

Under the Law on Forestry, the Ministry of Agriculture and Rural Development (MARD) is the focal point in performing the state management of forestry. MARD works closely with other ministries, including the Ministry of Natural Resources and Environment (MONRE), the Ministry of Public Security (MPS) and the Ministry of National Defence (MOND) in forest management and protection, and preventing and combating illegal activities about forestry. There is also a hierarchical system from the central to the provincial, district, and communal levels to guide and oversee the implementation and compliance of the legislation.

Vietnam has 7 agro-ecological regions and although the action will address forestry challenges at national level, it will have a special focus on 2 regions of Northwest and Central Highlands, because these are among the poorest regions with the biggest challenges in forestry development.

**Central Highlands and Northwest regions:** The situation of forestry in the Central Highlands and Northwest Regions, where the action will focus, differ from the overall nationwide situation in that the wood industry in these regions is less developed, the forest resources are far from round wood consumption markets, and therefore the competitive advantage of timber production is relatively low. Another unique feature in the two regions is the relatively large area, and proportion of natural forests that offer considerable environmental services in protecting vital watersheds and biodiversity.

The **Central Highlands** region has 3.4 million hectares of forestry land managed mainly by state organisations including Forest Management Boards and State Forest Companies. The area of forestry land allocated to households and communities is relatively small, 125,000 hectares, accounting for only 4%. The area of industrial timber plantations is modest, about 470,000 hectares. Encroachment into forests is common and usually related to production of coffee, rubber, and other agricultural products.

In the **Northwest region** the total area of forestry land is 2.8 million hectares, accounting for approximately 75% of the natural area of the whole region. As in the Central Highlands, plantations account for a very low proportion, only about 12.5% of the total forest area. The forests form a very large, and important watershed area that guarantees water and silt in the Red River delta downstream and ensures sustainable hydropower development. Like the Central Highlands, the Northwest region has great potential for forest environmental services.

Forest ownership in the Northwest region differs from Central Highlands in that majority of forests are owned by households, communities, and Commune Peoples' Committees. Forests in the Northwest have been gradually restored and the forest area has been increasing, albeit at a relatively slow rate compared to many other regions in Vietnam.

### 1.3. Intervention strategy

The Action aims to support government authorities and businesses in Green Deal-related policy areas. It will also aid Vietnam to fulfil its international climate commitments, such as the Glasgow Declaration, in forest and land use targets. This Action will contribute to the EU Green Deal and Global Gateway priorities. The EU will play a prominent role in policy dialogue, knowledge sharing, capacity building and technical assistance for ensuring deforestation-free commodities, climate-resilient approaches, and environmental and labour standards.

The Action's intervention will be implemented complementarily with the EU Strategy on Biodiversity<sup>6</sup> and commitments undertaken in the context of the Kunming-Montreal Global Biodiversity Framework (GBF)<sup>7</sup>.

Synergies will be established with a number of relevant projects implemented through existing and new financial instruments linked with the European Fund for Sustainable Development Plus (EFSD+). Specific attention will be paid to align this action with the EU-funded project "*Integrated sustainable landscape management through deforestation-free jurisdiction project in Lam Dong and Dak Nong, Vietnam*", which aims to improve environmental sustainability, social inclusion, and resilience of food production models and supply chains in the

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<sup>6</sup> COM(2020)380 of 20.5.2020 EU Biodiversity Strategy for 2030: Bringing nature back into our lives.

<sup>7</sup> CBD/COP/DEC/15/4 of 19.12.2022, Decision adopted by the Conference of the Parties to the Convention on Biological Diversity on the Kunming-Montreal Global Biodiversity Framework.