

Rapid Rubber Expansion in Viet Nam and its Impacts on Forestlands

Summary

This info-brief summarizes the results of a research project on the expansion and impact of rubber plantations in Viet Nam in two major cultivation regions: the Central Highlands and the Northwest. Rubber plantations have increased rapidly in these regions in recent years following the Rubber Development Strategy of 2009. However, most of the expansion is done at the expense of forestlands. The lack of compliance with government regulations regarding rubber development by some local authorities resulted in large areas of natural forest being converted to rubber plantations. This has had substantial impacts on forest resources in Viet Nam's Central Highlands and Northwest provinces. Additionally, while the economic benefits of rubber development models are not yet guaranteed, many local populations do not share in the benefits of these models. The limitations placed on acquiring cultivated land for local people has also led to forestland encroachment and land conflicts. Presently, Viet Nam is actively participating in international initiatives such as the Reducing Emissions from Deforestation and Forest Degradation (REDD+) and Forest Law Enforcement, Governance, and Trade (FLEGT) programmes. The implementation of these commitments requires Viet Nam to establish and effectively operate mechanisms that address drivers of deforestation and degradation, including the drivers of natural forest conversion for rubber plantation. To effectively curb the exploitative practices of rubber plantation expansions, the Vietnamese government needs to strengthen the monitoring and inspection on land appraisal processes and on the implementation of forest conversion projects.

Introduction

Over the past several years, forestland has been excessively converted to rubber plantations. By 2012, the total number of rubber plantations throughout Viet Nam reached a surface of 910,500 hectares (ha). This is the result of the enforcement of Decision 750/QĐ-TTg by the Prime Minister, that endorses the 2015-2020 Rubber Development Strategy of 2009 in which Viet Nam aims to increase its rubber plantation area to 800,000 by 2020. The primary goal of this strategy is to "exploit and intensify the efficiency and advantages of land resources and natural conditions in some locations for sustainable development." Until very recently, there had been no comprehensive assessment of the effects of these rapid and drastic land turnovers. This info-brief summarizes the results of the Rubber Expansion and Forest Protection in Viet Nam research project jointly carried out by Tropenbos International Viet Nam (TBI Viet Nam) and Forest Trends in 2014. It will discuss the reasons for excessive forestland conversions and its impact on three key areas: forest resources, local livelihoods and culture/society at large.





Rubber plantation development in the Central Highlands

The region of Central Highlands has experienced a very rapid expansion of rubber plantations in recent years thanks to the implementation of the Rubber Development Strategy. However, the expansion of the rubber plantations exceeded the projections: by the end of 2012 the area of rubber plantations in the region already reached 83.8% of the planned area for 2020. According to the master plan of the Central Highlands' provinces, this area will continue to increase.

The research revealed that land for rubber plantations in the Central Highlands was primarily originating from forestland previously managed by State Forest Enterprises (SFEs or currently known as Forest Companies). To gain access to land, Provincial People's Committees (PPCs) reclaimed a portion of these forestlands from SFEs and leased them to rubber companies. Private rubber companies, which widely exist in the region, have benefitted from this mechanism using their good relationships with high level people in accessing land for investment in large plantations.

Forestland areas managed by SFEs have become a primary target for rubber companies due to their large area and clear tenure rights. These factors help private rubber companies to significantly reduce the time and effort necessary for obtaining land use rights. As much as 79% of the area of rubber plantations has been converted from natural forests classified as "poor forest" (Figure 1). This has resulted in a substantial reduction of the natural forest area managed by SFEs.

The research also indicated that most of the land for rubber plantation development in the Central Highlands was allocated to private rubber companies. These companies only employed a few local workers instead of the required 30% of the total workforce as committed, blaming the local population's poor skills as a main reason. This shows that rubber plantation development models provide mainly economic benefits to the companies, while the local population does not benefit much.

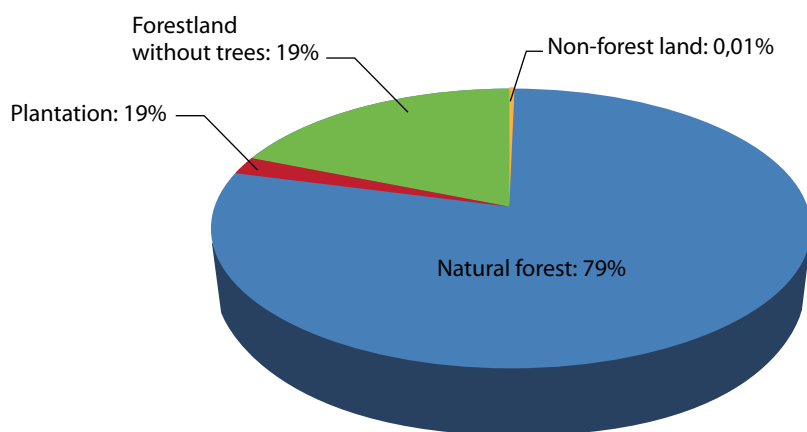


Figure 1. Land resources for rubber plantation projects in the Central Highlands in 2012

Source: *MARD. 2012*



The district and communal governments play almost no role in the decisions to allocate land to rubber companies. Final decisions are made at the provincial level after consultations with central governments and without the participation of local governments or local communities. In Eahleo District, for example, some of the land located within the district's management boundaries had been designated for future expansion of residential areas of the district (Box 1). However, this land use plan was ignored by the PPC who ultimately allocated this entire block of land to a private corporation.

Box 1. Local involvement: example from Eahleo district

"Local governments [districts and communes] did not know the approach [conversion procedure of forestland to rubber plantations]... The conversion planning for forestland to rubber plantations was led completely by the provincial government... District and communal governments sometimes were invited to meetings for information and implementation, but they did not have any roles to play in the decision making process..."

The Vice Chairman of Eahleo district, who is in charge of agriculture.

Rubber plantation development in the Northwest

Provinces in the Northwest region allowed some forestland to be converted to rubber plantations even though these areas were not prioritized as key areas

for rubber development in the RDS. The research revealed that the area of rubber plantations within Son La, Dien Bien, and Lai Chau Provinces increased from 70 ha in late 2007 to 19,118 ha in 2012.

The majority of land for rubber plantations in the Northwest region was primarily converted from terraced land, low-productivity plots, production forestland, and forestland previously allocated to communities. Research showed that the expansion of rubber in regions with unsuitable climatic and/or site conditions for the growth of rubber trees has resulted in a low survival rate of the trees or low productivity.

By offering their land use rights to rubber companies, households officially became "farmer shareholders" but technically they became employees of these companies. The average area that each household contributed was around 1.3 ha. This is on average the whole plot a household would typically own. This means that the local households would not have any land left for agricultural production once they transferred their land to these collaborative models. Though agreed upon between the rubber companies and local people that households would receive profits proportional to their business shares (around 8.7% of the total initial investment value of 1 ha of rubber plantation), almost all benefits from harvested rubber go to rubber companies.

Rubber investments have been a high-risk investment for households in the Northwest region, due to the falling price of rubber latex in recent years, combined with the low returns from the collaborative business model and the low productivity of some rubber plantations at unsuitable sites.



Why did excessive forest land conversion happen?

Although the government of Viet Nam encourages the development of rubber plantations on degraded forestland, non-forested land, and low-productivity areas, these preconditions have not been followed in practice. Analysis of the estimated 400,000 m³ of timber harvested during various land conversion processes confirms that not every area of the converted forestland was degraded forest.

In addition, the decision to convert natural forest was made at the provincial level rather than at the central level. This leads to lacunas for local implementation due to a lack of proper monitoring. Local governments have taken advantage of these loopholes in policies to allocate land to private rubber companies that have a “good relationship” with them. Such maneuvers were found throughout land conversions in the Central Highlands.

Regulations based on tree density run the risk of allowing regenerating forests to be converted to rubber plantations, as recovering forests have a lower density. Additionally, regulations only provide technical guidance without taking into account the socio-cultural interests of local communities. As a result, a number of community forests were converted to rubber plantations, as for example has happened in the case of Son La province.

Impacts of conversion of forest land to rubber plantations

Forest resources

Due to the fact that suitable land for rubber is decreasing rapidly, provinces, in search for rubber investments, had no choice but to clear natural forestland. This conflicted with the RDS, which

specified that 56% of the land used for rubber expansion should come from degraded forestland; the residual 44% should come from agricultural land owned by households. As mentioned before, data revealed that 79% of the new rubber plantations in the Central Highlands have been established on former natural forestland. In addition, the conversion of forests to rubber plantations does not only result in deforestation but also directly affects biodiversity and socio-cultural aspects (Hoang Minh Ha et al., 2011; MARD and UNREDD. 2010).

Economic impact

Each hectare of rubber plantation could offer local households a potential profit of 24 million VND/ha/year (or €1000/ha/year). The question is whether this income can be guaranteed, especially when rubber plantations have been established in locations with unsuitable climatic and site conditions.

In terms of local profitability, contributing land to rubber companies reduces the availability of land to households for personal use and affects their livelihood negatively. Shortage of land for agricultural production for household needs creates a high pressure on households.

Social and cultural aspects

Forestland conversion has caused significant conflicts in some regions. In certain provinces, local governments have handed over forestland previously managed by local forest companies to large private rubber companies, forcing the local population to encroach on forests, illegally harvesting timber, and occupying land for cultivation. Consequently there was an increase in conflicts between local populations and local governments, between neighboring communities, and within communities themselves.



Implications for forest protection in Viet Nam

The fact that 79% of newly-established rubber plantations were converted from natural forests does not only reflect the loss of vast areas of forests but also indicates poor local enforcement of policies and lack of effective monitoring and inspection of the conversion process on both national and local scales. It shows the generally poor forest governance in Viet Nam.

Specific steps that should be taken to ensure proper forest protection are:

- Strengthening of monitoring and inspection of the appraisal process and of implementation of forest conversion projects.
- Applying Free, Prior, and Informed Consent (FPIC) (Box 2) procedures to all projects which plan to convert forestland to rubber plantations. This way all stakeholders including local communities can be adequately consulted before companies are licensed to commence the conversion.
- Strengthening of forest governance through close and effective collaboration between all stakeholders at all levels, both vertical (from local to national) and horizontal (between sectors).

Box 2: Free, prior and informed consent (FPIC)

'Free prior and informed consent' (FPIC), is the principle that a community has the right to give or withhold its consent to proposed projects that may affect the lands they customarily own, occupy or otherwise use. Addressing drivers of deforestation and degradation requires Vietnamese government to apply FPIC to all projects which convert forestland to rubber plantations. This way, all communities will be thoroughly consulted before firms are licensed.





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This info brief is based on the report of the results of the research project Rubber Expansion and Forest Protection in Viet Nam (To Xuan Phuc and Tran Huu Nghi 2013). It summarizes the reasons for excessive forestland conversions in Viet Nam and its impact on forest resources, local livelihoods and the whole society.

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