Can a REALU mechanism change the course of tree cover change in Bac Kan province?

**Country:** Vietnam  
**Continent:** Asia  
**Annual rainfall:** 1600mm  
**Average temperature:** 22°C

**THE LANDSCAPE**

**ISSUES**
- Conflict between local livelihoods and top-down forest conservation
- Unsustainable land use practices such as shifting cultivation
- Unclear forest land tenure

**RESEARCH QUESTIONS**
Can a REALU (Reducing emissions from all land uses) mechanism help in reducing conflict between economic development and forest conservation in Bac Kan province?

**KEY FINDINGS**
Forest changes in Bac Kan (2000-2010)

**Deforestation**
- Total deforested area: 22,259.4 ha
- Conversion of forest into bare land with scattered trees accounted for 94.3% of total deforested area
- Drivers: Illegal logging, legal concessions, natural deforestation, conversion of natural forest to planted forest, timber demand
- Actors: Households, traders, timber companies

**Reforestation**
- Total reforested area: 82,628.9 ha
- Conversion of bare land/non-forest into natural and planted forest accounted for 100% of total reforested area
- Drivers: land use zoning, reforestation program
- Actors: Government, Provincial/District/Commune People’s Committees, households

**Trade-off analysis between scenarios**

- Both REDD+ and REALU scenarios produce higher C-stocks but the economic benefit reduced slightly (4USD/capita and 1 USD/capita, respectively).
- Acacia expansion increased the income per capita accompanied with a significant loss in C-stocks.
- Crop expansion has very small added value to landscape C-stocks and moderate economic benefit compared to BAU and Acacia expansion.
- Therefore, REALU is the better scenario in terms of landscape C-stocks, but it will only be feasible if an incentive mechanism is in place to compensate for income loss.

**CONCLUSION**
- REALU is a better option if payments offered by the global REDD market are added to the incentives already proposed.
- However, the province’s target of 84% forest cover and 6% agricultural land by 2020 suggests that significant economic tradeoffs may make local people poorer than they currently are.
- The sustainability of a REALU mechanism is faced with uncertainty, not only in terms of sustained financing, but also in terms of addressing widening economic tradeoffs and not further harming the poor.
- We therefore proposed the elements of a sustainable and adaptable REALU mechanism: (i) bundling environmental services and payments; (ii) linking the mechanism with rural development support programs; (iii) national guidance and support for building the capacity of local implementers; and (iv) removing national legal/regulatory and technical barriers.
- Finally, integrating in mainstream national and rural development strategies with a clear focus on emissions reduction may make a REALU mechanism not only feasible but also sustainable.