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Forest protection – Vietnam

Afforestation and preserving biodiversity together with the population

Forest areas in Vietnam have shrunk substantially as a result of war and environmental destruction. Population pressure, slash-and-burn and illegal logging continue to deplete the country’s natural resources. The Vietnamese government wants to rehabilitate, reforest and considerably increase the forest surface area. KfW Development Bank has been supporting the government’s efforts for many years now.

Context

Forest areas in Vietnam have declined sharply since the 1970s, mainly because of the war, but also due to illegal logging and slash-and-burn. Without trees, fertile soil is eroded, particularly in the rainy season. This in turn makes it much harder for people to farm the land, which they depend upon as their main source of income.

The Vietnamese government has therefore set the objective of increasing the proportion of forest area again. It has already achieved significant success in this regard, with forest cover having increased from only around 27% to roughly 38% in 2013. This figure has risen to 42% in 2016. Since the mid-1990s, KfW Development Bank has been supporting the measures taken by the Vietnamese government to rehabilitate and restock the forests. In this context, KfW is working closely with the Vietnamese Ministry for Agriculture and Rural Development (MARD). Forest rehabilitation and sustainable forest management is promoted primarily in Northern and Central Vietnam.

The population is directly involved as the programme

promoted by KfW not only aims to reforest and preserve the forest, but also to improve the living conditions of villagers living in rural areas.

Project approach

The KfW projects 8 and 10 aim to increase biodiversity and the quality of forest ecosystems. Local communities are involved in forest protection and management, and it is hoped that they will show improved awareness to sustain protection after the end of the programme. The project pursues an innovative incentive scheme whereby forest farmers are granted rights to use the land. These land use rights are confirmed in Red Book Certificates – named as such because of their colour.

Project name	Promotion of Sustainable Forest Management and Biodiversity (KfW 8 & KfW 10)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Country/Region	Vietnam
Lead executing agency	Ministry for Agriculture and Rural Development (MARD)





Tan Van Nguyen, a 53-year-old Vietnamese forest farmer, is proud of "his" land: he planted one hectare of the indigenous species of tree, Hopea. Source: KfW Group, photographer: Michael Ruffert

They plant seedlings from plant nurseries on the land and receive financial support in return. People receive "green savings books" with credit balances of up to USD 250 depending on the size of the managed forest. Interest is paid on the credit balance and is paid out over a period of six to nine years. Smallholder farming families benefit from the land use rights and additional income while entire village communities also reap the rewards in the municipal forest management component of the project. The project also supports the construction of forest paths and roads to grant people better access to their forest areas.

Impact

Tan Van Nguyen, a forest farmer, is still wearing his motorcycle helmet and carrying a scythe. He points proudly to his mature trees. He planted one hectare of Hopea, an indigenous species of tree, on a plot of land in the Vietnamese province of Quang Nam, for which he now holds the land use rights. His Red Book is stored away safely at home.

He sees the land as an investment in the future – he says it gives him security. Even his grandchildren will benefit from the forest one day. Many farmers in the project regions report similar, positive experiences. In the Central Vietnamese provinces of Quang Nam, Quang Ngai, Binh Dinh and Phu Yen alone, KfW Devel-

opment Bank has contributed to the reforestation and rehabilitation of an area spanning almost 23,000 hectares since 2006, reaching 15,000 families with the KfW project 6 that was concluded at the end of 2014. KfW projects 8 and 10 are extending these impacts to the North Western Vietnamese provinces of Yen Bai, Lai Chau, among others, and to provinces in the Central Highlands.

The projects reach about 239,000 people living in the project areas, the majority of which are ethnic minorities. They ensure through participatory planning and implementation that the local population can include their needs into the project concepts, is compensated for possible losses due to planned project measures and is an active partner in the conservation of ecosystems.

KfW has meanwhile reached an estimated 125,000 families across the country with similar programmes. Economic progress for the people and environmental protection go hand-in-hand. Soil erosion is declining in the sustainably managed regions and soil fertility is growing. This allows people to run their farms more successfully and generate a higher income on the one hand. In turn, biodiversity is increasing at the same time.



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