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A BRIEF HISTORY OF
FOREST POLICY WORK FROM THE FIELD

PROFOR VIETNAM,
PHASE 1, 1998 - 2001

by

Hans Warfvinge,
Vu Hoai Minh,
ORGUT Consulting AB

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The Global Programme on Forests (PROFOR, GLO/96/104/A/11/31) supported by the United Nations Development Programme (UNDP) was initiated in 1997. The overall objective of Global PROFOR is to support National Forest Programmes operating towards sustainable forest management for sustainable livelihoods.

In the beginning of 1998, Vietnam was approached by Global PROFOR and formally joined the Programme in the beginning of 1999. PROFOR Vietnam is considered a tool supporting the National Five Million Hectare Reforestation Programme in making a number of studies related to strategies and policies, earning experiences from trials aiming at sustainable forest management in order to contribute to hunger elimination and poverty alleviation, especially in rural mountainous areas.

The present report is essentially a description of the process of studies and trials related to forest management policies in a number of field sites carried out with support by PROFOR Vietnam from 1999 to 2001.

Given the limited amount of funds and the short duration, the results of PROFOR Vietnam over the period are modest. However, it is expected that the report will provide interested readers, especially those who have been involved in forestry-related projects in Vietnam, with useful information.

Dr. Nguyen Dinh Huong,
Vice Director, ICD, MARD
National Director. PROFOR Vietnam.

INTRODUCTION

The UNDP Programme on Forests (PROFOR) was initiated in late 1997. Since then, national projects have been implemented in Malawi, Cameroon, Guyana, and Costa Rica and Vietnam. PROFOR is directly linked to the work of the Intergovernmental Panel on Forests (IPF), established by the ECOSOC under the UN Commission on Sustainable Development (CSD). PROFOR can be seen both as UNDP's follow-up to the IPF recommendations for Action and its continuing support to the panel's successor, the Intergovernmental Forum
on Forests (IFF). In the document describing the overall Programme on Forests, a few of its key traits were presented as follows:

**Objective, Scope and Character**

PROFOR's objective is to promote sustainable forest management and related partnerships at the country level in order to safeguard the contribution of forests to sustainable livelihoods, especially for the rural poor, and to the attainment of sustainable development goals of countries.

**Components**

PROFOR consists of three components:

- Identification of successful strategies for sustainable forest management;
- Strengthening of National Forestry Programmes and Forest Partnership Agreements as instruments to promote sustainable forest management;
- Development of innovative financing for sustainable forest management, with specific focus on public-private partnerships.

In addition, there is a fourth component of coordination and administration of the activities of PROFOR, aimed at ensuring that the activities in the national PROFOR projects contribute to the fulfilment of PROFOR's overall objectives. During Phase I of PROFOR, this coordination duty was assumed by the Sustainable Energy and Environment Division (SEED) in the Bureau of Development Policy (BDP) of UNDP.

**Topics**

Three specific topics are covered under each of the three first components:

- Local community involvement in sustainable forest management;
- Sustainable forest management for industrial forestry;
- Strict forest conservation and related activities with participation from local communities and private sector organisations.

**Activities**

PROFOR is based on a sequence of activities, as follows:

- Reviews and studies of existing information;
- Country level capacity building directed at ongoing efforts;
- Surveys of key stakeholders;
- Preparation of papers on new ideas;
- International workshops.

PROFOR is highly flexible and responds to the needs identified by the country. The basis of the activities is a work plan made by the authorities in the countries concerned, where the programme components are integrated in the form of a national PROFOR project.

**The Components**

As presented in the UNDP Programme Document, the objectives and strategies of the three components that together would lead to development and dissemination of sustainable forest management practices as follows:

**Identification of successful strategies for sustainable forest management**

The objective for this component is an enhanced national capacity for sustainable forest management, based on an improved understanding of the factors underlying successful strategies for sustainable forest management and of the critical elements of such strategies.

This component provides the basis for the other two components which deal with instruments and mechanisms for implementation. Through the analysis of the constraints on, opportunities for, and the successes and failures with sustainable forest management, and through the identification of the most viable strategies, a
A conceptual basis could be established for strengthening of the National Forestry Programmes/Forest Partnership Agreements and the Innovative Financing Mechanism.

**Strengthening of National Forestry Programmes and Forest Partnership Agreements as instruments to promote sustainable forest management**

For this component, the objective is improved approaches to the processes of planning, programming and implementation of sustainable forest management practices.

A National Forestry Programme is defined as a general concept covering a wide range of approaches to the process of planning, programming, and implementation of forest activities in a country. Based on lessons learned during the past decade about various kinds of planning mechanisms, there is an emerging consensus on the important role of a National Forestry Programme (NFP) as the national-level framework for promoting sustainable forest development in general and sustainable forest management in particular.

**Development of innovative financing for sustainable forest management**

The objective of the component is to strengthen innovative financing mechanisms to be used to support the implementation of National Forestry Programmes/Forest Partnership Agreements, where appropriate with specific focus on public-private partnerships.

The strategy for the component is to identify, study, further develop and then test innovative financing models for sustainable forest management. Emphasis would be put on replicability of the models to be developed and tested.

**Duration**

In Vietnam, PROFOR field activities were initiated in August 1998 and terminated at the end of 2001. By that time, it had been decided to move the administrative headquarters of PROFOR from UNDP in New York to the World Bank in Washington. Plans had already been made for a continuation of activities beyond 2001 under a second phase called PROFOR II, but the project was in reality suspended by January 2002.

**Implementation of Field Activities of PROFOR Vietnam**

In Vietnam, much of the resources provided by PROFOR were directed to activities in some pilot sites in different parts of the country. In those areas, attempts were made to achieve the objectives of PROFOR at the local level in order to draw conclusions of value for policy development at the national level. PROFOR New York requested the United Nations Office for Project Services (UNOPS) to agree with ORGUT Consulting AB to let the field activities be managed by a Field Team, consisting of Dr. Hans Warfvinge and Mr. Vu Hoai Minh.

**Introduction to this Report**

In accordance with its Service Contract with UNDPS, ORGUT has prepared regular Progress Reports - a total of 17 over three and a half years - on activities in the field and also on related topics seen as important for the achievement of the objectives of PROFOR Vietnam. The present consolidated report on PROFOR Vietnam over that period essentially consists of edited extracts from those Progress Reports, including their annexes.

This report is presented in twelve chapters of which eight "historical" ones outlining the progress of PROFOR Vietnam in the field, three "digressions" commenting upon what is happening in the forestry sector outside the project, and a final reflection at the end of the first phase of PROFOR Vietnam.

**PART I. PROJECT INCEPTION, 1998-1999**

**CHAPTER 1. HISTORY:**

**AUGUST - OCTOBER 1998**

1.1. Criteria for Selection of Sites
Early discussions during the preparations for the UNDP PROFOR project in Vietnam indicated that three to four pilot areas should be selected for analysis and trial in the field. In each field site, a commune (or one or a few villages within the commune), a forest enterprise, or a nature reserve could constitute the initial host area. The field sites should fulfill the following requirements:

a) Reasonably well cover the topics of the PROFOR, i.e.
   - Local community involvement in sustainable forest management;
   - Sustainable forest management for industrial forestry;
   - Strict forest conservation and related activities with participation from local communities.

b) Be highly relevant for the two key fields for the National Reforestation Programme, i.e.
   - Management of natural forests;
   - Creation of new forests by plantation or natural regeneration.

c) Offer potentials for resolution of four constraints to sustainable forest management:
   - Lack of functioning systems for allocation of land with forest to farmers or local collective bodies and for use of such land after allocation.
   - Ineffective systems for classification of forest land, particularly for distinguishing between productive and protective land.
   - Contradictory guidelines for the State Forest Enterprises (for example regarding their roles as commercial enterprises, public service enterprises, other kinds of units, or dissolution).
   - Lack of consistent guidelines for forest management at the community and household levels.

d) Be reasonably representative for different geographical conditions over the country, varying from north to south and from the coast to the mountains, but with an emphasis on the present or potential forest areas of the country.

e) Offer a human environment conducive to analysis and trials leading to the local-level objective for the project, i.e. "improve strategies within the existing government programmes for sustainable forest management".

In order to meet the requirements as stated above, the Field Team of PROFOR Vietnam visited a number of potential field sites in Hoa Binh, Thua Thien Hue, Gia Lai, and Ba Ria-Vung Tau provinces in September 1998 and concluded that each of the four sites identified meets the minimum requirements as stated above and that they together provide a adequate ground for study and analysis of the issues of constraints to and potentials for sustainable forest management in various parts of Vietnam. The four sites are the following:

- Nat Son commune, Kim Boi district, Hoa Binh province;
- Xuan Loc commune, Phu Loc district, Thua Thien-Hue province;
- Plei Mong village in la Mnong commune, Chu Pah district, Gia Lai province;
- Hoa Hiep commune, Xuyen Moc district, Ba Ria-Vung Tau province, together with the neighbouring Phuoc Buu-Binh Chau nature reserve.

Each of the four sites offers especially favourable conditions for study of one specific theme of relevance for PROFOR in the early stages of project work, as follows:

**For Nat Son commune:**
- Management of forest land and presently poor forests by local households or communities;

**For Xuan Loc commune:**
- Protection-oriented use of land in the buffer zone of a National Park with rich biodiversity in a cooperative effort between State authorities and local farmers;

**For Plei Mong village:**
- Alternative uses of the land for forestry, shifting cultivation, and cash crops in an area rich in natural forest and
with conflicts over land;

*For Hoa Hiep commune and Phuoc Buu-Binh Chau nature reserve*

Productive and economically successful forestry for the provision of industrial raw materials in an area of high population density.

### 1.2. Nat Son Commune, Hoa Binh

**General information**

Nat Son commune is located in the middle of Hoa Binh province, some 150 km southwest of Hanoi in the north-eastern part of Kim Boi district, some 20 km from the district centre. The 1989 census gives its population as about 1800 persons and its area as some 18 km², giving it an average population density of about 100 persons per km² (at present about 120). Some 90% of the population belong to the Muong ethnic group, with the remainder being Dao. The narrow valleys in the commune lie at an elevation of some 200 m.a.s.l., with the surrounding hills and mountains, neither very steep except for some limestone rocks, reaching some 500 metres higher. The mountain sides have a cover of different kinds of vegetation, some natural forest, much bush, and some cultivated plots.

Forest land in Nat Son was allocated only in 1997, making the commune one of the last communes in Hoa Binh province to allocate its forest land. The allocation followed the standard practice in the province, so all forest land was allocated to families. Most land was without a forest cover, but some natural forest was also “allocated” against contracts for protection, without any payment.

**Theme selected for early study in Nat Son**

In Nat Son, the specific theme to be studied in the early stages of work with PROFOR would be the management of the forest land and the forests by the local households or communities. At present, the forest are poor, but if the institutional set-up is favourable for local initiatives, it is likely that they will be developed into a resource of high value.

### 1.3. Xuan Loc Commune, Thua Thien-Hue

**General information** Xuan Loc commune is located in the midland and upland parts of southern Thua Thien Hue province, located along the coast in the central part of Vietnam, at an altitude that varies from a few hundred metres in the eastern part of the district to about 1,000 m in the western part bordering Bach Ma National Park. The commune covers 36 km² and has some 1700 inhabitants, which gives it an average population density of about 50 persons per km². Most of the population belong to the Kinh ethnic groups but the small Van Kieu group, traditionally shifting cultivators, dominates in one of the villages.

Much of the land in the commune is degraded and has been a target for reforestation efforts over several years, supported by the World Food Programme and, more recently, by Programme 327. Initially, eucalyptus species dominated but acacias have been increasingly used in recent years. Over much of the planted forest, the growth yield is quite different, most of them are poor, but in some areas the planted forest has already reached harvestable dimensions. Allocation of some but not all forest land in the commune has been carried out under guidance of the Forest Inspection Station in the district and has been documented in “preliminary forest land use booklets” (*so lam ba*) where the household is required to reforest the area allocated.

**Theme selected for early study in Xuan Loc**

In Xuan Loc, the special theme to be studied in the early stages of the project is how to arrange for the protection-oriented use of forests surrounding the Bach Ma National Park in a cooperative effort between State authorities and poor local people, now using the land for food production and other economic pursuits.
1.4. Ia Mnong Commune, Gia Lai

**General Information**

Ia Mnong commune is located in the northwestern part of Gia Lai province in the southern highlands, some 20 km west of the centre of Chu Pali district, to which it is connected by a tarmacad road. The Ia Ly hydro power station is located a few kilometres beyond the commune centre. In the part of the commune located in the valley, coffee and rubber are planted on a relatively large scale. The mountains to the west are covered in high forests with patches cleared for shifting cultivation.

The commune is quite large, covering about 240 km$^2$ and also has a large population, estimated at 25,000 by 1997. While this indicates an average population density of some 100 persons per km$^2$, the average hides large differences between the different parts of the commune, varying from an estimated 25 per km in the mountains to some 50 in the rural lowland areas and to a few hundred in the areas close to the main road and the construction site for the Ia Ly hydro power station. The Gia Rai ethnic group dominates in the rural areas, the Kinh elsewhere.

The commune is too large as a first-stage pilot site for the PROFOR project, so a beginning is proposed to be made in Plei Mong, a poor village located at the foot of the forested mountains. People farming the rolling land there also carry out shifting cultivation on the nearby mountain slopes. Food production from permanently cultivated fields is not sufficient to cover the local consumption, so, in order to ensure food security, plots of high forest are cleared for cultivation every year.

**Theme selected for early study in Mong village**

In Plei Mong, the special theme to be studied in the early stages of the project would be how to reconcile the interests of local people belonging to an ethnic minority who are using open land and the natural forests for cultivation of subsistence crops with the interest of lowland farmers wanting to use the land for cash crops and with the interest of the forest enterprise and forest industries using the forests for commercial purposes.

1.5. Hoa Hiep Commune, Ba Ria-Vung Tau

Hoa Hiep commune lies in the centre of Xuyen Moc district, a little over 100 km from Ho Chi Minh City, along the coast in the northeastern corner of Ba Ria-Vung Tau province. As a whole, the district has a population density of some 200 per km$^2$ and with almost all its inhabitants belonging to the Kinh ethnic group. Most of the land in the district is flat or rolling, with low mountains in the northern comer only. The population structure in the entire district is influenced by the existence of two major blocks of land with very few people: a nature reserve along the coast covering 11,000 hectares and a State Forest Enterprise just inland from the reserve covering 8,000 hectares. Communes with a significant share of their land falling in one or both these blocks, mainly those along the coast, have a low average population density (70-100 per km$^2$) while those further inland are much more densely populated (with up to 600 persons per km$^2$).

Hoa Hiep commune consists of two different parts, divided by the main south-north road from the district centre. On the western side of the road, the households use the land in an intensive fashion for food production and cultivation of industrial crops such as cashew, longan, pepper, and coffee. On the other side of the road, the State Forest Enterprise operates a forest plantation with mainly eucalypt and acacia species for the production of pulpwood for sale to the chipping station in neighbouring Vung Tau.

**An additional consideration in Xuyen Moc district**

The Phuoc Buu-Binh Chau Nature Reserve which covers some 11,000 hectares is located along the coast in Xuyen Moc district, stretching across five communes, from Phuoc Buu in the south-west to Binh Chau in the north-east. In its central part, it is bordered to the north-west by forest plantations under the management of the Xuyen Moc State Forest Enterprise. Elsewhere, it is surrounded by relatively densely populated agricultural areas (200-400 inhabitants per km$^2$). Fishing families, dependent on fuelwood for cooking, live along the coast. Both the farming and the fishing communities exert a strong pressure on the Reserve.

**These selected for early study in Hoa Hiep commune**
In Hoa Hiep, the special theme to be studied in the early stages of the project would be the interplay between productive plantation-based forestry and the surrounding farming society and the economic value of different kinds of land use.

CHAPTER 2: HISTORY:
NOVEMBER 1998 - FEBRUARY 1999

2.1. Further Highlights from the Field Sites

In late 1998, PROFOR contracted study groups drawn from local research institutions for basic socioeconomic surveys of the field sites. Draft reports became available in early 1999 and were used during follow-up visits by the Field Team.

Nat Son

The initial socioeconomic survey confirmed that the recent (1998) allocation of forest land had clarified the user right to forest land. All forest land in the commune had been allocated and 418 of the 425 households had applied for and received land. Also land with a cover of natural forest had been allocated, to the four village cooperatives (hop tac xa) in the commune.

Xuan Loc

Xuan Loc has six Kinh villages and one Van Kieu village. The Kinh people mainly live from permanent cultivation while the Van Kieu essentially depend on shifting cultivation for their livelihood. As they live in the natural forests on the edges of the Bach Ma National Park, their activities have a decisive influence on the future of the Park. As those forests are classified as protection forests, they cannot be allocated against Land Use Certificates. Still, it seems essential that a regulated form for land use be developed for the Van Kieu communities, so that they could develop their land use practices with a view to long-term productivity.

A large part of the area of Xuan Loc commune is covered in forest plantations, mainly established in projects of the World Food Programme during the past ten years and more recently as a part of Programme 327. Much of those plantations consists of poorly growing eucalypts under management by the State Forest Enterprise or the local communities. Those plantations are attacked by a pest making them lose almost their entire foliage. Other plantations, of pines or acacias, seem much healthier, especially the acacias.

Some forest land in the commune has been allocated, mostly to the State Forest Enterprise and some 17% to collective bodies. In discussions with the socioeconomic survey team, the commune leadership indicated an interest in continuing the allocation process in such a way that a larger share comes under household management.

Mong Village, la Mnong

No land at all had been formally allocated, not forest land without trees, not forest land with forest cover, and not agriculture land, not even irrigated paddy land. Thus, legally speaking, no land has an "owner". There have also been frequent instances of people who use that situation to their own benefit, occupying seemingly unused land which in reality forms a part of the land reserve of indigenous communities, thereby forcing those communities to increase their cultivation of the forest land, including land covered by natural forest.

Hoa Hiep

The situation in Hoa Hiep is different in character from that in the other field sites by being located in a fairly well-to-do area of the country. Pockets of dire poverty persist however, especially among the small group of Cho Ro people, but also among disadvantaged Kinh.

Binh Chau - Phuoc Buu Nature Reserve The nature reserve along the coast in northeastern Xuyen Moc district has been deteriorating for a long time and is now in a critical situation. The Reserve covers 11,000 hectares but only 4,000 of them are covered by forest. In contradistinction to farmers, fishermen do not produce combustible biomass when carrying out their profession. They need fuelwood for cooking and also charcoal for drying some of their catch to enable storage. Most of the wood needed for those purposes has for a long time come from the nature reserve. Gas has recently been introduced as an alternative to wood for cooking but is
beyond economic reach for most of the families, and coal briquettes made of coal dust and clay are being tried as an alternative source of heat for drying of fish. There is also a slow but steady eating away at the edges of the Reserve through cultivation by local farmers or by newly arrived households who clear land to establish a homestead.

2.2. A Start-up Fund for Field Activities

By early 1999, The PROFOR Field Team had formed a general opinion of the situation with respect to conditions for sustainable forest management in the field sites. In a parallel process of increasing comprehension, local people at the sites (staff in provincial, district, and commune authorities, the socioeconomic survey teams) also gradually had come to understand what the field activities of the project were about and what kinds of inputs to local problem-solving the project could provide.

So far, the project has not yielded anything of value for the local people and no promises have been made—indeed cannot be made—that it will ever be able to do so. Still, the project will continue to send delegations to the field sites. People from the outside will demand access to farmers and other local people, ask a multitude of questions, and will be treated with kindness and hospitality. They should be able to offer something in return, something of immediate value to the farmers. Most easily, this could probably be achieved if a frame for initial activities, perhaps amounting to USD 2,000 per site could be made available. Activities agreed between the parties concerned could then be initiated without delays caused by administrative procedures.

2.3. A Team-building Workshop

In previous discussions, a workshop for people from the field sites to be held in Hue by the end of March had been seen as suitable at the conclusion of the basic socioeconomic surveys. Such a workshop would lead up to a discussion on where to go from there. In the main, that conclusion holds. In two respects, however, the workshop now being planned differs from that previously imagined. First, the suggested venue has been changed, from Hue to Hoa Binh. Second, one of the main purposes of the workshop is now envisaged to be to constitute a forum for interaction between groups from the four field sites, with less emphasis on firm conclusions for further activities.

During the follow-up visit to the four field sites, the Field Team increasingly saw secure land use (for both agricultural and forest land) as a precondition for sustainable forest management. This view was fully shared by the teams carrying out the basic surveys and also by people met in the communes but was not quite so readily accepted elsewhere, particularly not at the provincial level. In this situation, a workshop combined with a field excursion to carefully selected places in Hoa Binh where all forest land was allocated several years ago would in all likelihood engender a discussion among the four local groups of the values and drawbacks of allocation of forest land as a precursor to other efforts at placing forest management on a sustainable footing.

CHAPTER 3. HISTORY: MARCH - JUNE 1999

3.1. Common Activities

The field component workshop in Hoa Binh

On 29 March, a full-day workshop was held in Hoa Binh. Its purpose was three-fold

- Let the participants in the four PROFOR field sites meet each other;
- Present the four basic socioeconomic surveys;
- Discuss the next steps in the Field Component and their relation to other components of PROFOR Vietnam.

The workshop was attended by 39 participants, 6 or 7 from each of the field areas, a few from the Ministry of Agriculture and Rural Development, and support staff and consultants. Summarised reports from the surveys were distributed to the participants in the workshop and a presentation of those reports formed the basis for the
discussions. The discussion during the workshop gave helpful indications on how the process in the field sites is to be pursued further. On 30 March, the participants in the workshop had a field day in Tu Ne commune of Tan Lac district, Hoa Binh province, meeting both commune officials and farmers who obtained forest land through allocation in 1993.

**Studies on economic aspects of land use**

Data on economic aspects of different uses of land were collected in four communes as a part of the basic socioeconomic surveys. The quality of the analyses varies much, however. In consequence, the sections on land use economics have been extracted from the socio-economic surveys and will be analyzed further with a view to present a coherent and consolidated picture of the financial returns to a farmer from different uses of his land.

### 3.2. Activities in the Field Hoa Binh

In 1998, Nat Son commune in Hoa Binh province was selected as one of four field sites. The selection was made in discussion between PROFOR staff and the Chairman of the district People’s Committee. Subsequently, the commune was visited by both Vietnamese and Expatriate personnel associated with PROFOR Vietnam. Already when the selection was made, the Chairman mentioned that while the selection was technically suitable, the site was a principle prohibited to foreigners. In consequence, somewhat later the PROFOR Vietnam leadership decided to drop Nat Son as a pilot commune.

In the context of the PROFOR Field sites, Nat Son commune was selected to be representative of the northern mountainous area of the country. As work with the field sites progressed, however, it also came to be seen as the best site for study and analysis of one aspect of vital importance for sustainability in the forestry sector: the rights and obligations related to natural forests, in particular how they are divided between the State and local people, either collectively or as individual households. A further advantage of a commune in Hoa Binh is that all forest land there had already been allocated, so at least one of the important preconditions for sustainable forest management is present: clear user rights. As a consequence, Nat Son as a case should be replaced by another northern mountain commune with natural forests in an area where forest land has been allocated.

In the end of April, a mission by a Vietnamese consultant was made to identify a candidate as replacement for Nat Son. After discussions with the provincial authorities, Thung Nai commune in Ky Son district, located 20 km west of Hoa Binh town was identified. During a visit to the commune, it was verified that the commune authorities were interested to participate as a pilot site in PROFOR.

A confirmation visit was made by the PROFOR Field Team by the middle of May. As Thung Nai commune is located in the watershed of the Da River and all forest land there is classified as watershed protection forest, the theme for the pilot activities in the commune would in all likelihood be how to use the land for maximum benefit to the local population without losing its topsoil. A specific issue to resolve is how to share costs and benefits related to such forms of land use between the Government agencies concerned and the farmers.

During the next month, a basic socioeconomic survey will be carried out in the commune, largely in the same way as in the other pilot communes. Because of its special status as entirely located in an important watershed, special emphasis will be given to institutional factors. Data on economics of land use will also be collected. As soon as possible after that, initial activities will be selected.

**Thua Thien-Hue**

The basic socioeconomic survey of Xuan Loc commune has been carried out, and the report has been received. The authorities in Xuan Loc commune has forwarded two requests to PROFOR Vietnam for support. As a first step, the commune authorities suggested assistance to a few households in using sloping land in a productive and sustainable way. During a visit by the PROFOR Field Team in the middle of May, a contract was signed for such support to 8 families in Phuc Loc village which is inhabited by the small Van Kieu ethnic group.

One of the main conclusions drawn during the survey of basic socioeconomic conditions was that clear ownership rights (or at least user rights) to forest land is a basic precondition for sustainable use of the land. In Xuan Loc, land allocation has so far only been done in a patch by patch basis. During the last few months, the commune plans for allocation of the forest land have matured and discussions have been held with the appropriate authorities and with PROFOR Vietnam. It is expected that allocation with support of PROFOR will
be initiated in September.

**Gia Lai**

The basic socioeconomic survey of la Mpong commune has been carried out and the report has been received. In accordance with a request subsequently received, PROFOR arranged for distribution of seedlings of *boi loi* to farmers in Mong village. This initial activity is being followed by the establishment of a nursery in the village for such seedlings, so that the village can be self-sufficient in the future and hopefully also will be able to sell seedlings to neighbouring villages.

In May, the newspaper Nhan Dan reported that the People's Council in Dac Lac had authorised an arrangement for sharing of benefits from management of existing natural forests between a State Forest Enterprise and local households. The arrangement attracted much attention from PROFOR Vietnam. An information gathering mission will be made by a group of people from Gia Lai to Dac Lac to study the trial with a new method for protection of natural forest without payment to the farmers. If found of value, the method might be adapted to the local conditions in la Mpong.

The theme for the second set of field activities in la Mpong is now being discussed. Tentatively, the activities will consist of an adaptation of the experience from Dac Lac applied to the specific case of Mong village. If seen as suitable by the local people, those activities could be combined with an allocation of the forest land without a forest cover in the neighbourhood of the village.

**Ba Ria- Vung Tau**

In Ba Ria-Vung Tau, two initial socioeconomic surveys have been carried out, one in Hoa Hiep commune and one for the area of the Binh Chau-Phuoc Buu Nature Reserve.

In the period since the surveys were carried out, the interest from all parties concerned (PROFOR, Provincial and district authorities) has become focused on the Nature Reserve. Thus, in a first stage of cooperation, PROFOR is assisting the Management Board of the Reserve in stimulating increased local growing of trees as a way to reduce the pressure on the Nature Reserve. The forest guards in the Reserve catch a number of people illegally harvesting forest products and confiscate both their products and their tools and vehicles. Still, the guards are not able to stop the transgressions. In particular, poor farmers living around the reserve need fuelwood and other products from the forest.

As a way to alleviate the pressure, PROFOR funds are now used in order to distribute 60,000 acacia seedlings as a future source of fuel. A simple contract between the Management Board of the Nature Reserve and the household, witnessed by the commune authorities, is established to form the basis for the distribution of seedlings. A commitment not to exploit forest products in the Nature Reserve is a condition for receiving seedlings. The Management Board of the Nature Reserve has also requested PROFOR to carry out a study of the need of charcoal for domestic use and for drying marine products caught and the origin of the wood converted into charcoal. In later phases, alternative sources of energy should be sought.

### 3.3. A Structure for Learning Emerging

When the field activities for the first year of PROFOR Vietnam were designed in September 1998, no specific structure was developed for the relations between the field sites and the policy level. Instead, the intent was to support local pilot activities of high relevance to the issues of PROFOR. The activities would be based on the local conditions and would be designed by the local authorities in co-operation with the households concerned. Only at a later stage would the formal structure linking them to the central level be developed.

During the past year, a group of about 30 persons has been closely involved in the field work of PROFOR Vietnam, coming from the local as well as the central level. All members of the group have been in frequent contact with the PROFOR Field Team in Hanoi and met for a two-day workshop in March in Hoa Binh for discussions around the theme of sustainable forest management as encountered at the local level. It will meet again in September in Ba Ria-Vung Tau. The group is composed as follows:

- 3 Chairmen of commune People's Committees.
- The Director of the Binh Chau-Phuoc Buu Nature Reserve;
- The Director of the Management Board of the Song Da Watershed Protection Area;
- 4 Chairmen or Vice Chairmen of district People's Committees;
• 2 Directors or Deputy Directors of State Forest Enterprises;
• 4 Vice Directors of provincial Departments of Agriculture and Rural Development;
• 4 Directors of provincial Forest Development Branches;
• Senior researchers from the Forest Science Institute in Hanoi, the Tropical Forestry Centre in Pleiku, and the Southern Branch of the Forest Science Institute in Ho Chi Minh City;
• The Director of the Secretariat of the National Reforestation Programme;
• The Director of the Department for Forestry Development at the Ministry of Agriculture and Rural Development;
• The Deputy Director of the Department of Agriculture and Rural Development in the Ministry of Planning and Investment;
• Director and Coordinator, PROFOR Vietnam;
• The PROFOR Representative of the UNDP Office in Hanoi;
• National and International Field Advisers, PROFOR Vietnam.

Through their activities over the past year, the members of this group are gradually acquiring a common understanding of the concepts of sustainable forest management, both in a general sense and as applied to the localities where they work.

3.4. Co-operation with the National Reforestation Programme

Requests from the Department for Forest Development

PROFOR Vietnam was invited to a discussion at the Ministry of Agriculture and Rural Development on 14 May 1999 regarding co-operation with the National Five Million Hectare Reforestation Programme. Technical advisors and project directors from a number of other internationally supported projects were also invited. PROFOR was represented by its Coordinator and its International Field Advisor.

Already from the beginning (e.g. since the workshop held in Pearl River in April 1998), PROFOR Vietnam has been seen as a project supporting the National Five Million Hectare Reforestation Programme. This was however the first time PROFOR was approached with a request from its supposed main client in the country. In the meeting, the representatives of the National Reforestation Programme presented a list of issues of key importance for the successful implementation of the Programme and asked whether any of the externally supported projects would consider assisting in their resolution. The issues presented were the following:

a) Preparation of a document

• Preparation of a Programme Document for the National Five Million Hectare Reforestation Programme;

b) Development of policies

• Guidelines for land use planning at the local level;
• Guidelines for forest land classification;
• Benefit-sharing policy in management of protection forests;

c) Technology transfer

• Site-species matching in different ecological zones;
• Establishment of agro-forestry demonstration sites;
• Establishment of a monitoring and evaluation system;
• Creation of a data base at the Project Management Unit;

d) Training

• In project management;
• In project formulation,
• In project planning;

e) Equipment

• Office equipment for the provincial management units
With the possible exception of the first one, none of the issues presented can be resolved by any single externally supported project. Depending on their character and results, however, each project can direct its efforts towards one or several of the issues. At the meeting, PROFOR Vietnam offered to consider the "Preparation of a document" under a) above and also the "Benefit-sharing policies", the last issue under b).

The Programme Document for the National Reforestation Programme

In July, the Field Team took up the duty to lead the preparation of the Programme Document, assisted by a group of national consultants. During the work, the structure of such as document, initially merely describing the ongoing programme, was essentially agreed upon and writing duties were divided between the members of the group. The assignment initially aims at the creation of a version in Vietnamese that will allow all concerned national authorities to get an understanding of the National Programme. The early versions of the document will thus be descriptive rather than analytical. The document will be translated into English and will later be complemented and up-dated.

3.5. Characteristics and Issues in the Field Sites

As a result of the activities carried out over the past year, a reasonably good picture of local characteristics and issues of relevance to sustainable forest management in all the four sites is now available. A brief summary of those issues is presented below.

Thung Nai Commune, Hoa Binh

Characteristics

Thung Nai commune is unusual in two respects. First, it is a new commune, established after the old homesteads were submerged by the Hoa Binh Dam. This means that the inhabitants rather recently were forced to move to a new place offering quite different - and inferior - conditions for cultivation of staple food or cash crops. Subsequently, the commune has received State support assisting its inhabitants to adjust to the new conditions. While there have been some encouraging results, the commune still has a long way to go before it is well established and well functioning.

The second unusual aspect for a farming community is that it is located in an essential watershed area, the one of the largest hydropower dam in the country. This places strict limitations on the way people are allowed to use the land. The use to most of the forest land, almost exclusively protection land, some of which is covered in natural forest, rests with the Song Da State Forest Enterprise.

The situation for the Song Da State Forest Enterprise is somewhat contradictory. Since the Hoa Binh dam began filling up, the duties of the enterprise mainly became to establish and maintain a protective forest cover on the hills along the lake. To some extent, the duties of the Enterprise also overlaps those of the Management Board for the Song Da Watershed which has the general duty to protect the soil and water resources in the watershed.

Problems

- Shortage of good agricultural land has made the local people rely on cultivation of upland areas for most of their food production. Some of this land should instead be under a permanent vegetation cover in order to protect soil and water resources.
- There is illegal logging in the forest, by both local people and outsiders.

Priority proposed

For Thung Nai commune, the first priority would be a search for an equitable and mutually beneficial division of benefits and obligations related to the forests in the commune between the Song Da State Forest Enterprise (and other State units concerned) and local households. PROFOR should actively participate in this process, both with its Field Team and with other consultants from the group in the Policy Department of the Ministry which is at the moment preparing the policies on sharing of benefits and obligations related to forestry.

Xuan Loc Commune, Thua Thien-Hue
Characteristics

It seems that Xuan Loc possesses good conditions for study of most issues central to PROFOR. At the present time, however, institutional factors - in particular unsuitable tenurial rights to forest land - block their resolution. This initial obstacle is now about to be removed through allocation of the land supported by PROFOR Vietnam. After the forest has been allocated, time will be ripe to discuss the division of responsibilities and benefits related to forest land between local households, the State Forest Enterprise, and the commune. Xuan Loc is quite different from Thung Nai in that most of the forest land is classified as production land. There is also much more forest of commercial value. The State Forest Enterprise is a functioning commercial unit and is expected to continue to manage and exploit the forests also in the future.

Problems

- The major part of the planted forest is in a very poor growth (eucalypts attacked by a pest). Neither of the two designated managers of the forest, the State Forest Enterprise and the commune has the resources to do much about it.
- The natural forests are gradually being degraded, mainly as a result of shifting cultivation but possibly also by logging.

Priority proposed

During the allocation process, the possibility to share benefits and obligations for management of forests should be carefully considered. After the forest land has been allocated, it is proposed to give priority to the development of guidelines and structures for community and household management and exploitation of production forests, both planted and natural, that are conducive to sustainability in both an economic, social, and ecological way. Like in the case of Thung Nai. PROFOR should actively participate in this process, both with members of its Field Team and with consultants hired from elsewhere.

Ia Mnong Commune, Gia Lai

Characteristics

The commune is unusually large and varied in its composition. It has a town with more than 3,000 inhabitants, several farming villages in flat or rolling land growing food and coffee, and a few villages in steeper upland areas. Among those, Mong village is the most easily accessible one and all PROFOR field activities have so far been limited to that village.

Problem in Mong village

Use of land, both agricultural and forest land, is formally unregulated and this has led to increasing cultivation of flat and rolling land with coffee by immigrants from other parts of the country. This is forcing the original inhabitants (belonging to the locally dominant Gia Rai ethnic group) to rely on shifting cultivation of forested areas for their food production.

Priority proposed

The Ia Ly State Forest Enterprise and the inhabitants in the upland villages of Ia Mnong commune compete for the same forest land and it is difficult for the Enterprise to manage their land effectively. Generally, speaking, this makes it more or less impossible to manage the forests at all and is clearly unsustainable. Such a situation is rather common in the forested highlands of southern Vietnam. In neighbouring Dak Lak province, an enterprise and the local community have recently agreed to cooperate in the interest of both parties and something similar could be tried in Ia Mnong.

In recent discussions, the Director of the Ia Ly State Forest Enterprise has indicated willingness to cooperate with the PROFOR project in finding a viable agreement with the inhabitants of Plei A Mong regarding a 400 ha block of forest. PROFOR should participate in that discussion, both with its Field Team and with external consultants.

Binh Chau-Phuoc Buu Nature Reserve, Ba Ria-Vung Tau

Characteristics
The reserve is intended to be strictly conserved. The threat to its continued existence comes from the surrounding communities and the only way to protect it is with participation from them in securing alternative sources of essential forest products. The Xuyen Moc State Forest Enterprise potentially has a key role as such an alternative supplier.

The make-up of the Nature Reserve itself might possibly provide an alternative solution to the wood supply problem. The reserve has two parts, one coastal and one inland, divided by a road and also by inhabited areas. The reserve initially covered only the coastal part and was created because of the ecological value of the forest. The reason for the expansion of the reserve to cover the inland part was partly because it surrounds the Binh Chau hot springs, a popular tourist spot. This part does not possess similar ecological or biodiversity values.

Problem

The local people, particularly the fishermen, are very short of fuelwood and other forest products, despite the fact that the area is quite rich in forest, having both a forest plantation profitably managed by Xuyen Moc State Forest Enterprise and a Nature Reserve. Very little wood or other forest products are stolen from the plantation and all the wood harvested is exported. Local people instead turn to the Nature Reserve in order to meet their needs for forest products.

Priority proposed

The first priority would be to analyze the reasons for and origin of the continuing degradation of the Reserve. Such a study is under discussion at present, involving both the local fishing community and other households, particularly poor ones, in surrounding communes. The second step would be to concentrate on the issue of use of the land: what land is to be a strictly protected Nature Reserve, what is to be managed for wood production for export by the Xuyen Moc State Forest Enterprise, and what land is to be available for tree growing by local people? These issues are very sensitive. High level commitments have been made to keep the Nature Reserve intact and to let the State Forest Enterprise manage a large area of forest for production of pulpwood for export.

PART II. EARLY IMPLEMENTATION, 1999-2000

CHAPTER 4. DIGRESSION: GOVERNMENT AND COMMUNITY FORESTRY

Land to the farmers

In its successive decisions related to management of agricultural and forest land, the Government can be said to have begun close to home. It first gave farmers rights to good agricultural land (Decision 64 from 1993), then to poorer land relatively close to the homesteads, classified as forest land without forest but in reality used for food production as well as to forest plantations on village land (Decision 02 of 1994). Now the turn seems to have come to natural forests somewhat further away from residential areas. For forests located still further away, the kind for which a larger body than a household would normally be the manager, the development of policies is at a preliminary stage.

Rules regulate. Depending on their characteristics, they may stimulate or stifle development. Depending on the local situation, the flexibility to innovate may or may not be grasped, so it may or may result in change and improvements. For the time being, the Vietnamese Government is observing rather than regulating community forestry, following approaches taken in the field, seeming to wait until more conclusive evidence emerges before stepping in and directing the process.

A note on forest management by households and communities

Since a long time, it has been recognised that the resent set-up for management of natural forests in the country is not sustainable. Neither the State Forest Enterprises nor the network of Forest Inspection Stations has been able to halt the qualitative decline in the forest resource. Many policies issued by the Government reflect its trust in households and other non-State units as effective managers of the forests.
Since a decade or so, the State has hired local households or communities to protect natural forests against payment of up to 50,000 VND per hectare and year. Such "protection contracts" normally have a validity of five years. There are three problems with that arrangement. First, there is no assurance for survival of the forests after the five-year period is over. Second, for budgetary reasons the Government is unable to pay for this kind of protection for more than a small share of the natural forests in the country. Third, the payment of 50,000 VND per hectare is often considered too low by the households, particularly if the area contracted is located far away from the homesteads (which is often the case in the major forest areas).

The trust by the Government in the households as good managers of forest land was tested several years ago, when such land without a forest cover was first allocated to households against long-term Land Use Certificates without an obligation for the holders of the Certificates to reforest the land allocated. In general it seems that the households have passed the test. Indeed, the recent rapid increase in forest area in the country is to a large extent ascribed to the fact that households who have been allocated un-forest land have kept that land uncultivated so that it has become covered by forest through natural regeneration.

A more difficult case concerns land with a forest cover on it. Here, there seems to be of a split mind. On one hand, the standing forest is essential seen as a natural resource belonging to the nation which should in principle not be given away for free. On the other hand, the Government would like to see farmers, particularly poor ones living in remote areas, often belonging to ethnic minorities, use the forest resources as a way to improve their living conditions.

The rules for sharing of benefits from management of a natural forest are based on the following principles:

- Natural forests are seen as a valuable resource belonging to the Nation, administered by the State, so the State should not simply give them away to a household or community.
- The compensation to the local managers of a forest should be fair. A small or brief effort in managing the forest gives the right to only a small benefit while a greater effort is compensated by greater benefits.
- The local managers have the right to collect dead wood for fuel and non-wood products as well as inter-plant agricultural crops and let their animals graze there, as long as those activities do not interfere with the growth of the forest.
- The sharing between the State and the local managers concerns only the logs falling at the major harvesting occasions.
- Cutting of logs in the forest must be done in accordance with rules designed to ensure sustainability established by the forest authorities.

These principles look reasonable on paper. Two problems have however emerged already now. First, there is an enormous variation in value of forest stands and in difficulties or costs involved in their management. The centrally formulated rules for benefit-sharing may be good on average but fail to reflect the particularities of local cases. As a result, the local households or communities contracted may get "too much" or "too little" from the deal.

The second problem is that most of the forests for which a management contract is being considered are poor, with low stocks of wood and a low share of valuable species. It is difficult to compensate local households for their protection duty by giving them a right to the production of the forest they, protect because for a long time, perhaps 20 years, there will be little to harvest. There might not even be much fuelwood and non-wood products to collect. A farmer signing a management contract for a piece of such forest will have to devote his labour to the forest over a long time. Such an investment may be affordable for a relatively well-off farmer, but not for a poor. A way must be found to compensate the local households or communities for their protection duty over the entire period until the forest can be harvested, not only pay them for protection for five years.

CHAPTER 5. HISTORY:
JULY 1999 - APRIL 2000

Activities in the field started with basic socioeconomic surveys in the four selected pilot communes in the northern, central, and southern part of the country. The basic surveys also included collection of data that later were used for an analysis of the financial attractiveness to the farmers of different ways to use the land. The surveys were followed by support to activities designed by the local authorities that can be seen as a "good-will gesture" on the part of the project, at a cost of about USD 2,000 in each site.

The basic surveys were presented in a two-day workshop held in March 1999 in Hoa Binh attended by 35 people from the field sites and concerned higher level authorities. At that occasion, plans were also made for a
first set of field activities directly aimed at the issue of sustainable forest management. In mid-September 1999, a second two-day workshop was held in Ba Ria-Vung Tau province, equally well attended. At that occasion, activities during the past year were reviewed and the direction of activities during the coming year was discussed. At the workshop, the consolidated report of the financial assessment of land use was also presented by its author, Ms Vu Thi Thao.

5.1. Vietnam and the Three Components of PROFOR

According to its Programme Document, PROFOR has three components:

a. Identifying strategies for sustainable forest management,
b. Strengthening National Forest Programmes and Forest Partnership Agreements as instruments to promote sustainable forest management;
c. Developing innovative financing for sustainable forest management.

**Vietnam started with component a)**

During the first year of implementation of PROFOR Vietnam, activities were concentrated to the first component, "identification of strategies for sustainable forest management". As presented in the Programme Document, the strategy for that component has three steps:

- through the analysis of constraints to, opportunities for, successes and failures of sustainable forest management, and
- through the identification of viable strategies for sustainable forest management,
- create a conceptual basis for the strengthening of components b) (National Forest Programmes/Forest Partnership Agreements) and c) (innovative financing mechanisms).

As a country, Vietnam is relatively unfamiliar with both sustainable forest management, national forest Programmes, forest partnership agreements, and "innovative financial mechanisms". With some oversimplification, it can be said that the past history of forestry in Vietnam has been characterised by over-exploitation of the forest resource in combination with centrally directed efforts to re-create the resource through the use of subsidies. Those efforts have by now proved to be unsustainable and new more successful approaches are being pursued, stimulating local initiatives in many places. Again with some generalisation, most of these approaches can be said to move the management responsibility for the forests from the central to the local level, mainly to rural households.

**On component b): National Forest Programmes**

Vietnam has never possessed an institution called a National Forest Programme and none is under planning. The closest equivalent is the emerging National Five Million Hectare Reforestation Programme. As now designed, the Reforestation Programme is heavily dependent on subsidies for its implementation, but new approaches where other incentives than cash are offered to local households are being tried in several places.

**On component c): Financing mechanisms**

The forest sector of Vietnam needs all financial support it can get but there is a need to review the cost structure of the forest operations as well as the potential benefits from forestry before large funds are devoted to the sector, for example to the National Reforestation Programme.

5.2. Key Events in the Field Sites

**Xuan Loc/Loc Thuy Commune, Thua Thien-Hue**

All forest land has now been allocated in Phuc Loc, the village of the Van Kieu ethnic minority in Xuan Loc commune. PROFOR funded the allocation there while other funds being used for allocation of forest land elsewhere in the commune. Allocation of forest land is a precondition for participation in the National Five Million Hectare Reforestation Programme. As a result of the allocation supported by PROFOR, the leadership of the Programme has now stated that it would welcome a proposal for a project in Xuan Loc, to be initiated in
The provincial Forest Development Branch, the district leadership in general and the Fore Inspection Station in Phu Loc in particular had followed the work by PROFOR in Xuan Loc with much interest in the past and took part in the discussions about a possible partnership in the management of a forest area and in the selection of such an area. After much discussion together with the provincial Forestry Branch in Hue they requested PROFOR to support trial with management of the natural forests by local people in Thuy Yen Thuong village of Loc Thuy commune instead of in Xuan Loc commune. The main reason for the selection was that the natural forests in Xuan Loc are located relatively far away from the villages while they are more easily accessible in Loc Thuy commune.

The forest in Thuy Yen Thuong village is located in the buffer zone of Bach Ma National Park and is classified as an essential watershed protection forest. It is at present under the formal authority of the district People's Committee. For those reasons, the formal arrangement would be contracting for protection and management for a period of 50 years to households or other units as decided by the villagers.

**la Mnong Commune, Gia Lai**

For la Mnong commune, a consultant team from the Tropical Forest Research Centre in Pleiku hired by PROFOR has held discussions with local authorities and households in preparation of an equitable and mutually beneficial division of benefits and obligations related to protection and management of natural forests located in Mong village in la Mnong commune between the la Ly State Forest Enterprise and local households or groups of households. A part of the initially selected area for the trial traditionally belonged to another village, Tut I. For that reason, it was decided to investigate the interest from the households in that village to join in the pilot project.

### 5.3. Assessment of the Value of Different Uses of Land

A report from a financial assessment of various forms of land use in the PROFOR pilot sites in the field has recently been prepared. Using data collected during the basic socio-economic surveys, an assessment was made of the financial attractiveness to the farmers of different land use practices. The survey and also the assessment covered both well-to-do, medium, and poor farmers and covered both subsistence food crops, cash crops, mixed home-gardens, and forest plantations.

For annual subsistence crops, where almost all inputs into the cultivation consist of labour by the household concerned, the key criterion for judging the attractiveness was "financial return to a man-day of labour". For long-term crops - trees as well as other crops - the criterion "discounted financial return to a discounted man-day of labour over the production cycle" was used. When the "return to a man-day method" was used for annual crops, no values were discounted. For long-term crops, the discount rate used by the Bank for the Poor by September 1999 was used, i.e. 0.7% per month. When the "return to a man-day of labour" method was complemented with other kinds of economic analyses, labour was priced at the local market rate which was either 15,000 or 20,000 VND per day.

The results from the assessment should be seen as preliminary. They do indicate, however, very wide differences in the financial returns to a man-day of labour, from the level 3,000 - 5,000 VND for cassava, through 10,000 - 20,000 for wet paddy to 20,000 - 30,000 for annual cash crops. In almost all cases, well-to-do farmers get a higher return from a day of work than the poor ones.

**The next steps**

Given the significant investments in plantation forestry over the past few decades and the large number of feasibility studies and similar kinds of predictions about the value of forestry, it came as a surprise to the PROFOR consultants that virtually no ex-post studies had been made on the financial return to the farmers from forestry. Such knowledge is essential not only to the farmers but also to the Government, especially at this period of transition to market-orientation of the economy. For example, the National Five Million Hectare Reforestation Programme heavily relies on the market forces as stimulants for reforestation. It is not known whether the market forces will do so, but it is widely thought that they will not.

The first financial assessment has given a picture of the attractiveness to the farmers of a few land use practices. While it covers the major annual crops for all three wealth groups (well-to-do, medium, and poor), it includes only a few cases of long-term crops such as trees. Additional analyses of the financial returns to tree
growing and management of natural forests need to be made, so that a more comprehensive picture of the value of forestry to the farmers can be obtained. The results obtained so far seem to indicate that the cultivation of forest trees most often give meagre results. Due to the large initial cost (mainly in the form of labour) and the long-delayed return, it is very hard for a poor or even medium-rich farmers to afford the investment in planting and tending a forest crop.

A consultancy preparing financial assessment of land use, expressed as the value to the farmer of various kinds of forestry, is now being planned. A number of cases would be studied, where the financial return to the farmer is analysed for full cycles of plantation forestry or a relatively long period of management of a natural forest. The consultancy could be seen as a continuation and broadening of the analyses previously carried out which mainly covered short-term crops. It is hoped that the financial assessment will provide knowledge useful for the ongoing debate on the balance between market-forces and subsidies as stimulants for reforestation.

5.4. An Emerging Policy for Benefit-sharing from Forestry

In July 1999, the eleventh draft of a new policy for sharing of benefits from forestry between the State and State units such as State Forest Enterprises and non-state organisations was sent to all provinces for comments. The draft is quite ambitious and confirms the Government policy to give greater responsibility to rural households in the management of the forests of the country. Still, the policy is far from being ready for application all over the country. First, while the situation in benefit-sharing (or "public-private partnerships" or "Joint Forest Management") covers a broad spectrum of situations in the country, the draft for benefit-sharing can be said only to cover certain bands of wave-lengths, leaving a large share of the locally encountered situations uncovered. Second, the policy is not yet tested in the field. Will it work? Will it elicit the hoped-for response among the farmers, making them more interested than at present to engage in forestry?

The Vietnamese Government desires to support protection, management, and utilisation of forests by local households or communities, especially among ethnic minorities and other people living in mountainous areas. The Government believes that, given suitable conditions, such units can in many places protect and manage the forests better than State Forest Enterprises, the Organisation traditionally given that duty. The Government also realises that it would have to propose an attractive deal to the farmers. In many areas, the local farmers have a *de facto* right to use the forests for their own purposes, irrespective of the formal ownership and user rights. If the new deal is not attractive enough, the farmers would gain nothing and be unwilling to sign a contract for management of the forest.

The Government envisages a future situation where a relatively large share of the people living in mountainous areas is able to generate a significant income from forestry. In the two paragraphs below, a summarised extract from the latest draft for sharing of rights and responsibilities related to protection and management of forests ("benefit-sharing rules") is presented. The rules can be applied to both natural forests and plantations and both when the forest or forest land is allocated against formal Land Use Certificates, when the land is contracted or rented.

*Households, individuals and village communes are seen as the main forces for forest protection, regeneration, enrichment and plantations. They should therefore have the right to products from forestry (including wood, non-wood products, agro-forestry products and other benefits), as warranted by their investment and labour input: the more the forest under their protection and management develops, the more benefit they will get. There has to be a balance in sharing of the benefits, however, between the people contracted for protection and management, other local people, and the State. There also has to be a balance between economic and environmental effects, as well as between short-term and long-term benefits.*

*In cases where land is allocated against Land Use Certificates, the holder of the Certificate is for all practical purposes to be regarded as the land owner. In cases where a natural forest covers the land allocated, however, the land owner will have to share his income from harvesting of that forest with the commune authorities in the locality. In cases of management contracts for a natural forest or of renting of forest land, the relevant State body remains owner of the land and the forest growing on it, so the contracted party or the unit renting the land would instead sign an agreement on how to share benefits and obligations between the State, the local commune, and the manager of the forest (i.e. the household or group of households). In such cases, the rules would essentially be formalised in a "forest management contract."*
Reforestation Programme and also to the gradual creation of sustainable forest management in a broader sense. Among the four pilot sites of PROFOR Vietnam, three are well placed to serve as test cases for the new rules: Thung Nai commune in Hoa Binh province, Xuan Loc commune in Thua Thien-Hue province, and Mong village in Lai Mon commune, Gia Lai province. The three pilot areas are similar in all having significant forest resources that can yield important benefits to be enjoyed by the State or other economic units. The present conditions for sharing of those benefits are however quite different, with almost all the forest land in Thung Nai under management of Song Da Forest Enterprise (who has not been given Land Use Certificate), with the forest land about to be allocated to households and other economic units in Xuan Loc and with allocation of the forest land unlikely to happen soon in the case of Mong village.

5.5. Development of Partnerships in the PROFOR Field Sites

The pilot case in Tien village

In Tien village, the situation lends itself well to a trial with sharing of benefits between State and non-State units, particularly because of the following:

- The forest land in the village, 400 hectares (300 natural forest and 100 planted) is located on land classified as essential for watershed protection. Forest land, mainly without a forest cover close to the homesteads was allocated to local households in 1994 against formal Land Use Certificates. Other forest land, much of which is located on steep mountains, remains under the formal management of the Song Da State Forest Enterprise. The status of the formal allocation of the forest land in the village still seems somewhat unclear and cases of conflicts over land have been reported.
- Some illegal logging has taken place in the forest since a long time. Forest protection in the village has been arranged in several different ways since 1993. Payments for protection have, in turn, gone to household groups (1993-1994), to households (1995), to the village (1996-1997), and most recently, to a forest protection group in the commune (1998-1999).
- The current situation is untenable. Payments from the State for protection will soon cease. The fact that the payments now go to the specialised forest protection group in the commune also makes inhabitants in the commune regard the forest as a common area and thus is open to exploitation.
- By now, when formal rules on how to share benefits and obligations from management of natural forests of different kinds between the State and households or other non-State units are emerging, time is ripe to try to arrange the protection and management of the forests in Tien village in a sustainable way. Key persons in the Policy Department of the Ministry of Agriculture and Rural Development have also expressed a keen interest to see their latest draft of a decision to be taken by the Government on sharing of benefits and obligations from forest management tested in a field site.

The discussion in Hoa Binh in a meeting held 24 March was very lively. The proposal to let communities in Tien village become the key units for protection and management of the forests was contested by several participants. As a result, the situation regarding management of the forests in the village is now quite open, and much reflection and discussion will take place both at the local level and in the units concerned in the Ministry of Agriculture and Rural Development.

So far, no data is available on the volume or the value of the forests that might be the subject for a revised system for protection and management. Without such knowledge, it is very difficult to design a functioning and sustainable management system. An inventory of the forests is thus a logical next step. The inventory should be simple, aiming to provide only such information that is necessary to set up a forest management system. It should also much as possible be carried out by the local households themselves. After the inventory, the local people will be in a better position to decide how they can manage their forests.

In most respects, Tien village is similar to the other villages in Thung Nai commune and Thung Nai is representative for much of Ky Son district, especially the areas designated as watershed protection forests. As the Song Da Watershed Protection Forests stretch a long way beyond Ky Son district, the experience from Tien village regarding locally-based forest protection and management is potentially replicable over a very large area. The same can be said for the institutional aspects. The role of the State units is being reduced and other bodies are increasingly taking over.

The pilot case in Mong village

A proposal for management of a block of forest located on the border between Mong and Tut I villages in the same commune has been developed. The forest is located on the steep slope and relatively flat top of a soil
mountain some 5 km from Mong village and about the same distance from Tut I village, at altitudes of about
1000 m. The forest varies between poor or “exhausted” (on the lower slopes of the mountain) and rich (on
higher slopes and the to plateau). The lower parts have been cultivated in the past but have been left fallow for
several years while mid-level parts have been selectively logged. In the highest parts, only little exploitation has
ever been carried out.

An area of 400 ha of forest has been demarcated and divided into 40 compartments, al marked in the field.
Repeated discussions have been held in Mong village and the 98 families in the village have divided
themselves into four groups of 24 or 25 households. Each such group would be responsible for the
management of ten forest compartments, covering a total of some 100 ha.

The calculation of expected future yields indicate that the management of the forest could be economically
interesting for the households: over the next 30 years, the average net (un-discounted) income to the
households would be about VND 150,000 per hectare per year. This figure can be compared to the normal
payment for protection which is 50,000 VND per hectare per year. The calculation was based on the ninth draft
of the Government policy for sharing of benefits and obligations between the State and non-State units, dated
July 1999. The latest draft available is significantly more generous to farmers or communities contracted for
management than previous ones.

In a workshop in Pleiku 2 April, the farmers from Mong village were somewhat hesitant in committing
themselves to the duty of protecting and managing the forest. They were simply not convinced that the deal
proposed was good for them. First, the forest was located quite far away from the village, some two hours on
foot, so it would be difficult to protect it effectively. Second, the forest was quite rich, with many big and
valuable trees. That was in itself no problem, but the technology for logging was essentially beyond the
capacity of the villagers, requiring use of heavy equipment.

The Field Team of PROFOR Vietnam has been in frequent contact with the leadership in Chu Pah district ever
since the scouting mission in the autumn of 1998, especially with Mr. Hrip, Vice Chairman of the People's
Committee. At the workshop in Pleiku, he strongly argued in favour of the proposed management contract. The
situation in Mong village was, thus, quite different from that encountered in Tien village in Hoa Binh. In Tien,
there was a general feeling that something would have to be done as the present situation was so
unsatisfactory. In Mong, there was no such general feeling; it seemed that only the la Ly State Forest
Enterprise was really worried about the future of the forest. However, in addition a force for change emerged in
the form of Mr. Hrip.
**Xuan Loc and Loc Thuy Communes, Thua Thien-Hue**

The local authorities have proposed to PROFOR Vietnam that the preparations for local contracting of management of natural forests should be pursued in Thuy Yen Thuong village, Loc Thuy commune. PROFOR Vietnam is now supporting the provincial Forestry Development Branch to make the necessary preparations, much in line with what is being done in the pilot sites in Hoa Binh and Gia Lai. In reality, the provincial authorities have delegated the duty to carry out the field work to the district Forest Inspection Station in Phu Loc.

During a management visit to the site in June 2000, the Field Team was impressed by the level of understanding and dynamism of the staff of the district Forest Inspection Station, particularly its Director. It came as a further pleasant surprise that the Station was about to be named "Labour Hero" for its people-oriented work with forest protection and development in the district, the only unit in Thua Thien-Hue province to be thus awarded this year.

Thuy Yen Thuong village has 1860 inhabitants and covers 3,000 hectares of land, of which 100 agricultural land and 2,500 forest land. About 400 ha carry a relatively good forest stand with an average of 75 m³ of stem wood per hectare while 1,500 ha are covered by a poor natural forest. 420 ha have been planted while an additional 120 ha are to be planted over the next couple of years. The proposal for a local partnership for management covers 400 ha of relatively good natural forest.

The village and the forests are located in an area classified as essential watershed protection land. Except for the plantations which have been allocated to households and (to a minor degree) collective bodies, the forest land is under the nominal responsibility of the Forest Inspection Station in Phu Loc district. The "normal" procedure would be to set up a Management Board for the protection forest. Experience has however shown that this seldom is an effective way of protecting the forest. Instead, the Forest Inspection Station made a radically different proposal: make the villagers responsible for the management and protection of the forest.

The Field Team was shown a video film from the first meeting in Thuy Yen Thuong, an evening event where almost the entire village was present and where both men and women expressed strong views on the way the forest was used. Even the foremost wood thief in the village spoke out. The Team also visited the village and went to the forest area which is planned to come under the management of local communities. The forest is located on sloping land close to the residential area of the village, beyond a plantation made with payment in food by the World Food Programme and also beyond one established with funds from the Government Programme 327/556 for upland development which ran from 1992 to 1997.

As a part of the preparations, an inventory was recently made of the forest. In three meetings with households in the village, discussions have also been held about how to arrange the cooperation, both among the households in the village and between the village and the authorities. Principles for sharing of obligations and benefits from management and protection of the forests were also discussed.

**Ia Mnong Commune, Chu Pah District, Gia Lai**

The proposal now under preparation covers the following kinds of land and intended participants in management:

- 250 ha of medium and good forest on steep land, proposed to be contracted for management on a household-by-household basis to the 56 households in Tut I. The area is classified as essential watershed protection land.
- 150 ha of medium and poor forest on steep land, proposed to be contracted management by four household groups (each with about 25 members) in Mong village. The land is classified as production forest land.
- 300 ha of poor forest, young plantations, and open land close to Mong village, located on production forest land, to be contracted to the households in that village.

Discussions are at present ongoing between the State Forest Enterprise and the inhabitants the two villages on how to share the responsibility for management of the three kinds forest land. The Tropical Forestry Research Centre in Pleiku facilitates the process.

The present stage of work in the pilot site in Gia Lai can be seen as a significant step forward in the relations between the State Forest Enterprise and local farmers. For the first time, the Enterprise has demonstrated that it considers the farmers, who to a large extent depend on shifting cultivation for their food production, as potentially competent managers of forest land nominally under control of the enterprise.
Binh Chau-Phuoc Binh Nature Reserve, Ba Ria-Vung Tau

The final report from the study of consumption of forest products by people living around the Nature Reserve was received in June. The report clearly identifies the main threat to the Reserve, listing all 276 families who were recently caught illegally harvesting, transporting, or selling forest products from the Reserve. The Study Team from the Southern Branch of the Forest Science Institute of Vietnam suggested that the Management Board of the Reserve should cede a part of the Reserve which had only a poor forest cover (some 4,000 ha, about a third of the total area under the administration of the Management Board) to the neighbouring communes, so that they in turn could allocate the land to the households who now exploit the forest. In that way, it was thought that the households could meet their immediate need for wood from a legally held area and that the threat to the core area of the Reserve thereby would be removed or at least significantly reduced.

The suggestion by the Study Team would have signified a clear step towards improved relations between the Nature Reserve and local people, holding considerable promise as a model of forest protection with support of the concerned local communities. During the field visit it became clear, however, that the Management Board of the Nature Reserve was not in a position to follow the recommendations by the Study Team. Its duty as given by the provincial authorities was to protect the entire area of the Reserve and the authorities were not ready to let the Board reduce that area by giving it away to surrounding communes.

6.2. Present Direction of Field Activities

Local management of natural forest

Over the past year or so, inadequacies in management of natural forests were found to be a major obstacle to sustainability of the forest resource in all field sites of PROFOR Vietnam. This conclusion was reached by the local authorities in discussions with consultants engage by PROFOR. In the three northern sites, this conclusion has been followed by a joint recommendation by the local partners to try to change the situation in a pilot area. PROFOR Vietnam has subsequently supported the local authorities in further developing those proposals. In the southernmost field site of PROFOR Vietnam, the Binh Chau-Phuoc Binh Nature Reserve, it was however found that the conditions were not favourable for a change in the management structure for the existing forests. In consequence, such development has not been pursued further there.

The PROFOR Field sites provide cases of the following three kinds:

- Poor natural forest on what is classified as essential watershed land, quite close to a village (Tien village, Hoa Binh province).
- Degraded (but not poor) natural forest on sloping protection forest land relatively close to a village (Thuy Yen Thuong village in Thua Thien-Hue province),
- Poor, medium and rich natural forest, partly ready for harvesting, located oil steep production forest land at varying distances from two villages (Mong and Tut I, Gia Lai province).

The advances in the field sites were followed with keen interest by the leadership of the Policy Department of MARD, who has been developing guidelines for the sharing of duties and benefits from management of natural forests between State and non-State units. During a joint field visit to the Hoa Binh field site, representatives from the Policy Department found clear evidence compelling them to re-think their latest draft of the rules for "benefit-sharing".

A district forum on forestry developing?

In the discussion of a possible partnership between Vietnamese organisations and donors, co-operation at the national level is envisaged. In the field, however, the partnership would have to be implemented in the form of a large number of locally defined projects, probably in most cases covering a district or a part of a district. There is a widely felt need to complement the central-level discussions with field trials in order to create as solid a basis as possible for the future national-level partnership. Most field projects in the former Programme 327 and now the National Five Million Hectare Reforestation Programme are based in a district and are implemented by a district-level unit. Sometimes there are more than one such project in a district. Many externally supported field projects also essentially work within a district framework. So far, however, the degree of co-operation between units and organisations at the district level is less than desirable. This is true both between State and non-State units, among domestically funded projects, and between Vietnamese and internationally-supported projects.
In field work during the latest assignment given by the Partnership Secretariat for the National Reforestation Programme, the PROFOR Field Team discussed the coordination of local forestry projects in Phu Loc district in Thua Thien-Hue province. In that district, the local Forest Inspection Station had recently taken over the management of PROFOR activities from the provincial Forestry Development Branch and were found to manage them in very close co-operation with the local population. For that reason, the Phu Loc field site has now emerged as the most promising one for further work in search of feasible ways to form local partnerships between Vietnamese agencies and international organisations.

The district authorities have also show an increasing interest in the creation of a forum or similar body for information-sharing and discussion of forest-related matters between the various actors in the sector. The issue was initially taken up by the Chairman of the People's Committee in Phu Loc district in discussions with the Field Team of PROFOR Vietnam in June and he reverted enthusiastically to the issue in renewed discussions in September.

PART III. MATURE OPERATIONS

CHAPTER 7. HISTORY:
OCTOBER 2000 - JANUARY 2001

7.1. The Field Sites: Partnerships for Sustainability

By the end of 2000, after about two and a half years of work, PROFOR Vietnam scored a success in the field. Ever since its initiation, PROFOR's activities in the field have been pursued in accordance with the methodology agreed upon at the beginning of the project. The project and its personnel have been met with hospitality and favourable conditions have been created for its work in the pilot sites. Until quite recently, however, no breakthrough had been recorded, so there was no proof that the methodology selected was effective. The ceremony held in Thuy Yen Thuong village on 30 December 2000 changed that situation.

The handing over of 400 ha of natural forest to the local community in Thuy Yen Thuong village has already had an effect beyond the provincial borders. Vice Minister from the Ministry of Agriculture and Rural Development visited Phu Loc and discussed management of natural forests with the Head of Forest Inspection Station there and the main driving force for the handing over of the natural forest.

In a meeting in Hanoi somewhat later, the Vice Minister declared that he saw the trial in Thuy Yen Thuong as very interesting and the local initiative as laudable. He also asked PROFOR to contribute to a wider application of the approach to management of natural forests taken in Thuy Yen Thuong and requested PROFOR to prepare a note on the case that he could use to brief the Minister of Agriculture and Rural Development. In a follow-up formal letter dated 21 February, the Department for Forestry Development requested PROFOR to concentrate its efforts to innovative work in the field, mainly in existing and new pilot sites, to document experiences so as to facilitate learning, and to support other units trying to find locally adapted ways to achieve sustainable forest management.

Ky Son District, Hoa Binh

By the end of the year, there was a land use plan for the entire commune that indicated an increased area for food production. All land that can formally be allocated (agricultural and residential land, forest plantations) has been allocated. The natural forest in Tien village has been inventoried. As it is located on land classified as essential watershed protection land, however, it cannot be allocated against a Land Use Certificate. Discussions on alternative management regimes for the forest are ongoing but no final agreement had been reached by the end of March.

In September, the report was presented to a small group of key persons from the Ministry of Agriculture and Rural Development, the provincial and district authorities, and PROFOR. The main recommendation in the report, to make a revision of the general land use plan in the village and discuss with the inhabitants how best to manage the forest resources, was accepted.

The situation for the inhabitants in Thung Nai commune is difficult, with very little good agricultural land. Almost all are poor and suffer food shortage for a few months every year. In order to provide better preconditions for
food security, some land previously classified as essential watershed protection forest land was reclassification as agricultural land. In this way, the average area of land that could legally be cultivated increased from 1.2 to 1.6 hectares per household.

According to regulations in force, the forest land cannot be allocated against Land Use Certificates because it is classified as essential watershed protection land. The normal procedure would instead be that it is contracted for protection. After repeated discussions with the inhabitants in the village, a proposal was agreed upon as follows:

- For bare land and land covered in planted forest: make contracts for protection with households;
- For the (poor) natural forest: make a contract for protection with the entire village.

This would mean that a total of 177 ha of bare land and planted forest would be contracted on a household-by-household basis to the 84 households in the village and that 272 ha of natural forest and 77 ha of forest under regeneration would be contracted to the village community represented by the Village Chief. As a way to increase the interest of the inhabitants to engage in forestry, PROFOR also provided some 2,000 seedlings of luong bamboo. This bamboo species grows well in the locality and produces culms after only 5 to 6 year that sell at 8,000 to 10,000 VND (0.6 to 0.7 US dollars) each.

**Phu Loc District, Thua Thien-Hue**

On 28 December, the first meeting was held in the "Forestry Coordinating Committee" in Phu Loc district, Thua Thien-Hue province, led by the Chairman of the district People's Committee. The meeting was mainly concerned with setting up the formal framework for the Committee.

An agreement for the management of a natural forest in Phu Loc district was signed at a solemn ceremony in Thuy Yen Thuong village of Loc Thuy commune on 30 December 2000, subsequent to the signing of the necessary formal decision by the Vice Chairman of the provincial People's Committee. The provincial authorities had delegated the duty to make all the necessary preparations to the district Forest Inspection Station. The decision to enter into a management agreement for an essential watershed protection forest is, strictly speaking outside the rules established by the Government but the provincial authorities have the right to make a trial.

The principle behind the proposal for a management agreement for the forest is that the State should not pay any protection fee to the local people. Their compensation for protecting the forest should instead come in the form of a share in the growth of the forest. The faster the forest increases its volume, the higher the share that goes to the villagers. It is estimated that the volume growth is about 2% or 1.5m$^3$ per year per hectares giving a total of some 600m$^3$ per year. If that rate of increase is achieved, the villagers will be entitled to half (in all 300m$^3$ per year), but if the increase is only 0.5m$^3$ per ha per year they will receive only 10% (20m$^3$ per year).

In addition to stem wood from the main tree crop, the villagers have the right to collect fuel and non-wood products and can also use wood obtained from thinning. They will also have the right to hunt wild animals as long as they follow the rules designed to protect rare species. In order to let the forest increase in value, the villagers will during the first ten years have the right to cut 50m$^3$ per year of stem wood in order to meet essential local needs, particular for building material.

Together with the villagers, the staff from the Forest Inspection Station prepared a framework for village rules for management of the forest and for sharing of benefits among the villagers. The villagers subsequently prepared such rules in detail. The villagers will later decide how to organise themselves for management. In principle, the management agreement is a long-term one. If the villagers misuse the trust given to them and over-exploit the forest, however, the State will cancel the agreement. Further, if both sides are satisfied with the results after an initial three-year trial period, the provincial authorities are ready to request permission from the Government to convert the agreement into a formal Land Use Certificate with a validity of 50 years.

**Chu Puh District, Gia Lai**

A revised management plan for the forest to be contracted to Tut I and Mong villages has been prepared and rules for sharing of benefits have been developed on the basis of the latest draft of the corresponding Government policy. It is proposed to arrange a sharing of the incomes at harvest, with the shares indicated below going to the communities at the first harvesting occasion. For subsequent harvests, the communities would get the entire value.
In addition to the shares of the value at harvest, the communities would have the right to collect fuelwood and non-wood products and also use wood obtained in normal silvicultural operations such as liberation felling, cleaning, and thinning.

The arrangement was strongly supported by both the commune and the district authorities and was submitted in December to the provincial People's Committee for final approval, by the end of the year, however, no formal decision had yet been taken.

### 7.2. The Pilot Sites

The work in the PROFOR field sites have aimed at identifying and then removing constraints to sustainability. In order to reach the objective, work has progressed through the following phases in the field sites:

- Preparatory surveys (actually covering a total of six sites);
- Early goodwill-creating co-operation (four sites);
- Identification of constraints (four sites);
- Presentation of an idea for removal of constraints (four sites);
- Further development of the idea (three sites);
- Preparation of a proposal on removal of the constraints (three sites);
- Formal decision to implement the proposal (one site).

In order to get acquainted with the sites and create a spirit of co-operation with the local people, low-level support was provided to the villagers after the initial surveys were carried out. During subsequent work more focused on forest management, obstacles to sustainability were gradually identified in all four pilot sites.

When a sufficiently clear picture of the character of the constraints to sustainability had been obtained, the consultants engaged by PROFOR presented an idea on how to remove the constraints. Such ideas were forwarded to the local authorities concerned for all four field sites. In three sites, the proposals were seen as promising at the local level, so they were further developed. In the site in Ba Ria-Vung Tau, however, the proposal made by the PROFOR consultants was not seen as feasible by the local authorities, so no further work was carried out there.

For the remaining three field sites, work has continued until the end of 2000. By that time, the three sites found themselves at quite different stages of readiness, as described in more detail above, with the protection natural forest formally handed over to the local community in the Thua Thien-Hue case, with a fully-fledged proposal prepared for local management of natural forest by households and communities in Tut I and Mong villages in Gia Lai province, and with the preparations for a proposal still ongoing in Hoa Binh.

By the end of the year, the most promising field site is the one in Thua Thien-Hue province. The case has obvious potentials for spread beyond the original site, both in other communes of Phu Loc district and in other districts in Thua Thien-Hue province. The work in Hoa Binh and Gia Lai has however not been fruitless. There is now a notable awareness of the need for close and productive co-operation in forest management between State units and local communities among the leadership at both the district and provincial levels and it is quite possible that continued low-level work may finally enable local forces for change to establish more sustainable forms of forest management somewhere in the neighbourhood of the pilot sites.

<table>
<thead>
<tr>
<th>Kind of forest</th>
<th>Share going to the community</th>
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<tbody>
<tr>
<td>Rich forest where the first harvest can be made after 5 years</td>
<td>1% of the value at harvest per year of protection</td>
</tr>
<tr>
<td>Medium forest where the first harvest can be made after 10 years</td>
<td>20% of the value at harvest</td>
</tr>
<tr>
<td>Poor forest where the first harvest can be made after 20 years</td>
<td>30% of the value at harvest</td>
</tr>
<tr>
<td>Exploited forest where the first harvest can be made after 30 years</td>
<td>90% of the value at harvest</td>
</tr>
<tr>
<td>Bare land for forest plantation</td>
<td>100% of the value at harvest</td>
</tr>
</tbody>
</table>

In addition to the shares of the value at harvest, the communities would have the right to collect fuelwood and non-wood products and also use wood obtained in normal silvicultural operations such as liberation felling, cleaning, and thinning.
Decentralisation of authority over local activities

Over the year 2000, the leadership of activities in the field was increasingly taken over by local authorities. In the case of the Hoa Binh field site, the function of the Forest Science Institute of Vietnam as a consultant to PROFOR was taken over by the Song Da State Forest Enterprise with offices in Ky Son, the district where the pilot site is located. Apart from moving the initiative closer to the local people, this shift had the advantage of creating closer working relations with the provincial forestry authorities in Hoa Binh.

In Thua Thien-Hue, PROFOR had used the provincial Forestry Development Branch as its consultant (except when the Forestry Faculty in Hue was engaged for the very first study). By the middle of the year, however, the district authorities, in particular the Chairman of the district People's Committee took an increasing interest in the activities of PROFOR and asked the Forest Inspection Station in Phu Loc district to get more closely involved in the field work. It was indeed this shift and the subsequent activities by the Forest Inspection Station that created the present dynamism in the field sites in Phu Loc.

Also in Gia Lai, there was a clear shift towards the locality. The Ia Ly State Forest Enterprise gradually became the driving force behind the studies and discussions leading to the proposal for local management of a relatively large area of forest in Ia Mnong commune. The role of the regional forestry research centre in Pleiku was correspondingly reduced.

High-level interest in experiences from the localities

In the field, another tendency could also be observed, going in the opposite direction. While activities in all three field sites during the year were limited to villages, increasing effects could be observed on the commune, district, and provincial authorities. In the case of Thua Thien-Hue, this was particularly evident, with the Vice Chairman of the provincial People's Committee following the work in the field and authorising the innovative approach to forest management developed for Thuy Yen Thuong village.

CHAPTER 8. DIGRESSION: FORESTRY PROGRAMMES AND THE FOREST RESOURCE

8.1. Recent Changes in the Forest Resource

Forest coverage

Until recently, there was a steady and rather rapid decline in forest coverage. Since about 1990, the rate of destruction in natural forests has been much smaller than before. In combination with continuing reforestation, natural or man-made, this actually led to an increase in the area under forest. This change must be seen in the context of two other major changes in the Vietnamese society affecting forestry at that time: the achievement of national self-sufficiency in food staples, and the trust given to the farmers as custodians of land.

First, the achievement of national food self-sufficiency by 1989 meant that it was no longer necessary for all regions to produce as much food as they could. In mountain areas short of good agricultural land, people need no longer devote as much land to food production as before, because rice was available in the market at reasonable prices. This meant that the areas least suitable for food production, steep or remote forest areas that could be cleared for shifting cultivation, could be left under forest. Other such areas that had once been cleared could now be left fallow, ultimately becoming covered in forest.

Second, in the first half of the nineties, the Government came to regard the farmers as trustworthy users of forest land. Increasing areas of forest land were allocated to them for use for forestry or agroforestry purposes. It also became evident that the farmers were using the land allocated in a productive and sustainable way. It was noted that the forest coverage in areas where all forest land had been allocated was increasing, essentially through natural regeneration. The 1999 inventory confirmed that the downward trend in forest coverage has indeed been reversed. In that year, natural forests covered a total of 9.4 million hectares and plantations 1.5 million, giving a total area under forest of 10.9 million hectares. Calculated as annual changes in the areas under forest, the changes between occasions when national forest inventories have been carried out, the situation has turned out to be as follows:

<table>
<thead>
<tr>
<th>Period</th>
<th>Change in natural forest (1000 ha/year)</th>
<th>Change in planted area (1000 ha/year)</th>
<th>Net change (1000 ha/year)</th>
</tr>
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If this trend is maintained, the very ambitious goal of increasing the forest area of the country by five million hectares over a 13-year period (1998-2010) set for the National Reforestation Programme will be reached. The fact that most of the increase has lately occurred in natural forests strengthens the supposition that the main force behind the increase is changed farming practices which have allowed large tracts of fallow land to recover their vegetation cover.

**Volumes of wood**

The volume of stem wood in the forests in the country is still shrinking. It is estimated that the forests contained some 660 million m$^3$ of stem wood in 1992. By 1999, that figure had shrunk to 580 million, indicating an average reduction of some 10 million m$^3$ or about 2% per year. The decrease is not uniform over the country. There was actually an increase in the northwestern part of the country, where the volume of wood was very low to start with and where the increase in area under forest was especially large. The inventories did not provide data that could verify whether the losses in each of the seven years are of roughly similar size, decreasing over the years, or increasing.

**Classification of forest land**

In preparation of the National Five Million Hectare Reforestation Programme, the Prime Minister instructed provincial authorities to classify the forest land, distinguishing between reserves of various kinds (“special-use forests”), forests protecting watersheds, dams and embankments, etc. (“protection forests”, subdivided into very essential, essential, and less essential), and forests principally devoted to wood production (“production forests”).

For the "less essential" kind of protection forest, there are no longer any rules distinguishing it from production forests. In consequence, for management purposes there are at present the following three main categories of forest:

- Special-use forest;
- Very essential and essential protection forest (with somewhat different restrictions on management);
- Less essential protection forest and production forest (with the same rules for management).

Localities were instructed to revise the classification of forest land between the three main categories in preparation of the implementation of the National Reforestation Programme. As judged from the two national forest inventories of 1995 and 1999, this has led to a significant change in the classification of forest from the “production” category to the “protection” one (in this case including "less essential" protection land). Between the two forest inventories in 1995 and 1999, about two million hectares were re-classified in this way. Two main reasons can be given for the tendency to increase the area of land in the “protection” category:

- Recent Government policies discouraging exploitation of natural forests, reducing the logging quotas from an annual total of about 4 million m$^3$ in the country ten years ago to less than a tenth of that volume today;
- The impact of the market orientation of the economy.

At first glance, the market-orientation of the economy would be assumed to favour an increasing share of forest land being classified as production land. In fact, however, it seems to have had the opposite effect. Government subsidies for production forestry have essentially been terminated. In the past, such support provided the life-blood of many forest management units, especially State Forest Enterprises. At present, production-oriented forestry is essentially to find its own way in the market. Given the poor state of most forests, this may be easy for the Government to say but very difficult for the enterprises to follow. For protection forestry, however, the Government is still providing subsidies. This means that Management Boards for
watershed forests and other bodies managing protection forests are assured of continuing financing from the State. State Forest Enterprises are also entitled to State funds for management of protection forests. By re-classifying land they hold from the production into the protection category, enterprises and other bodies managing such land can ensure continuing payments for planting or protection.

**Utilisation of Forest land**

Another instruction given by the Prime Minister to the provincial authorities in preparation of the National Reforestation Programme was to clarify the right for land use structure and also to speed up the allocation of forest land to households. The national forest inventory provides data on the status by 1999 in both these matters. The forest areas were classified according to the following main kinds of management units:

- State business units;
- Management Boards for watershed protection areas;
- Management Boards for special-use forests;
- Commercial joint ventures;
- Households and collective bodies;
- Units of the Armed Forces;

It can be assumed that this essentially is land where the responsibility for management is "unclear" or "undefined". The variation between provinces is however striking, in all parts of the country. For example, among provinces in the northern midlands and mountains, the share of "other" units responsible for management varies between 0 and 54 percent, in the coastal provinces between 0 and 58%, and in the provinces in the southern highlands between 10 and 30%. In all likelihood, however, the real difference is not so marked; much of it must be ascribed to different interpretations of the local situation and different ways to present it.

The area of forest managed by households and collective bodies is given as a little more than two million hectares in the country, corresponding to 18%. Generally speaking, however, this kind of management is a northern phenomenon. Even in the north, however, the picture is one of great variation between provinces. In provinces in the northern midlands and mountains, the share varies between 10 and 77%, in the northern part of the coastal area between 16 and 47% and in the southern coastal area between 0 and 29%.

**8.2. On Forestry Programmes at Different Levels**

Vietnam has a lengthy experience of State planning interventions. By now, many have been abolished, replaced by market-based forces in most economic sectors, including forestry. This has created a contradiction for planning in the country. On one hand, there is a general scepticism in the effectiveness of high-level or national plans. Many see them as a thing of the past, a plan put on paper that may never be followed. On the other hand, plans quite similar to the old, top-down State kind are still made, principally at the central and provincial levels. Senior staff working in the State system are used to them and are not familiar (or comfortable) with the workings of the market.

When the Vietnamese Government realised that millions of farmers all over the country could afford more trees on land under their control (because they no longer constituted a threat to their food security), it took the opportunity and launched the National Five Million Hectare Reforestation Programme. Farmers lacking food security will set a very narrow frame for what can be achieved in forestry while those who have reached food security can allow increasing areas of land in their neighbourhood to be covered in forest.

**Provincial forestry plans**

Since several years, all provinces in Vietnam have been instructed to prepare plans for the forestry sector, sometimes referred to as "Provincial Forestry Master Plans". The matter took on added importance with the launching of the National Five Million Hectare Reforestation Programme, as the field projects of that programme in principle should fit into an overall (local level) forestry plan. The use of a provincial forestry plan to provide such a framework is logical for two reasons. With some 500 projects of the National Reforestation Programme spread over the 61 provinces of the country, it would seem reasonable to select the provincial level for general planning and coordination.

The second reason behind the selection of the province as the decentralised planning and management level is historical and organisational. The main technical bodies concerned with forestry in the field are under the
authority of a provincial level body. Thus, the 400 or so State Forest Enterprises, normally one per district in forested areas of the country, are under the authority of the provincial civil administration, the People's Committee. The same is the case of the Forest Inspection Stations. Again, there is normally one such station in each district, but they fall under the authority of the Forest Inspection Branch, provincial People's Committee.

In the administrative structure for the National Reforestation Programme set up in 1998, units were established at the central and provincial levels. In the provinces, they consisted of a Provincial Executive Committee overseeing the process, and a Provincial Project Management Board more directly involved in the implementation of the projects. At the field level, finally, each project has its own Project Management Unit incorporated in the Organisation that is appointed "project owner", often the State Forest Enterprise in the district, the Forest Inspection Station in the district, or a Management Board for the protection or special-use forest.

It seems clear that the provincial forestry plans make sense from an administrative point of view, providing a framework for the planning and implementation of the projects of the National Reforestation Programme in the field. Many provinces have prepared provincial plans as instructed, normally by contracting a local unit of the Forest Inventory and Planning Institute. Still, many provinces have not. In many aspects, however, the provincial forestry plans are of limited value as steering instruments for forestry development.

As a result, the chief value of the provincial plans is often as a source of information about the current status of the forests and about the general plans of the leadership in the province. Looking ahead, they may well be turned into building-blocks for a future National Forestry Programme, but such a process is likely to take quite some time.

What about the districts?

The districts were explicitly excluded as a management level in the set-up of the National Reforestation Programme. Still, that is where most of the projects of the Programme are implemented and where the "project owners", such as Forest Enterprises and Forest Inspection Stations are located. There are also many instances where a district authority has been appointed as "project owner".

In comparison with the provincial level, the district authorities have two distinct advantages in planning and management of projects and other activities in forestry: the leadership is often relatively young and dynamic and is in close contact with the local people. It has been observed that innovative solutions to practical problems are frequently developed and tested at the district level, without any formal sanction from the provincial authorities.

Government interventions in the National Reforestation Programme are limited to special-use and protection forests. Only in such areas can resources from Fund 661 be used. This effectively leaves most of the activities of the Reforestation Programme outside Government control. This is true not only for commercial forestry but for most kinds of farm forestry as well, at least to the extent that it is carried out for production purposes. As a result, activities pursued in these two categories of forestry are given scant attention by the authorities at the central and provincial levels. At the district level, however, neither the technical nor the administrative bodies are in a position to neglect the production-oriented kinds of forestry.

8.3. The National Reforestation Programme and Fund 661

The National Five Million Hectare Reforestation Programme encompasses activities carried out by different organisations and individuals funded or supported by a variety of sources, both State and non-State, both domestic and international. The Programme also covers both special-use, protection, and production forestry. Finally, planting of trees and natural regeneration are both to be used. Of the five million hectares to be reforested over the period 1998 to 2010, two million are to be on protection forest land and in nature reserves and similar areas while the remaining three million would be established for commercial purposes on production forest land. The key decision setting the Programme in motion was number 661 taken by the Prime Minister in July 1998. In order to implement it, funds were made available by the Government. That money,
referred to as "Fund 661", is used to finance activities related to special-use and protection forests in a number of projects of the National Reforestation Programme.

The Ministry of Agriculture and Rural Development has prepared a list of somewhat 500 "projects" belonging to the Programme by 2000, consisting of

- 47 projects with focus on special-use forests;
- 364 projects with focus on protection forests;
- 119 projects with focus on production forests.

The Vietnamese Government has the power to implement the activities that it finances, i.e., those directed at reforestation of special-use and protection forest land. This means that it can directly influence the creation of tip to two million hectares in the Reforestation Programme but not the remaining three million which are to be established for production purposes.

The National Five Million Hectare Reforestation Programme is called a "Programme" but it is in reality rather a national "Vision", covering all that which leads to an increase in forest cover in the country. It can be seen as composed of a set of forest-related processes, structures for management and implementation, and services, which together will serve to maintain the present forest cover and cause an increase by five million hectares over the period 1998 - 2010:

**Forest-related processes**

a. Reforestation and protection of existing forests in response to grants, loans, or other incentives provided by the Vietnamese State
b. Reforestation and protection of existing forests funded by external donors;
c. Reforestation and protection of existing forests carried out mainly for commercial reasons, for example by households, communities, and enterprises;
d. Reforestation and protection of existing forests carried out mainly for subsistence reasons, for example by households and communities;
e. Reforestation occurring naturally, for example as a result of revegetation on fallow land left uncultivated.

**Structures for management and implementation**

- Central and provincial level management bodies;
- Local level implementation agencies;

**Services**

- Services supporting reforestation and protection of existing forests, for example supply of inputs, purchase of outputs, and provision of research and extension services.

**Limitations in use of funds from Decision 661**

Subsequent to Decision 661 by the Prime Minister, the Vietnamese Government set up a structure that covers process a) above and has set up the corresponding structures for management and implementation. Further, over the past several years, it has entered into a large number of agreements with donors for externally supported projects with components in the forestry sector which taken together cover process b). Although they are in principle covered by Decision 661, no similar structures have been set up for processes c). Finally, no activities designed to reduce cultivation of uplands (processes) are covered by Decision 661.

The extent to which the Vietnamese Government is able to influence the other forest-related processes is, further, limited. For example, it cannot on its own decide how to use international resources for the National Five Million Hectare Reforestation Programme, nor can it make certain that farmers all over the country spend their own resources in creating forests around their homesteads.

In principle, Decision 661 covers all the activities listed under a) in the list above, i.e. "reforestation and protection of existing forests in response to grants, loans, or other kinds of incentives provided by the Vietnamese State". The field reality is however that activities paid from Fund 661 have a more limited scope. During preparation of the Programme Document for the Reforestation Programme, the Field Team identified the following further limitations:
• In the field, Fund 661 supports only projects which contain special-use and protection forests.
• In the field, Fund 661 finances certain components in projects within the National Five Million Hectare Reforestation Programme. Even though the projects themselves may cover both protection-oriented forestry, production-oriented forestry, and activities outside the forestry sector, the components paid from Fund 661 cover only protection-oriented activities.
• Fund 661 is often not the only source of funds for the components in the projects covering protection and reforestation in special-use and protection forests. For example, provincial funds are often used to cover costs for extension work or construction of roads in such forests. Further, even for protection of existing forests and for tree planting on special-use, and protection forest land, additional funds often come from the provincial budgets.

8.4. On Obstacles to Sustainability

During early discussions in the field, the following obstacles to sustainability were tentatively identified:

- Lack of clear ownership of the forest in many places;
- A land classification system designing unduly large areas as protection forest land, thereby restricting their economic use;
- Rules that preclude allocation of protection forest land and issuance of Land Use Certificates for such land;
- Lack of guidelines for sharing of benefits from joint forest management;

In addition, the market-oriented policies for the forestry sector make it difficult for the Vietnamese Government to support production-oriented forestry. The State now directs the funds it has available to kinds of forestry that do not give an economic return. The overall result of these factors is that a disproportionate share of the resources available for forestry goes to protection forestry, diverting resources away from production forestry, where they would probably yield greater benefits to society.

At first look, it might seem that the recent increase in forest area is an indication that forestry in Vietnam is approaching sustainability. Regrettably, this is probably not the case. Sustainability is often defined as having four aspects: environmental, economic, social, and institutional. Sustainability (and each of its aspects) also has a geographical focus: it can be achieved at the local, district, provincial, or national level.

Regarding environmental sustainability, the increase in area under forest is positive, particularly for soil and water conservation. The decrease in wood volumes is however an indication that the bio-diversity over large areas is still being threatened. Regarding economic sustainability, the inventory data with the shrinking wood volumes suggest a worsening situation as the large areas of new forest will be unable to make any economic contribution for several years. To some degree, the same reasoning is valid for the social aspect of sustainability. The institutional sustainability is not affected by the variations in forest area or wood volumes, so it remains as problematic as before.

The national forest inventory provides a picture of the national situation. Each locality has its own characteristics, however. It is only at the local level, where the forest and the people are, that the degree of sustainability can be judged with any degree of reliability. For all three field sites of PROFOR, the picture is one of decrease in quality of the forest resource. Recently, there has been a relatively rapid increase in the area under (young) forest in both Ky Son district and Phu Loc district while the forest area probably continues to shrink in Chu Pah district.

At the national level, it seems that there is a lack of clear ownership to forests in many places and the unsuitable classification of forest land, with too much land classified as protection land. The Field Team is however still convinced that both constitute long-term obstacles to sustainability. It is not very tempting for local people to exploit an area where the vegetation only recently qualified for being classified as a “forest”. Several years later, however, there will be something of value on the land and if the area is still essentially without an owner, it will be tempting to exploit it, legally or otherwise. If nobody is interested in the long-term existence of the resource or in its long-term productivity, it will be poorly protected. Similarly, if severe restrictions on harvesting in protection forests make them economically value-less, then nobody will be interested in protecting them, except when specifically paid to do so.
9.1. The Thuy Yen Thuong Case

The arrangement for community level management of a natural forest in the PROFOR field site in Thuy Yen Thuong village, Lac Thuy commune, continues to attract interest from provincial and also central authorities. In recent months it was visited by persons or groups from different parts of the country, such as Dac Lac, a forest-rich province in the southern highlands, Nghe An in the north-central part of the country, and Ha Giang, a forest-poor province in northernmost Vietnam. The central level, the Ministry of Agriculture and Rural Development sees the trial as promising and useful as a demonstration of how to formalize community forestry.

In Thua Thien-Hue province, the authorities are, on one hand, eager to continue trials where community level organisations manage natural forests in partnerships with State organisations. At the same time, however, they need to ensure that community management of the forest, for example in Thuy Yen Thuong is indeed sustainable. The value of the arrangement in Thuy Yen Thuong is so far unknown. It is not known if the community will manage the forest in an acceptable way and it is not known if others will use it as a case worthy of replication. And without replication, its real value is very limited.

In May 2000, discussions were held about how to proceed with trials or studies in Phu Loc district. The district Forest Inspection Station had received two requests from communities desiring to have a similar arrangement as the one made for Thuy Yen Thuong. The provincial People's Committee, who authorised the trial in Thuy Yen Thuong, gave its support to the request from the communities in discussions with staff of the Forest Inspection Station and the provincial Forest Development Branch. At the same time, however, they stressed that also the new arrangements would have to be very carefully prepared.

In order to increase the value of the Thuy Yen Thuong case for replication (or multi-plication), it needs to be complemented in two directions. First, attempts should be made to find a less expensive method. At present, the cost is in the order of 200,000 VND per hectare (about USD 14) for the initial arrangement (equivalent to four years of payment for protection at the standard rate of 50,000 VND per hectare and year). The follow-up of how the community manages its forest causes additional costs. Second, the method applied in Thuy Yen Thuong should be used in a place with different conditions, ecological and/or socio-economic.

Phu Loc district has an exceptional range of natural conditions, stretching from the sand dunes along the sea coast and the fertile paddy plains somewhat further inland to peaks of some 1400 m.a.s.l. in Bach Ma National Park. There is a corresponding variation in rural population densities, from about 50 to more than 800 persons per km² on average among the 18 communes in the district. This diversity in combination with the excellent cooperation with the local authorities has contributed to making Phu Loc an ideal district for PROFOR for continued field trials.

In late May 2001, PROFOR received a request from the Forest Inspection Station in Phu Loc district for support in arranging for local management of 500 ha of forest in Thuy Duong village and 250 hectares in Phu Hai 2. The request indicated an average cost per hectare of forest of 140,000 VND (USD 10) in Thuy Duong and 200,000 VND (USD 14) in Phu Hai 2. The decrease in cost for Thuy Duong in comparison with the first case in Thuy Yen Thuong is encouraging. The higher cost per hectare in Phu Hai 2 is largely an effect of the smaller area over which to distribute common costs.

The two requests from local communities to the Forest Inspection Station should be able to indicate whether the Thuy Yen Thuong case is replicable. One of the new sites, in Thuy Duong village, Loc Tien commune, has conditions very similar to Thuy Yen Thuong. The village which has some 900 inhabitants is situated at the foot of the major mountain chain, along a stream popular as a local tourist spot. The per capita income is estimated at about 1.5 million VND per year (about USD 100). In past periods, the villagers have planted about 400 ha of forest with support from the Government. The forest considered for community management covers some 500 ha located on the mountain slope uphill from the village. Already five years ago, the villagers inquired about the possibilities to get some kind of user rights to the forest. At that time, however, the funds needed for inventory and mapping of the forest and for the formalities could not be mobilised.

Given that the conditions are so similar to those in Thuy Yen Thuong, the site in Thuy Duong would constitute a suitable site for the first aspect of replicability, testing whether it is possible to reduce the cost level for the arrangements required for formalised community management of a natural forest.

The other site, in Phu Hai 2 village, Loc Vinh commune, is quite different. It has some 400 ha of low coastal dunes covered by a natural forest of varying quality. Due to prolonged exploitation both for building material and fuelwood, it is quite poor next to the village, but relatively good closer to the sea. The village Phu Hai 2 is
quite small, with only 230 inhabitants. They live mainly from agriculture and animal husbandry, with only little additional income from fishing. Since the soil is sandy and infertile, productivity is low and the people poor, with estimated annual earnings per capita of only about 1 million VND (USD 70).

The villagers have planted some 100 ha of forest close to the residential areas and this land has become the property of the households. In addition, through Programme 327 and lately the National Five Million Hectare Reforestation Programme, parts of the surrounding hills have been reforested but other parts of the hills are still without a forest cover. The coastal forest considered for management by the community in Phu Hai 2 has an extent of some 250 ha. In meetings between villagers and staff from the Phu Loc Forest Inspection Station, allocation of the unforested land on the hills was also discussed.

During a visit to Phu Hai 2 in early May, the suitability of the site for the second purpose mentioned above, to provide a different environment for a trial with a partnership for forest management between the State and a community, was confirmed. The fact that the provincial Forest Inspection Branch has expressed its interest in being involved in (and paying a part of the cost for) a trial with community management of the coastal forest in Phu Hai 2 and is ready to make contributions to such a trial adds to the value of the case.

9.2 Insights from Other Sites

As requested by the Director of the Department for Forest Development, the Field Team went to a number of sites in Hoa Binh and Nghe An provinces in early 2000 order to study how local communities managed their forests.

**Hoa Binh**

In Hoa Binh, one case was visited in each of Kim Boi, Lac Thuy, and Yen Thuy districts together with the director of the provincial Forest Development Branch. In Kim Boi, the Thuong Tien commune authority had been charged with the responsibility to arrange for protection of an area bordering a Nature Reserve set aside for its richness in wildlife. It is thus not a case of forest management by a local group, but of protection against payment of 50,000 VND per hectare per year. However, the fact that the commune authority was given the duty by the Management Board of the Nature Reserve rather than each family separately gave the local community freedom to arrange the protection in a way found to be best in the locality. In agreement with its members, the commune decided to set up a specialised forest protection group with 36 members coming from all the villages concerned. So far, the arrangement had been successful.

The land belonging to Phu Lao commune of Lac Thuy district consists of a long flat valley bordered on both sides by a steep limestone range. The commune is relatively well off, with average annual incomes per capita of some 2.2 million VND (USD 150), coming mainly from very productive paddy cultivation and local tourism, including to the famous Huong pagoda. Several years ago, all the forest land, also land covered in forest, was allocated to households against Land Use Certificates. The forests, however, are of low value and are mainly located on steep limestone rock. As a part of the deal, the commune authority instructed the villages to prepare rules on how to protect and use them. Quite strict rules were then prepared by all the five villages in the commune, allowing villagers to collect fuelwood and non-wood forest products but virtually no logs.

In Da Phuc commune of Yen Thuy district, all forest land had been allocated against Land Use Certificates in 1998. Most of the forest land consists of limestone rock, thus being of low productivity and difficult access. Some forests growing along the foot of the mountains are however of much higher value. A patch of some 60 hectares of virtually untouched natural forest remains on a piece of flat land surrounded by limestone rock. A small stream originating in that area is a locally important source of water.

When the forest land was allocated, land with forest was also included. The only exception was the 60 hectares of almost untouched forest. As the local people very much wanted the site to remain untouched, they did not allow it to be allocated to households. At the time of the allocation, it was agreed to entrust that forest to the local cooperative. Subsequent to the dissolution of the cooperative, the commune requested the two leading persons in one of the villages, a village chief and a party secretary, to organise the protection. In spite of the forest having a formal owner, it has been well protected by the local community.

**Nghe An**

In Nghe An, the PROFOR team visited households and communities successfully managing planted or natural forests in four midland and coastal districts (Con Cuong, Tuong Duong, Yen Thanh, and Quynh Luu), guided
by the Deputy Director of the provincial Forest Inspection Branch and by staff from the Inspection Stations in the districts. It also made a visit to Tuong Duong district in the northwestern uplands of the province together with the Read of the Forest Inspection Station in the district.

In 1995 and 1996, when allocation of forest land was made in Thong Nhat village, Man Due commune, Con Cuong district, land covered in natural forest was also allocated and the corresponding "temporary land use certificates" (so lam ba) were issued. The village is located in a valley with low hills and the forests mainly consist of scattered groves, so it was natural to distribute the remaining forests to nearby households for management. There was no provision for the State to recover the value of the standing trees, no "benefit-sharing rules".

In Yen Thanh district, one household in Dong Phu village, Dong Thanh commune, had received 26 hectares of land against a "temporary land use certificate" in 1987 (since then, the maximum area of forest land to be allocated to a household has been set at 30 hectares). Because area allocated is so large, the household is not able to protect all of it by itself, so two guards are hired to protect the parts of the forest located farthest away from the home-stead. When it was allocated, the land was covered in bush, but there were many stumps of a nut-bearing tree (Castanopsis sp.) which when favoured by clearing of competing vegetation grew quite rapidly. Additional trees were interplanted. The main income for the household now comes from sale of the nuts and of firewood from cutting of competing vegetation.

The case encountered in Quynh Luu district is famous in Vietnam. In 1993, an entrepreneurial Member of Parliament acquired land use rights over 981 hectares in his native village, Dong Minh in Quynh Lap commune, located close to the sea. He secured some Government funds for reforestation and engaged 60 families (of the 260 in the village) for planting and subsequent protection and maintenance. For a part of their labour, the families engaged were paid in cash. In addition, they were promised 80% of the "surplus" to be obtained when the plantations were harvested. The forests planted, consisting mainly of eucalypts, acacias, and pines, took good and some stands will soon be ready for harvesting, so the families eagerly look forward to their final payment. Now, however, two problems not much considered before have appeared. First, it seems that the price of the wood in the locality is very low, so there might not be much "surplus" to share. Second, there is no agreement on how the surplus is to be calculated.

Communities rather than households or individuals were managing the forest in the two sites visited in Tuong Duong district, Khe Ngau village in Xa Luong commune and Thach Duong village in Thach Giam commune. In both cases, a local community has been managing a forest for several years. In the Khe Ngau case, the community manages a natural forest while it runs a bamboo plantation in the Thach Duong case.

Given the formal rules which in principle prevent management of a natural forest by a village community, the villagers in Khe Ngau and the staff of the Forest Inspection Station had to find an innovative way to reach their objective: to establish common management of the 400 hectares of relatively good natural forest. The solution they decided on which was subsequently accepted by the district authorities was to ask three trusted households in the village to "lend their names" by applying for allocation of a third of the forest each. As the entire village had joined the scheme, the request from the three families was not contested by other villagers and it was also accepted by the local authorities.

In Thach Duong, allocation or similar kinds of arrangements was made for the land in 1992. Residential land (including home gardens) as well as hill land for cultivation in rotational shifting cultivation systems was allocated to households while 300 hectares of natural forest and 60 hectares of bare land intended for a bamboo plantation were entrusted to the village community for protection, management, and use. Subsequently, the community jointly established the bamboo plantation. While waiting for the bamboo plantation to yield large culms, the community was able to get a permission from the Forest Inspection Station for selective harvesting of low value species from the natural forest of the community. Lately, however, the collectively managed bamboo plantation provides a significant income for the village, some 100 million VND per year in total for the 105 families in the village. The revenues from sale of bamboo (and also of logs) is divided between the village community (40%) and the families (60%).

**Preliminary Conclusions**

In all the places visited, management of natural forests (or plantations) had successfully been carried out during several years, mostly by households but also in some cases by a village community. In all cases, even where the forests were quite poor, management had been successful and the forests had been well protected. There were cases where households had become owners of natural forests as a result of allocation of forest land. From a legal point of view, such households were quite free to use their forests as long as they follow the Law on Forest Protection and Development. However, in all cases encountered, the village community had instituted quite strict rules for the use of those forests and these rules were found to be respected.
9.3. New Assignment for the National Reforestation Programme

In a new request, the Department for Forestry Development asked PROFOR to use its present field sites and if possible new ones as well in order to provide field experience that may help the Ministry to formulate policies conducive to household or community management of natural forests. The key policy-related items in the request are summarised below.

**Support in policy matters**

a) Establish trials with benefit-sharing from sustainable management of natural forests between the State and households, organisations, individuals, and communities involved in the Reforestation Programme. The trials should be carried out in suitable locations in different parts of the country. The sharing of benefits from forest management should be based on the following principles:

- The forest should be protected and developed in a sustainable way;
- The participants in the trial should be compensated in accordance with their contributions;
- The burden on the State budget should be reduced.

Establish trials with management and development of the three kinds of forest (nature reserves, protection forests, production forests), with priority given to protection forest, especially to natural regeneration in combination with interplanting of auxiliary species. The following principles should apply:

- The forest should be protected, developed, and used in such a way that it maintains its protective capacity;
- The benefits for the participating households should be directly related to the degree of sustainability of the forest they are managing.

The results of the trials should be documented, pointing out lessons to be learnt. The conclusions should be forwarded to the Ministry so that the Ministry can use them in formulating policies.

9.4. District Partnership among Projects: Phu Loc

The Project Coordination Committee in Phu Loc district, Thua Thien-Hue province, which was formally established by the end of 2000 held its first regular quarterly meeting in April. It was attended by 18 regular members of the Committee and, in addition, 13 of the 18 Chairman of commune People's Committees in the district. A consolidated list of rural development projects was prepared, covering activities costing some 7 billion VND (about USD 500,000). Of this amount, 88% is coming from domestic sources and the remainder, some USD 60,000, from external ones.

In the meeting, it was decided to try to achieve better integration between all projects of value for rural development, beginning in Loc Thuy commune (the one where Thuy Yen Thuong, the village hosting the first trial case in community forest management is located). The organisers of the meeting were quite positive about the outcome. Judging from the results achieved so far (the Project Coordinating Committee was established by the end of 2000), it seems that the Committee serves a useful purpose. The next meeting is planned for July.

CHAPTER 10. DIGRESSION:
THE THUY YEN THUONG CASE AND DECISION 178

10.1. The Trial with Local Management of a Natural Forest

*The village*

The village of Thuy Yen Thuong is located some 50 km south-east of Hue City, a few km west of the main north-south road through the country. It has 1,860 inhabitants, all belonging to the Kinh ethnic group and lies
along a stream originating in the mountains of the Bach Ma National Park-Hai Van, where it leaves the steep parts of its descent to become a quiet winding creek providing water for irrigation and household use. The forest begins just uphill of the village. It has been exploited for wood in the past but there is no evidence of shifting cultivation.

The total area of natural forest within the borders of the village is 1,966 ha. In the past, it was under the formal administration of the local unit of the Forest Inspectorate. The inspectors have however not been able to prevent certain villagers and some outsiders to exploit it beyond its sustainable levels. They could not constantly patrol the forest and they also knew how much the forest products were needed by the villagers, for domestic use or, occasionally, for sale in order to get cash for urgent expenditures.

In reality, the forest was in an open access situation, with no clearly defined "forest owner" who had an interest in the long-term productivity of the forest. Local people collected forest products as they saw fit. The State had no effective means of protecting the forest, neither by stick (the Inspectors) nor by carrot, for example by paying up to 50,000 VND per hectare per year, as done in many other parts of the country.

**The trial**

In 1999, the district People's Committee, the district Forest Inspection Station and the provincial Forest Development Branch sought co-operation with PROFOR Vietnam in order to do something about the situation. It seemed to them that a locally-based organisation would be in a better position to protect and manage the forest than the State. There was no legal framework for allocation of a natural forest to a community for management, but the local authorities counted upon the needed acceptance by the higher authorities for a trial, even if it was to be somewhat unconventional.

Thuy Yen Thuong village was not the only one located along the foot of the mountain range where the forests were overused, but it was a natural candidate as host for a trial because the villagers had already previously approached the local forest inspectors, asking for assistance in ensuring that their forest was not destroyed. The following three objectives were set for the trial:

- The existing natural forests should be managed in a sustainable way;
- The forests should provide benefits to the local people, thus contributing to the national goals of hunger elimination and poverty alleviation;
- The cost to the State for forest protection and development should be reduced compared to their present level of up to 50,000 VND per hectare and year for protection contracts.

After the decision to go ahead with the trial had been taken at the district level, a series of meetings were held between the villagers in Thuy Yen Thuong and representatives from the People's Committee in Loc Thuy commune and the Forest Inspection Station in Phu Loc district. From the meetings, it became quite obvious that the villagers, both individually and collectively, were willing to make a deal giving them increased responsibility for management of the forest uphill from the village.

In an initial survey, an area of some 400 ha of relatively good forest, about a fifth of the natural forest located within the village boundaries, was suggested by the Forest Inspection Station as site for the trial. After the villagers agreed, a more detailed inventory was made to serve as a basis against which to judge the effectiveness of management by the village community. It gave the following results:

- Area: 405 ha, previously exploited but still relatively well stocked with trees too small to harvest for timber,
- Total wood stock: 31,800 m$^3$,
- Average wood volume: 76 m$^3$/ha,
- Main species: *Desmos dumosus* (29%), *Eugenia brachyata* (18%) and *Parashorea stellata* (11%).
- The number of trees, large and small together, varied between 1,600 and 8,600 per ha.
- The annual increase in wood volume was estimated at 2% per year or 1.5 m$^3$/ha/year, so the total growth of the entire forest would be some 600 m$^3$ per year.

The forest identified for the trial did not have a "real owner", merely being under formal "State administration" by Loc Thuy commune People's Committee, Phu Loc Forest Inspection Station and Phu Loc district People's Committee, none of whom was able to arrange for effective protection and lawful exploitation. The authorities presented the villagers with three choices: continue as now, split the forest between the households in the village and let each manage its piece, or arrange for common management. After much discussion, the villagers expressed their preference for the third alternative.
**Overall conditions**

Since there were no legal provisions for formal allocation of a forest to a village community, the allocation required a specific decision by the provincial People's Committee. By the end of 2000, the provincial leadership gave its approval for the trial allocation. A set of rules for management of the forest were also agreed by the village community and its members. After acceptance at the village and commune levels, these rules were forwarded to the district for approval which was given by the end of the year. The following conditions were set in the document forming the basis for the decision by the provincial People's Committee:

**Responsibilities of the village**

- The village is to monitor changes in the forest resources with assistance from the local forestry agency.
- The village must frequent patrol the forest and prevent violations such as illegal harvesting of timber, hunting, etc. All cases of violations must be reported to the village chief and to the Forest Inspectorate for settlement.
- Emerging natural regeneration must be assisted and protected. In such areas, no charcoal production, fuelwood collection, and timber cutting is allowed, but lianas and bushes of low value are to be cut, liberating young trees of valuable species.

**Rights of the village**

- The village has the right to manage the forest resources and to use land and forest in accordance with the law. It is entitled to a part of the value of the forest.
- The village has the right to confiscate wood and equipment of those who violate the rules and to request the competent authority to punish them in compliance with the law.
- The village is to set up a fund, to which contributions can come from local people, from awards, from the State or other donors. Deposits and withdrawals from the fund are to follow rules established by the villagers. The management of the fund is to be monitored by the commune People's Committee.
- The village community is entitled to a part of the increase in wood volume. The more rapidly the forest grows, the larger the share will be for the local people. Based on the increment of the forest, the yield of the forest will be shared as follows:
  - If the increase in wood volume of the forest is above 2% per year, equivalent to more than 1.5m$^3$/ha, the village is to get 50% of the growth (>300m$^3$ per year);
  - If the growth is 1.0-1.5m$^3$/ha/year, the village will get 30% (120-180m$^3$ per year);
  - If the growth is 0.5-1.0m$^3$/ha/year, the village gets 20% (40-80 in per year);
  - If the growth is less than 0.5m$^3$/ha/year, the village gets 10% (<20m$^3$ per year);
  - If there is no increase in wood volume, the forest will be returned to the State.

During the first few years, a maximum of 50m$^3$ of wood can annually be selectively cut to meet urgent needs of the local people for timber for production tools, coffins, house repair, etc. However, the harvest must be approved by the competent authority. In addition, the village has the right to collect dead wood for fuel, harvest non-wood forest products and hunt common wild animals. The villagers and the Forest Inspection Station also agreed on a monitoring system for the forest, tentatively with inventories of the wood stock every five years.

**Village rules**

One of the conditions for the arrangement was that the villagers established rules for their relation to the forest. Because of the formal character of the handing-over of the natural forest to the village community in Thuy Yen Thuong, the rules for protection and management of the forest in that village were more comprehensive than those in the other cases of community or household forest management reviewed in this paper. The rules were formulated by the villagers themselves, following a "list of contents" provided by the Forest Inspection Station in Phu Loc. After the rules had been approved in a general village meeting, they were endorsed by the commune People's Committee and then approved by the district People's Committee. Extracts from the rules are presented below.

**Obligations of the villagers**

- The forests in the locality must be protected, especially the village natural forest. If a forest fire is discovered, the village, the local unit of the Forest Inspectorate or the commune People's Committee must be informed. Everybody has to participate in fighting the fire.
- Before vegetation is burnt for cultivation, the village and the local unit of the Forest Inspectorate must be informed.
• Illegal exploitation, trade and transport of forest products encountered should be stopped and the transgressors handed over to the competent authorities.
• A forest covering 15 hectares should be created around the stream flowing through the village.
• Villagers have the following tree planting duties: During the Tree Planting Festival every spring, an adult must plant at least 30 trees, a school pupil 10.
  o A couple must plant 100 trees after marrying and 50 more after the birth of each child.
  o Pupils graduated from secondary school must plant 50 trees, graduates from high school 100.
• Every household must annually contribute five working days for other forest management activities. Households unable to do so must pay 20,000 VND to the village per working day.

Special prohibitions

• No clearing must be done of forests for cultivation.
• All Production of charcoal is forbidden.
• Fire must not be used in the forest in order to collect honey or beeswax.
• It is forbidden to use dynamite and electricity to catch fish in streams in the area.

Rights of the community and the villagers

The village will consider the need for wood and non-wood forest products of its members and will be reasonable in meeting them provided that the villagers concerned have fulfilled their responsibilities. Only after the demand of local collective bodies and poor villagers is met should any products harvested in the forest be sold in the market. Priority is given to the following purposes in use of the wood:

1. Preparation of coffins
2. Use for production and public work
3. Domestic use
4. For sale, with the income placed in the village fund.

For the village collective, first priority in use of products from the forest is given to construction of irrigation structures, production of agricultural tools, and building and repair of kindergartens. For households, priority will be given as follows:

1. To households with poor houses or in need of furniture.
2. To poor households who are known to have actively participated in forest protection and development.

Households authorised to cut wood are entitled to the following maximum amounts:

• 0.5 m$^3$ for a coffin or for agriculture production tools
• 1 m$^3$ for furniture
• 4 m$^3$ for house building.

Grazing of animals under the forest canopy is permitted provided that it does not harm the forest.

The village fund

• A village fund is to be established, replenished with proceeds from harvest licenses, sale of products, contributions from local people, cash awards, grants from the State, etc.
• Any payments from the fund must be accepted by two thirds of the Heads of the sub-villages.
• The commune People’s Committee is to monitor and check management of the fund and is also to approve the annual settlement of the fund.

Awards

Households and individuals who have made exceptional contributions to forest protection and management are to be commended by the village and will be nominated to the State for awards that may be available. They will also be given priority in allocation of wood and non-wood forest products.

Penalties
Apart from suffering penalties as provided for in applicable laws, violations of the village rules will be punished as follows:

- Each violation has to be compensated by a contribution of five working days in tending and protecting the village forest.
- Those who have broken the village rules will be criticised in front of the villagers.
- Repeated violations will be punished by exclusion from participation in traditional ceremonies and festivals in the village.

**Early results**

It is still far too early to judge whether the trial allocation in Thuy Yen Thuong will be successful. In a joint survey of the forest in September 2001 by the community and the district Forest Inspection Station, however, no signs of recent cutting of large trees or other violations of the agreement for community management of the forest were found. For the village rules for forestry, it will annually be considered whether they need to be revised. The first review will be made in the beginning of 2002. On the whole, it seems that the rules have been found relevant and suitable, so it is likely that only minor revisions will be needed.

**10.2. Decision 178/2001/QD-TTg dated 12 November 2001 by the Prime Minister**

Over the past year or so, the Ministry of Agriculture and Rural Development has been preparing a series of draft rules dealing with the sharing of rights and obligations between the State and local households, organisations, or individuals regarding management of natural forests, the so-called "benefit-sharing rules". By November 2001, the formal Decision was finally signed by the Prime Minister. While this process has been going on, however, locally based management of natural resources has been carried out either outside the formal framework (like much traditional community forest management) or within a locally designed framework different from the one presented in the draft "benefit-sharing rules" (like the PROFOR case in Phu Loc and the case in Tuong Duong district presented above).

Management of natural forests can be governed by different institutional set-ups, such as Land Use Certificates, Management Agreements (also referred to as Joint Forest Management), or other kinds of arrangements. As seen by PROFOR Vietnam, the key issue is that the management responsibility rests with the locally based organisation, and that the organisation is compensated for its management duty by a right in the production of the forest. The case of protection contracts, where a State unit pays a household or another non-State unit in cash for protection of a given forest area is thus not of prime concern.

In the Decision signed by the Prime Minister regarding management of natural forests by non-State units, there was a significant departure from the text in most of the drafts. Communities were not included among the potential management units. In most other ways, the text in the formal Decision follows the principles previously given in the drafts. The rules for sharing of benefits from management of a natural forest were based on the following principles:

- The compensation to the local managers of a forest should be fair. A small or brief effort in managing the forest gives the right to only a small benefit while a greater effort is compensated by greater benefits.
- The local managers have the right to collect dead wood for fuel and non-wood products as well as inter-plant agricultural crops and let their animals graze there, as long as those activities do not interfere with the growth of the forest.
- The sharing between the State and the local managers concerns only the logs falling at the major harvesting occasions.
- Cutting of logs in the forest must be done in accordance with rules designed to ensure sustainability established by the forest authorities.

In Decision 178, the key articles on rules for holders of Land Use Certificates to forests are formulated as follows:

**Article 5. Watershed Protection Forests**

Households and individuals who have been allocated watershed protection forests... have the following rights:

1. Be paid by the State for management, protection, and assisted natural regeneration in accordance with the corresponding approved project document.
2. Collect subsidiary products such as flowers, fruit, oil and resin when carrying out protection or assisted natural regeneration within the limits given by the applicable regulations.
3. Cut dead and broken trees, trees attacked by pests, and wood left on the ground from previous harvests, in accordance with a design approved by the Department of Agriculture and Rural Development and after having received a harvesting permit by the Department. Products obtained in this way can be freely sold in the market.
4. In bamboo forests, have the right to cut bamboo stems, but only after the crown cover of the forest has reached 80% and then only up to 30% of the number of stems. After paying taxes, the households and individuals are entitled to the entire value of the products.
5. When the forest is mature for major harvest, have the right to carry out selective cutting of up to 20% of the wood volume, in accordance with a design approved by the Department of Agriculture and Rural Development and after having received a logging permit by the Department. The harvest must comply with the applicable regulations. After payment of taxes, the households and individuals are entitled to 85%-90% of the value of the wood cut, with the remainder paid to the State.

**Article 7. Natural Production Forest**

Households and individuals who have been allocated natural production forest have the following rights:

1. Intercultivate agricultural crops, medical plants, or use the land for grazing and also for other purposes as long as the activities are conducive to the continued growth of the forest.

2. Collect wood and non-wood forest products obtained as a result of silvicultural operations in the forest.

3. Cut wood for domestic purposes... For major repair of a house or for construction of a new one, up to 10m\(^3\) can be cut. Applications for logging of the households and individuals must be certified by the Commune People's Committee and approved by the District People's Committee who will then issue logging licenses. The harvest shall be done under instruction and follow-up by the local commune. The wood cut cannot be sold.

4. When the forest is mature for major harvest, the household or individual shall submit an application for logging to the Commune People's Committee for consideration and then forward it to the Department of Agriculture and Rural Development for approval and issuance of a logging permit. The harvest shall follow applicable regulations. After paying taxes, the value of the wood cut is to be divided in different ways depending on the status of the forest at the time of allocation to the household or individual, as follows:

   a. *For forests dominated by trees*
      - Exhausted forest: the household or individual has the right to the entire value of the forest.
      - Forest under regeneration after shifting cultivation or cutting, with trees of an average diameter below 20 cm: 70-80% of the value for the household or individual, the remainder for the State.
      - Medium or rich forest with a wood volume of over 100m\(^3\) per ha: 2% of the value of the wood harvested for each year elapsed since the forest was allocated to the household or individual, with the remainder being paid to the State.

   b. *For forests dominated by bamboo*
      - Have the right to exploit the forest accordance with regulations in force. After paying taxes, 5% of the value of the harvest is to be paid to the State with the remainder belonging to the household or individual.

The main difference between Decision 178 and the agreement for Thuy Yen Thuong lies in the way the share of the wood going to the local managers is calculated. The rules for Thuy Yen Thuong indicate a rapid fall in the returns to the village if there is - for whatever reason - a slower increases in wood volumes than expected. Seen in another perspective, the rules give very strong incentives to the village community to ensure that no harm is done to the forest, in the process foregoing immediate gains. While this must be seen by State authorities as a desirable effect of the rules, there is a cost side to the State as well: the system requires regular inventories of the standing stock. In principle, this is only required in order to determine the share of the harvest going to the village community at the major harvesting occasions, perhaps at intervals of 20 years, but the villagers are likely to ask for more frequent information, so that they can know what to expect from their forest. For that reason, such inventories were a part of the deal for Thuy Yen Thuong.

The rules given in Decision 178 say nothing about the growth rates in the forest and thus require no close...
follow-up. The value of the wood falling at the major harvesting occasions is simply split as stated in the rules. Judging from the percentage figures given for the share of the harvest to go to the local forest managers, Decision 178 also seems more generous than the rules for Thuy Yen Thuong. Only time will however show which of the systems will be applied where and what the result of their application will be. Although they originate at different levels in the Government system, both sets of principles should further be seen as preliminary. On the basis of experience from applying them in the field, they are likely to be revised over the years to come.

There are both costs and benefits to the community as well from the "sharing of benefits". In many cases where a forest management agreement if considered, the forest in question is under considerable pressure and is likely slowly to be degrading. Most of the (formally speaking illegal) harvesting of wood is likely to be carried out by people in the locality, either for their own use or for sale to traders. This means that they in such cases in reality for themselves appropriate the entire growth of the forest and quite possibly more. If they sign a forest management agreement, they would have to reduce the amount of wood cut, enabling the forest to recover and ultimately become rich enough to permit harvesting according to traditional forest management principles. In the short run, this constitutes a cost to the local community. The advantage is that by reducing present exploitation levels, the local community will build up a future resource that will belong to themselves.

There appear to be three main weaknesses in the regulatory system now formalised for household management of natural forests. The first is that, to express it crudely, the benefit-sharing policies fail to solve the critical problem. The most important and also most difficult case in management of natural forests concerns poor forests (which cover a much larger area than richer kinds of forest). The State would only be too happy to give somebody else the responsibility to manage such forests in a sustainable way. It is however unlikely that households are interested. The local people already have a de facto right to the forests. A legal right to the forest and its products is better than an illegal one, that is true, but the (present) illegal use is uniformly assumed not to be punished.

For the rich natural forests, the situation is the reverse: there would be interest from the local communities, but there are only few State units willing to cede their right to use those forests. The case of la Ly State Forest Enterprise constitutes an exception to this rule, and in that case, the provincial authorities still seem unconvinced.

The second difficulty with the rules in Decision 178 is that they do not cover "communities". The kinds of units covered, households, organisations, and individuals, are all legal units but this is not the case for a village community. Also seen from this perspective, the management of natural forests, especially poor ones, constitutes the key problem, particularly if they are located far away from their homesteads.

The failure of the authorities to give village communities a legal status that would enable them to receive Land Use Certificates has been criticised. However, it should be noted that villages are not legally recognised units, so there would be a number of specific problems associated with the issuance of Land Use Certificates.

Third, the rules fail to recognise the difference between forestry as carried out by the State and by farmers and other small-scale operators. The rules specifying the rights and responsibilities of the local forest managers prepared so far, both Decision 178 by the Prime Minister and those agreed for Thuy Yen Thuong village, are based on an assumption that the non-State unit will manage a natural forest in the same way as the State, i.e. by selective cutting of a given share of the trees at intervals of a few decades, obtaining relatively large amounts of logs at each harvesting occasion. For each such occasion, the local managers of the forest will forward an application to the nearest forest authority, but the formal permit is to be given by the provincial People's Committee, a comparatively high level authority.

Cutting of relatively large amounts of logs at comparatively long intervals is almost certainly not the best way for a household or a community to use its forest. It would normally be in their interest to harvest quite frequently, obtaining small amounts of logs at each occasion. It would also be very valuable for them to harvest some logs at an earlier date than when the forest as a whole is deemed by the authorities to be "mature". On the other hand, at other occasions they might well postpone harvesting beyond the "suitable time", saving money, as it were, in the forest until it is needed for a special occasion, such as a wedding or the building of a new house.

CHAPTER 11. HISTORY:
JULY - DECEMBER 2001
In line with existing plans, no additional field activities of PROFOR Vietnam are foreseen beyond those already agreed upon which are all to be terminated by the end of the year. As those activities mainly concern studies and documentation in the cases of Hoa Binh and Gia Lai, their termination by the end of the year is easily acceptable. The situation is somewhat different for Thua Thien-Hue, where considerable progress is being made towards sustainable management of natural forests, of potential replicability in other parts of the country. It is obvious that further progress would be greatly facilitated if continued support could be obtained.

**Activities in Hoa Binh**

The formal arrangement for management of the natural forest in Tien village, Thung Nai commune is still under consideration by the district and provincial leadership. No decision has been taken to follow the recommendations made by the local PROFOR consultants. Activities led by the Forest Development Branch in the province are progressing in accordance with the agreement made with PROFOR in April, covering the period until the end of the year. Within this framework, staff from the Forest Development Branch have made a series of visits to various places in the province where interesting cases of local forest management have been developed.

**Activities in Thua Thien-Hue**

In Thua Thien-Hue province, the remaining work agreed with PROFOR was finished during the last quarter of the year. After preparations made more or less in the same way as in Thuy Yen Thuong village in Loc Thuy commune, pieces of natural forests were handed over to the local communities in two other places in Phu Loc district, in Thuy Duong village, Loc Tien commune (500 ha of forest) and in Phu Hai 2 village, Loc Vinh commune (250 ha). In both cases, the principles for sharing of the production from the forest were the same as in Thuy Yen Thuong.

**Activities in Gia Lai**

In July, the Study Team in Gia Lai led by the Tropical Forest Research Centre carried out a set of PROFOR activities in the province. It covers continued discussions at various levels about the possibilities to transfer the management responsibility for forest and forest land to local communities, provision of tree seedlings to villagers in Mong and Tut I, and trials with agroforestry methods. All activities as well as the corresponding report will be finished by the end of the year.

Like in Hoa Binh province, no decision had been taken by the provincial authorities regarding implementation of the proposal for household and group of households based management of the natural forest, in the case of Gia Lai located in Mong and Tut I villages. And again like in the case of Hoa Binh, activities during the last quarter of the year were concentrated to documentation. The following documents were prepared and distributed in the locality in Vietnamese and Gia Rai:

- General guidelines for land use, for protection and management of forests, and for preparation of village rules for forest management;
- Technical guidelines for cultivation of sloping land, including plantation of cinnamon and Litsea trees;
- A technical report on trials with improved methods for shifting cultivation.

**PART IV. THE END**

**CHAPTER 12. REFLECTIONS BY THE END OF THE FIRST PROJECT PHASE**

**12.1. Overall Components of PROFOR and Field Work in Vietnam**

In the original Programme Document for PROFOR, it was stated that the following three components were to be carried out:

- Identification of strategies for sustainable forest management;
- Strengthening of National Forest Programmes and Forest Partnership Agreements;
- Development of innovative financing for sustainable forest management.
This was the starting point. While changes in aims and methodologies have been introduced in the overall UNDP Programme on Forests over the past three and a half years, the original set of components has proved to be a handy reference for what PROFOR is about. In implementation, efforts were concentrated to the first two. The third was left for later, for two reasons. First, it was felt that technical strategies enabling sustainable forest management needed to be in place or at least defined before financing of them was developed. Second, in present-day Vietnam, where subsidies to economic activities are gradually being discontinued, the principle to search for ways to finance something which is sustainable might not easily be accepted as an important component of a new and small project.

With the limited human and financial resources available to it, PROFOR Vietnam could not realistically expect to make a significant impact on sustainability of forest management at the national level. Small size has its advantages, however, particularly by facilitating flexibility and rapid application of lessons learnt. By concentrating its work to a few carefully selected pilot areas in the field, PROFOR also became relatively large where it worked. In its field sites, initially four but by the end of PROFOR I in effect two, the following sequence of activities was carried out:

- Identifying obstacles, to sustainability (in four sites);
- Trying to make forest management sustainable (in three sites);
- Testing a solution (in one site).

In searching for sustainability, it was found that the creation of partnerships between the State and non-State units was essential, so the second PROFOR component was constantly kept active. Through its field activities, PROFOR consistently aimed at supporting the structures of the National Five Million Hectare Reforestation Programme at the local level. And in the later part of the project, it turned out that PROFOR had been instrumental in initiating a locally led, district-wide process of sectoral project coordination and planning. Further, in quite separate assignments, PROFOR assisted the Department for Forest Development to present and develop the National Five Million Hectare Reforestation Programme.

Much of the work in the assignments for PROFOR has been carried out by the PROFOR Field Team. At several occasions, the Team was reinforced by one or a few short-term consultants. In the main, the Field Team has been responsible for the transformation of general PROFOR work plans into field activities and for monitoring those activities.

On a number of occasions, mainly during the first two years, staff from PROFOR Headquarters in New York or the UNDP office in Hanoi participated in discussions and field visits. During the later part of the project, the UNDP Senior Adviser, Dr. Bernd-Markus Liss, assumed those roles in addition to his duties related to the Central Component of PROFOR Vietnam. The PROFOR Project-Director and the Project Coordinator at the Ministry of Agriculture and Rural Development were also both closely involved throughout the project.

In the field, PROFOR Vietnam set up two kinds of structures or, rather, relied on two kinds of groups which already existed. First, for each of the field sites, a group of resource persons was identified and contracted for implementation of field activities. For the four sites, they were the following:

**For Thung Nai commune, Ky Son district, Hoa Binh province**

The first survey was carried out by scientists from the Forest Science Institute in Hanoi. Later studies and concrete support to local activities were led by the provincial Forest Development Branch and Song Da State Forest Enterprise in co-operation with the leadership of the district and the commune.

**For Xuan Loc commune, Phu Loc district, Thua Thien-Hue province**

The initial survey was made by staff of the Faculty of Forestry of the University of Agriculture and Forestry in Hue. Subsequent field activities were led by the provincial Forest Development Branch and Phu Loc Forest Inspection Station, in close co-operation with the district and commune authorities. Towards the end of the first phase of PROFOR, the role of the district and commune level organisations had become dominant.

**For La Mnong commune, Chu Pah district, Gia Lai province**

Throughout PROFOR I, the Tropical Forestry Research Centre in Pleiku, the provincial capital in Gia Lai, has had a key role in leading field activities, with significant inputs from the local State Forest Enterprise as well as from district and commune authorities.

**For Binh Chau-Phuoc Buu Nature Reserve, Xuyen Moc district, Ba Ria-Vung Tau province**
The first survey of the Nature Reserve and neighbouring areas was made by the Southern Branch of the Forest Science Institute, with Headquarters in Ho Chi Minh City. Field activities were led by staff from the Branch in close co-operation with the leadership of the Management Board of the Nature Reserve and the local authorities.

PROFOR Vietnam also created a larger, informal group of people with direct interest in its work in the field. It had a total membership of some 40 persons coming from three kinds of organisations:

- The, study teams engaged by PROFOR for work in the field sites;
- Representatives of the local authorities, coming from the provincial, district, commune, and village levels;
- Representatives from the Ministry of Agriculture and Rural Development and other central Government bodies.

This "core group" of persons leading the field work of PROFOR Vietnam has met in a number of two-day seminars since early 1999, with one day for presentation and discussion of work in the field sites and one day for a field visit. The latest seminar was held in Hue City by the end of 2000.

12.2. On Development of Policies for Forestry

When discussing policies for forestry in Vietnam, it is important to distinguish between policy-writing and policy-making. Most policies for the forestry sector in Vietnam are written in Hanoi by senior staff in the Ministry of Agriculture and Rural Development. When they are implemented in the field, it is often found that, while they may be good in a general sense, they do not work well in the specific situations in some places in the field.

This problem of a "gap" between the Centre and the localities is acknowledged by the Government which in parallel, general, policies strongly encourage local authorities to adapt policies as necessary to make them work in the field. The process is iterative. After local authorities in a number of places have developed better policies, i.e. effectively made policy, the improvements are incorporated in the next version of the policy by the policy-writers in the Centre.

In other cases of policy-making, the Centre is formulating policies on the basis of successful work carried out in the field. This was, for example, the case with the Government decision on rules for allocation of forest land issued in early 1994. By that time, new approaches to allocation initiated by the methodological precursor to PROFOR, the Swedish-funded project "Strategies for Forestry Development", were being implemented in the field in an increasing number of places, so the Government was confident that the new decision was implementable.

The above can be said to constitute the framework for the policy work by PROFOR in Vietnam. It defines the limits for what will and what will not work. It was within this framework that the PROFOR case in Thuy Yen Thuong was developed, and it was in the spirit of learning from the field that a Deputy Minister of Agriculture and Rural Development visited Phu Loc in early 2001 to discuss locally-based management of natural forests.

For natural reasons, there is a bewildering - but fundamentally healthy - variation among the cases, reflecting local conditions as well as local initiative.

12.3. The Government and Sustainable Forestry

The Vietnamese Government has taken quite radical decisions designed to bring forestry in the country on a sustainable footing. In the former State planning system, grants were indiscriminately made available for all kinds of forestry, irrespective of whether any monetary returns could be expected or not. This is no longer so. At present, State grants are in principle available only for activities which are environmentally or socially desirable but judged not to be financially viable. In practice, this means forest operations on land classified as special-use or protection forest land. Activities on land classified as production forest land are in principle to be financed by the forest owners in their own self-interest, within the framework provided by the market situation and the prevailing laws and regulations.

In this transition towards sustainability which has progressed over several years, the Government has recognised the weakness of its own institutions in the forestry sector, principally the State Forest enterprises, in living up to the new demands for financial self-sufficiency. Instead, the Government has encouraged a
transition from State to people’s forestry, arguing quite forcefully that local people, mainly households and “individuals” (i.e. entrepreneurs) will be better able to protect and develop the forest resources of the country.

12.4. A Note on PROFOR Field Methodology

PROFOR aims at institutional changes in the forestry sector, specifically those related to sustainable forest management and the establishment of partnerships between State and non-State units which will lead to new policies and strategies. As PROFOR Vietnam has access only to minor funds for its field activities, it has to search for changes that are “self-perpetuating” in that they do not depend on continued support from outside the Vietnamese administrative set-up. While this is sometimes felt to be an obstacle, it has the clear advantage of weeding out unsustainable approaches already at an early stage.

The methodology for work in the field has been developed by the present PROFOR Field Team over the past decade. It can be said to have its origin in a set of assumptions regarding the forestry sector in Vietnam gradually developed by the Team. While its understanding may or may not be correct, the Team believes that the following factors are the most important ones influencing the degree of success of policy work:

- a. Most leaders at different levels (central, provincial and local levels) expressed a welcoming attitude to local innovations. In consequence, project work in the field should aim at facilitating a local solution to a locally defined problem.
- b. Learning from concrete cases is effective. So, work aiming at creating policy changes should build upon successful cases from the field.
- c. There is a local and national system which uses successful local cases of problem-solving for wider dissemination. This means that it is not necessary for outside agencies themselves to ensure that good cases become widely known.
- d. There is a high degree of readiness for change among Government staff in some organisations in the forestry sector, but not in all. In order to succeed, policy-oriented work will have to build on people (both at central and local levels) who are positive to change.
- e. Relations between the local forest authorities and the farmers vary very much, from friendly and trustful to distant and unenthusiastic. Changes leading to sustainable forest management by non-State units will have to start where relations are good.
- f. In order to be useful in their supportive role, personnel from externally supported projects must establish a feeling of cooperation, of a shared mission, in their relations with local authorities. Some combinations of persons allow for such a feeling to develop, others do not. The conclusion is that as much work as feasible should build on existing good relations.
- g. A small and soft project like PROFOR will have to be very careful how it uses its resources. It should seek assignments chiefly where the external factors under d), e) and f) above are favourable.

12.5. Stages in Field Work

Stage one: searching for representative sites

When PROFOR Vietnam was initiated, it was agreed that it would build much of its activities on a carefully selected set of pilot areas representative of conditions in different parts of the country, where obstacles to sustainable forest management would be identified and attempts would be made to remove them. The PROFOR Field Team, together with a consultant and the project coordinator from the Ministry of Agriculture and Rural Development went on a long journey through the country in search of suitable sites, where the natural and social conditions would enable successful pilot activities. The ease of communication between the PROFOR team and the people concerned in the locality was another important consideration when selecting pilot sites.

Stage two: what makes forestry unsustainable?

After an initial survey of the local situation had been made by the PROFOR study teams and a contribution had been made to the local community in order to create a good co-operation spirit, analyses of obstacles to sustainable forest management were initiated in all four sites by consultant groups engaged by PROFOR in co-operation with local authorities, organisations, and villagers. The following problems were identified:

Thung Nai commune, Hoa Binh
The search for obstacles was limited to Tien, one of the villages in the commune. All forest land had been allocated to the villagers several years before, but there was much confusion about the rights to the forests conferred in the allocation. In co-operation with the local farmers and the commune authorities, the study team identified the following obstacles to sustainable management of the existing forests:

- For the young planted forests, no serious problems were found. The forests were managed by somebody with an interest in their productivity and sustainability.
- The natural, quite poor forests were however essentially un-managed and exposed to illegal exploitation, mainly because there was nobody who had a feeling of ownership.

In co-operation with the commune leadership and people, it was proposed to implement a partnership between the State and the local households regarding the management of the natural forest in Tien village.

**Xuan Lac commune, Thua Thien-Hue**

A beginning was made in Phuc Loc village, the only one in the commune inhabited by the Van Kieu ethnic minority. As forest land had not been allocated previously, it was allocated to the villagers with support from PROFOR and they were subsequently supported in establishing home gardens. Problems were also identified in the management of the planted and natural forests in other areas of the commune, as follows:

- The planted eucalypt forests were attacked by a pest and grew very slowly. Because they were virtually valueless, nobody took any interest in their management.
- The natural forests, some relatively good, under the nominal management of a State Forest Enterprise were in fact largely un-managed, except for periodic harvesting. They were, however, also exploited for useful goods by the local population and certain areas were also used for shifting cultivation.

As a way to solve the problem, it was agreed to search for a benefit-sharing model for the use of a part of the natural forest, enabling the local people to draw significant benefits, so that they would not need to clear the forest for cultivation.

**La Mnong commune, Gia Lai**

Mong village, located at the foot of a partially forested mountain was selected as site for the further analysis. The land close to the village was either bare of forest or had only scattered trees or shrub. Somewhat further away, however, the mountain had quite good forest. The local State Forest Enterprise that had the management responsibility for the forest declared that it was unable to prevent it from gradually being destroyed through shifting cultivation.

It was proposed to make a deal between the State Forest Enterprise now nominally responsible for the management of the natural forests and the local people, making it in the interest of both parties to manage and use the forests in a way that is both productive and sustainable.

**Binh Chau-Phuoc Buu Nature Reserve, Ba Ria-Vung Tau**

The local people, particularly the fishermen, are very short of fuelwood and other forest products, turning to the Nature Reserve in order to meet those needs. The other main forested area in the neighbourhood, a highly productive plantation belonging to the local State Forest Enterprise was not exposed to such illegal activities.

It was proposed to set aside a part of the Nature Reserve with very poor forest cover as a source of forest products for the local people, so that the Reserve itself can be kept intact.

**Stage three: trying to make forest management sustainable**

To the PROFOR Field Team, the four proposals were more similar than expected, but all seemed to be firmly based on the local reality. When the proposals were presented for consideration to the provincial authorities, their reaction was generally favourable except in the case of the Binh Chau-Phuoc Buu Nature Reserve, where PROFOR was told that the solution proposed was un-implementable: the Nature Reserve simply could not be split up as suggested. In effect, this meant that PROFOR activities in the pilot site were discontinued. In the other three pilot sites, the favourable early reaction from the local authorities enabled work to continue. It took the following direction:
An inventory was made of the natural forest and a proposal was made on how to manage it and how to share the benefits between the local community and the State. The proposal was submitted to the district and provincial authorities for approval and possibly implementation. By the end of the first phase of PROFOR, December 2001, no definite decision had yet been taken.

**Phuc Loc village, Xuan Loc commune, Thua Thien-Hue**

Here, events took an unexpected turn. At the initiative of the district authorities and the local Forest Inspection Station, a village in a different commune was suggested as site for a trial with a new form of management by a natural forest. From this point onwards, field activities advanced rapidly.

**Mong village, la Mnong commune, Gia Lai**

The formal progression of activities was quite similar to that in Hoa Binh, even though the natural forest was much richer here. An inventory was made of the natural forest and a proposal was made on how to manage it and how to share the benefits between the local community and the State. The proposal was submitted to the district and provincial authorities for appraisal and approval. By the end of the first phase of PROFOR, December 2001, no definite decision had been taken.

**Stage four: testing a solution in one site**

By the middle of 2000, the district authorities in Phu Loc, Thua Thien-Hue province, were developing the field trial with community management of a natural forest in Thuy Yen Thuong village, Loc Thuy commune, very much in line with the spirit of the proposals developed for the other PROFOR field sites. By the end of the year, a forest of some 400 ha was formally handed over the local community. Encouraged by the positive early results, the principles applied were replicated in two other sites in the district during 2001.

The handing over of the management responsibility for the natural forest to the local community in Thuy Yen Thuong village was a methodological break-through by being the first time such an arrangement was formalised in the country. In consequence, it has attracted much interest - and many visitors - from different parts of the country. Rules and regulations have been available for some time for management of both planted and natural forests by legal units such as households and economic organisations. Local communities or groups of residents are however no legal bodies. Still, they might be the best kind of Organisation to manage a natural forest. Only time will, however, show whether the new form of management is indeed sustainable and satisfactory to both the villagers and the State authorities.

**12.6. The Phu Loc Districtification Case**

The Forest Inspection Station in Phu Loc, the organisation appointed Labour Hero in Thua Thien-Hue province in 2000 set a process of decentralisation in motion which culminated in Thuy Yen Thuong village 30 December 2000 in a solemn ceremony when the local community received formal stewardship over 400 ha of natural forests. On that occasion, representatives from the Ministry of Agriculture and Rural Development, provincial agencies concerned, district, commune authorities and local people were present.

The recent success in finding a locally functioning solution to a locally defined problem in Phu Loc and indeed in the entire province of Thua Thien-Hue has now made the situation conducive to locally driven and ultimately self-propelling institutional change towards sustainable forest management. One could say that the discovery phase is now over and that time has come to consolidate the local process and try it on the next larger scale, the provincial level.

**12.7. Sideline Assignments**

Activities described in previous parts of this chapter can be seen as "core" PROFOR activities, aiming at a change in the prevailing institutions in the forestry sector. The PROFOR Field Team was responsible for much of the methodological development and managed the resulting process. PROFOR also took the initiative in planning and implementing the activities. All the activities were process-oriented in character and aimed at long-term changes. The set of activities supported by PROFOR described in this section has a different character, being punctual in character and of limited duration. They can be seen as inputs rather than
Financial analyses of land uses

In Vietnam, as in many other countries, there seems to be a contradiction between the high profitability and thus attractiveness of forestry as predicted in project plans and the reluctance among ordinary farmers to devote resources to tree planting, especially to borrow for forestry. There is also in Vietnam a lack of ex-post evaluations of the financial attractiveness of forestry. A study of that issue was included already in the first plans for PROFOR Vietnam. It was thought that if some light could be shed on the degree of financial attractiveness of forestry for farmers, the policy for farm and community forestry, two cornerstones for forestry in the future, could be based on a more solid foundation than at present.

Using data collected during the early surveys of the PROFOR field sites, an analysis was made of the financial attractiveness of different kinds of land use, in most cases expressed as cash value of the return to a person-day of labour. Regrettably, however, there were very few cases where data were available for whole cycles of forest management. During later parts of PROFOR I, attempts were made to launch studies of cases of forest management cycles of both planted and natural forests. Regrettably, however, no such studies were ever undertaken, either because of unavailability of competent consultants or because of financial constraints.

Work for the National Reforestation Programme

On a few occasions, PROFOR Vietnam was requested to carry out assignments for the National Five Million Hectare Reforestation Programme or for the Department for Forest Development of the Ministry of Agriculture and Rural Development. The largest one in terms of resources spent covered compilation of information about the Programme and the preparation of a “Programme Document” in Vietnamese and English. Two versions of such a document, one in 2000 and one in 2001, have been prepared which have been the only easily accessible, consolidated descriptions of the National Reforestation Programme. While the documents were of general information value, they also constituted one of the main inputs to the process of establishing a Vietnamese-international partnership for support to the National Five Million Hectare Reforestation Programme.

Another request from the Director of the Department for Forest Development gave rise to studies of more direct relevance to the work in the PROFOR field sites. It concerned “benefit-sharing” from management of natural forests, particularly by communities but also by households. Studies were made in a few provinces where communities or households were in reality managing natural forests on the basis of an agreement with the competent State authority.

12.8. A View on Achievements

PROFOR Vietnam is a small policy-oriented project in a country where a number of major externally supported forestry projects under implementation also aspire to influence policy. In order to have any discernible impact at all, PROFOR had to select its area of intervention carefully. After three years of field work coupled with a few assignments from central level authorities, PROFOR has made itself a name in forestry in Vietnam. As presented in this paper, PROFOR Vietnam had no straight run resulting in a goal. Instead, in the continuous search for openings there has been a great deal of turns.

One full and two half goals scored

Even though it is early to make confident conclusions, the methodological breakthrough for community management of a natural forest officially sanctioned for Thuy Yen thuong village in Thua Thien-Hue in late 2000 is probably the major achievement of PROFOR in Vietnam. Or, to place praise where it belongs, the clearest success of a field partner of PROFOR Vietnam. For the field component of PROFOR Vietnam, it should be counted as a full goal, irrespective of whether its present encouraging rate of replication will be maintained or not. In the present rapid development of methods and policies for community forestry in Vietnam, the Thuy Yen Thuong case will be a good example.

The establishment of the District Project Coordination Committee in Phu Loc should for the time being be rated a half goal. By now, the Committee has had several meetings without any contributions from PROFOR, and the discussions are beginning to have an impact in the form of better coordination among projects in the field. Still, it is still too early to say whether the institution created in Phu Loc will prove sustainable and will be followed by similar ones in other places.
The second half goal would be the increasingly fruitful co-operation with the Department for Forest Development. The PROFOR Field Team and consultants attached to it have become a useful tool for the leadership of the Department, assisting in the search for local solutions or unconventional approaches to key problems with policy consequences for the National Five Million Hectare Reforestation Programme.