jointly implement the project. The implementation is in part supported by the consulting company unique land use GmbH with a focus specifically on activities at provincial level.

The project carries out the activities under the following three components:

1. Establishing legal and institutional prerequisites

The project advises national and provincial stakeholders on how to improve the legal framework to accelerate the application of sustainable forest management. At provincial level, silvicultural guidelines on technical topics with special relevance to large-sized timber are being developed. Forest owners are supported in applying sustainable forest management to the areas under transition in their annual action plans.

Quy Nhon Forest Company staff during training on Acacia plantation

2. Strengthening capacities

The project develops the capabilities of service providers so that they can in turn enhance the ability of forest owners to manage long-term rotation plantations. Training modules will be transferred to open-source e-learning, making them easily accessible for all. On demonstration plots, the transition to long-term rotation silviculture will be piloted and showcased to prepare for upscaling. The sites will act as a hands-on classroom to practice silvicultural techniques.

As forests are subject to multiple pressures such as droughts, wind, pests, and diseases, which are all exacerbated by climate change, forest owners will be supported to assess the risks to their plantations and define risk mitigation measures. Digital modelling will be applied to inform the design of forest plantations and include risks in the silvicultural and financial planning.

3. Financing sustainable forest management

The project supports forest owners in developing innovative business models and identifying possible financing options for the transition. Options for collaborating with forest smallholders will be explored. Agreements are to be developed on the basis of mutual interest and benefits that will incentivise the transition to sustainable forest management.

Results

The project advised MARD (now MAE) on amending Decree 118 on the restructuring and development of state-owned agricultural and forestry companies. Based on a consultative process, the following was amended, i.a.: increased economic incentives for agricultural and forestry companies; clarification of land use rights and responsibilities among national and provincial authorities; promotion of innovation and digitalisation. Results were taken up in the new Decree No. 04/2024/ND-CP issued in 2024, which amends Decree 118.

The six forest owners including state-owned forest companies and protection forest management boards (PFMBs) partnering with the project have each established demonstration plots for sustainable forest management with a total area of 48 ha. Forest owners have been trained on sawlog production techniques and scaled up the practices from the demonstration plots to 1,685 ha of their plantation forest.



Lingzhi mushrooms cultivated under the forest canopy

Capacity building offers will be institutionalised in the sector so that training opportunities are widely available. Different financing mechanisms for this transition have been piloted such as the cultivation of Lingzhi mushrooms, joint venture, and business models for sawlog production. Furthermore, cooperation models between forest smallholders and companies or PFMBs were signed at all 6 partnering forest owners.

In summary, large and high-value timber models shall offer higher profit margins, contributing to sustainable economic development. Longer rotation times and more diverse forests will increase benefits for biodiversity, climate and people.

Gender mainstreaming

The project is committed to gender equality and social safeguards. For instance, two forestry companies developed their gender action plan to mainstream gender equality in their operation. Gender equality aspects are now considered their recruitment policy to ensure equal opportunities for women and men. These efforts also contribute to fulfilling the requirements of the companies for forest certification, i.a., increasing the value of their timber produce. A gender forum was organised for forest owners and other actors in the timber value chain and developed recommendations for strengthening gender equality in policy and practice. The 150 participants had the opportunity to connect and forge alliances with like-minded peers in the sector.

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