

Forest Policy Trends in Vietnam

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Abstract: Forest policy in Vietnam has focused on three main trends: development in the direction of social forestry, sustainable management and utilization of forest resources, and increasing the contribution of the forestry sector to the country's economy and society. These trends are illustrated clearly in Vietnam's laws (Land Law, Laws for Protection, and Development of Forests, etc.), and government policy documents (resolution on land allocation, regulations on the rights and obligations of households, etc.). Policies on the direction of social forestry especially emphasize local participation in the development and protection of forests. Forest land (with and without forest cover) has been allocated or contracted to households, individuals, and organizations for long-term forestry purposes, and local people are also given more benefits through the benefit-sharing policy. Besides these changes, the sector's policies are paying more attention to the development of traditional forest management activities.

Key words: Land allocation, contracted forest and forest land, benefit-sharing, multi-sectoral economics, market-oriented economy.

1 Introduction

Vietnam's forestry sector has undergone great development during the last decade in the context of the country's *Doi Moi* reforms, which have made massive progress, not only in food production and plant structure changes in the mountain areas, but also in the forestry sector, resulting in the recovery of forest resources. In recent years, Vietnam's forest area has rapidly increased in both quantity and quality. According to the Ministry of Agriculture and Rural Development (MARD), by the end of 1999 the total forest area in Vietnam was 10.9 million hectares, or about 33.2 percent of the total natural area, including 9.4 million hectares of natural forest and 1.5 million hectares of production forest. Recent forestry policies have caused a transition in forestry from being a centrally planned and subsidized sector (cooperative and state) to a multi-sectoral economic participatory one. Various types of forest ownership have been formulated for the more effective management, protection, and use of forests.

The forests in Vietnam are classified under three categories: special use forest (national park, natural conservation, historical area, etc.), protection forest (watershed, sandy, sea wave, etc.), and production forest. At present, there are 5.35 million hectares of protection forest, 1.52 million hectares of special use forest, and 4.04 million hectares of production forest. By 2010, 650,000 hectares of protection forest, 490,000 hectares of special use forest, and 3.96 million hectares of production forest will be planted. There are differences in the management of these three forest categories. The forestry policies are always reviewed and amended to increase the participation of rural communities in forest management through "rights of forest owners", benefit-sharing and management policies. As a result, wood utilization will move from using natural forests to using production

forests for wood harvesting.

2 Development objectives and trends in Vietnam's forestry sector (2001-2010)

2-1 Development objectives in forestry sector by the year 2010

To implement the resolution by the National Assembly, the Prime Minister issued Decision No. 661/QD/TTg dated 29 July 1998 on the forestry development objective by the year 2010 as follows:

- Establish five million hectares of new forest, together with protection of existing forests, in order to increase forest cover to 43 percent of the national territory by the year 2010; protect the environment; decrease the severity of natural disasters; increase water availability; preserve gene resources; and protect biodiversity.
- Provide material for construction as well as raw material for the production of paper, wood-based panels, non-wood products, and fuelwood, both for local consumption and export; develop the forest product processing industry; and make forestry an important economic sector, contributing to improvement in the socio-economic situation in mountain areas.
- Use open land and bare hills efficiently; create employment opportunities; contribute to hunger elimination and poverty reduction; support sedentary cultivation; increase incomes for mountain rural people; create stable social conditions; and strengthen national defense and security, especially in border areas.

2-2 Trends in forestry policy

Forestry policies have been illustrated via various papers issued by the State (National Assembly, Government, and Ministry). Since 1990 up to now the State has issued about 150 important policies related to forestry in

the following forms:

- Forest Law issued by the National Assembly
- Resolutions by Government
- Decisions by the Prime Minister
- Regulations and circulars
- Ministerial guidances

The following are important and core forestry policies:

- Law on protection and development of forests (under reviewed and amended)
- Land Law (1993) reviewed and amended in 1998-2000
- Government Resolution 01/CP (1995) on the allocation and contracting of land for agriculture, forestry, and aquaculture production to state enterprises
- Government Resolution 02/CP on the allocation of forest land to various sectoral economics for management and use for long-term and sustainable forestry development
- Prime Minister Decision 661/QD-TTg (1998) on the objectives, tasks, policies, and organizations for the establishment of five million hectares of new forest
- Government Decree No. 163/1999/ND-CP concerning allocation and lease of forest land to organizations, households, and individuals for long-term forestry purposes
- Ministry of Agriculture and Rural Development Circular No. 56/1999/TT/BNN-KL (1999) guiding the development of regulations on forest protection and development to village/hamlets and communities
- Prime Minister Decision No. 08/2001/QD-TTg (2001) issuing regulation on management rules of special-use forest, protection forest, and production forest
- Prime Minister Decision No. 178/2001/QD-TTg (2001) on the rights and obligations of households/individuals allocated and contracted forest and forest land for benefit-sharing
- Other policies on development investment credits, tax, and extensions related to forestry activities

Based on the forestry policies issued, the major trends in forestry policy focus on three main objectives:

- forestry development in the direction of social forestry with the participation of multi-sectoral economics;
- a transition in forestry from a harvesting sector of natural resources into a sustainable management and utilization of forests;
- forestry developed in the direction of a market-oriented economy, increasing its contribution to the country's economy, creating employment, and life improvement for rural communities.

2-2-1 Social forestry development

Before 1986 forestry was a centrally planned and subsidized sector operating on the basis of state-managed

mechanisms, such as state forest enterprises or cooperatives. However, present forestry policy is operating in the direction of social forestry, regulated under the Land Law, Forest Protection Law, and Resolutions 02/CP and 163/1999/ND-CP by the government as follows:

- Land ownership belongs to the people; however, households, individuals, and organizations are allocated land and water surface planned for long-term use and management for agriculture, forestry, and aquaculture development purposes. They have the right to exchange, transfer, rent, inherit, or mortgage the right to use the land allocated to them, and also the right to contribute their land as capital for joint ventures with domestic and foreign organizations and individuals in order to boost production.
- Agencies, households, and individuals do not have to pay land-use fees for the whole forest land areas allocated. Forest land allocation has an area limit of not over 30 hectares for households and individuals for a duration of 50 years. Upon expiry of the duration, if the land users wish to continue using the land and the land has been used for the correct purposes allocated, the State shall comply with that wish. The State also contracts land for forest production purposes to organizations, households, and individuals, with the duration depending on each type of forest (protection forests and special use forest: 50 years; production forest: depending on the business rotations).
- The benefit-sharing policy was formulated and amended to increase the benefits to households and individuals involved in protection, forest management, and re/afforestation. Decisions No. 08/2001/QD-TTg and 178/2001/QD-TTg were issued to detail regulation of benefit-sharing and the obligations of the households and individuals allocated or contracted forest and forest land, including natural forests, production forests, and barren lands for reforestation, and maintenance for all three categories of protection, special-use, and production forests.
- Renovation of state forest enterprises to implement efficient production and business, and also to increase the function of their service to farmers (reducing forest area managed to make them suitable to their operating capacity).
- There are other policies issued on credit extension services, which also create good opportunities for rural inhabitants to participate in the management, protection, and maintenance of forests, as well as re/afforestation.

In short, forestry activities have been under the direction of social forestry via the rights, obligations, and benefit-sharing of multi-sectoral bodies involved in forest management, protection, and development.

2-2-2 Sustainable management and utilization of forests, increasing forest functions of production, environment protection, and biodiversity conservation

The Law on Forest Protection and Development issued in 1991 identified three categories: protection forest (watershed, sandy forest, and sea wave forest in coastal areas), special use forest (national parks, natural conservation areas, historical and cultural parks, etc.) and production forest. The management of each type of forest has been specially implemented, proving that forestry development has paid great attention to the forest functions for their protection, environment protection, and biodiversity conservation.

Great concern has been paid to natural forests for sustainable protection and management. In the Prime Minister's Decision 661/QD-TTg, it is clearly specified to establish five million hectares of new forest and focus on protecting existing forests, with the highest priority given to the protection of natural forests classified as special-use forest. Wood harvesting from natural forests was reduced from 1 million to 300,000 cubic meters a year.

The management of natural forests was identified clearly in the Prime Minister's Decision 08/2001/QD-TTg on the regulation of management of natural special-use, protection, and production forests.

The issuance of the benefit-sharing policy has ensured the sustainable management of forests by increasing the participation of rural inhabitants in forest management, in accordance with their rights and obligations.

The participatory approach has been applied in land use planning.

2-2-3 Market-oriented forestry

The following government decision is an example of forestry development on the basis of state-managed market mechanisms for creating employment and income, contributing to the improvement of living standards, and reducing poverty for the rural populations in mountainous areas.

Decision No. 661/QD-TTg (1998) by Vietnam's Prime Minister laid out the objectives, tasks, policies, and organization for the establishment of large area of new forests. It included

- the establishment of five million hectares of new forests of which two million hectares is economic forest;
- using open land and bare hills efficiently, creating employment opportunities, contributing to hunger elimination and poverty reduction, increasing incomes for rural mountain people;
- providing material for construction as well as raw material for production of paper, wood-based panels, non-wood products, and fuelwood, both for local consumption and export;
- creating a raw material supply area for the development of a wood processing industry, which helps make forestry become an important eco-

nomie sector.

Policies mentioned in Decision 661 related to forestry include the following:

- As an investment policy for forest protection, the State will continue to provide funds for forest protection contracts of up to 50,000 dong¹ per hectare, with a duration of five years. The State will also contribute a maximum amount of 1 million dong per hectare, distributed over a period of six years, for natural regeneration, or for planting and tending trees over a period of three years. The State will also provide up to 2.5 million dong per hectare for planting and tending forests with valuable tree species with production cycles of over 30 years.
- Policy on credit with priority interest.
- Scientific research and forestry extension will be supported to contribute to increasing the yield of production forests and development of the wood processing industry.
- In developing the market for forest products, all forest products from plantations (i.e., bamboo and other non-wood forest products) are free to be sold in the market. Processing and the export of forest products from plantations, round wood included, will be encouraged.

3 Trends in forestry policy related to rural participation

Regarding the role of beneficiaries, the participation of individuals, households, and village communities in planning, protecting, managing, and planting forests is increasing via a series of issued policies whose main ideas are described below.

3-1 Creating a legal basis for people to become owners of forests and forest land

The owners of forests and forest land must be identified clearly. There are a wide variety of owners including:

- state forest enterprises
- management boards of special-use and protection forests
- local authorizations (where land allocation has not occurred) - Provincial People's Committees (PPC), District People's Committees (DPC), or CPC (commune)
- social organizations such as schools, cooperatives, army institutions, etc.
- households and individuals
- village communities

The role of households and individuals as forest owners is clearly identified in the Land Law, the Law on Forest Protection and Development, and in resolutions by the government (i.e., No. 02/CP; 163/1999/ND-CP, con-

¹One U.S. dollar is equivalent to 12,000-13,000 VND.

cerning the allocation and leasing of forest land, and in Decision 08/2001/QD-TTg by the Prime Minister, issuing regulation on the management of natural special-use, protection, and production forests).

One of the new changes in forestry policy is the forest categories allocated to households and individuals. In the past only barren land and plantations could be allocated to households and individuals. Now, special-use forest (less than 1,000 ha), protection forest (less than 5,000 ha, or scattered plots), and natural forest considered to be production forest can be allocated to households and individuals for management, protection, and development, which means that households and individuals are owners under these forest categories.

3-2 Increasing the participation of households, individuals, and village communities in forest management

Besides being forest owners, households, individuals, and village communities can participate in the management of special-use, protection, and production forests (including with and without forest cover) by being contracted with forest owners (state forest enterprises, management boards of special-use and protection forests). Resolution 01/CP (1995), Decision 08/2001/QD-TTg by the Prime Minister issued regulations on the management of natural special-use, protection, and production forests. Decision No. 178 detailed the rights of benefit-sharing and the obligations of households and individuals who are allocated and leased forest land and forests.

Attention has recently been paid to community forest management. MARD issued Circular 56/1999/TT/BNN-KL, guiding the development of rules for the protection and development of forests within village communities. It includes rules on forest protection and mobilizing internal resources to tend, maintain, and develop forests (watershed or historical/landscape/religion forests) whose owners are village/hamlet communities. Developing rules can be done in two forms—a community meeting or a meeting of household representatives—to discuss, comment, and agree to implement the developed rules. According to the Forest Protection Department within MARD, up to June 2001, 1203 communes in 146 districts of 24 provinces and cities have formulated community forest management plans encompassing a total forest area of 2.35 million hectares.

3-3 Benefit-sharing policy

This policy is considered to be important for encouraging rural people to manage and develop the forests. It has been reviewed and amended to increase the benefits for the people. In 2001, the Prime Minister issued two important decisions on the management of natural forest and benefit-sharing—Decision 08/2001/QD-TTg and Decision 178/2001/QD-TTg, respectively. The following are amendments to both of them:

- *Rights of households who sign contracts for and*

invest in protection forests: Households are entitled to payment for protecting, regenerating, and planting forests, in accordance with the contracts signed with the forest management boards. Households have the right to collect fuelwood and non-wood forest products under the canopy (20 percent in timber forests and 30 percent in bamboo forests) and 85 to 90 percent of harvesting products after taxes are paid. In addition, households are entitled to all agricultural and forest products when the forest is ready for harvest, if the households themselves carried all the costs for the regeneration and planting on land without forest cover.

- *Special-use forests:* The forest owners (households or individuals) are allowed to do activities on harvesting, research, and ecological tourism in accordance with the laws and regulations.
- *Rights of households and individuals allocated natural production forest to manage:* They have the right to collect dead trees, trees damaged by fire or other natural calamities, or during the process of applying silviculture technologies, and harvest forest products to meet their own family consumption needs. They are also allowed to submit for approval their wood requirements to construct a house for newly established families, not to exceed 10 cubic meters per family. They can conduct official harvesting when allowed, and are entitled to 100 percent of products from poor regeneration forest or 70 to 80 percent of products in the case of regenerated forest (after shifting cultivation), and 2 percent per year of forest that has 100 cubic meters of growth per hectare annually. In addition, they are entitled to 95 percent of forest products if from bamboo forest (after taxes are paid).
- *Plantations established by State funds and allocated to households and individuals:* These are entitled to 75 to 85 percent of total forest products (after taxes are paid). If they themselves carried all the costs for establishing plantations, they are able to choose the species, technical norms, and planting and harvesting techniques. The products harvested from plantation forest are sold freely in the market.

In short, the benefit-sharing policy has covered watershed forest, special-use forest, and natural production forest in detail, whereas they were not mentioned in earlier policies.

4 Conclusions

Vietnam's forestry policy shows the government's determination to protect and develop forest resources through the participation of households, individuals, and other non-state organizations. State forest enterprises and forest management boards have the main

functions of guiding, providing technical services, and being a bridge between the State and rural people. Forestry is developing in the direction of social forestry on the basis of a state-managed market mechanism, supported by land laws, laws for the protection and development of forests, resolutions on allocation and leasing of forest land, allocation and contracting of forests, and regulations on the rights and obligations of households and individuals allocated and/or contracted forest land and forests.

Vietnam's forestry policies also focus on increasing the protection and environment functions of its forests, the conservation of biodiversity, and the protection of existing forests, while at the same time using forested and unforested land in an efficient and sustainable way, developing processing industries and plantations to provide materials for local consumption and export, and creating employment opportunities and more income for rural inhabitants in the mountain regions.

To implement the forest development objectives, the participation of households and individuals and village/hamlet communities plays an important role. Trends in Vietnam's forestry sector illustrate their role in the protection and management of forests by becoming forest owners, motivating them through benefit-sharing policies, along with expanded forest categories that can be allocated and contracted to them.

Due to changes in policy, Vietnam has achieved favourable results in forestry. Forest cover has increased to 33 percent. As well, good efficiency in forest regeneration has been attained, along with the tending of natural protection forests, and the growth of plantations to provide raw material for the production of paper, wood-based panels, etc. And last, the national park system has been formulated and consolidated recently in the last two to three years.

The direction of Vietnam's forestry policy can be seen in the National Five Million Hectare Reforestation Programme 2001-2010. The main objectives of forestry development in this new stage are to protect the environment and conserve biodiversity (focusing on protection and special-use forests, protecting existing natural forests, and increasing forest cover to 43 percent of the nation's area). Economically, its purpose is to process forest products for both local consumption and export. And its social purpose is to create employment opportunities, contribute to hunger elimination and poverty reduction for rural mountain people. It is clearly identified in the Prime Minister's Decision No. 661/QD-TTg on the establishment of five million hectares of forest, where it states, "Mountain rural people are the main forces to plant, protect, regenerate the forests and are beneficiaries of these activities. The State provides favourable legal context; organizing research and technology transfers in accordance with encouraging policies to rural people who participate in forestry activities; supporting necessary infrastructure construction and

mobilizing fund resources to invest in forestry and credit with priority interest included."

Despite clear trends in forestry policies, continually reviewed and amended, there are still challenges in the process of implementation, due to the increasing demand for wood and other forest products from the natural forests. On the other hand, the allocation and contracting of forest land is still operating at a low level, as is the efficiency in the use of barren and poor lands (land without forest cover), and the renovation of the state forest enterprises process that have not resulted in satisfactory results. There are still obstacles and shortcomings in land-use planning, typically the identification of the three forest categories (especially protection forest), as well as inappropriate buffer zones around national parks, participation in micro-land-use planning, limited multi-purpose use of forest products, and limited investments in forestry.

However, during the last decade, forestry development has created positive opportunities, notably the National Five Million Hectare Reforestation Programme, which has drawn great interest from various donors. This led to the creation of the 5 Million Hectare Partnership, with the participation of nearly 20 international donors and organizations, who also supported the creation of the Forest Sector Support Programme (FSSP), which will be the basis for support from more international donors and organizations for the development of Vietnam's forestry sector.

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