THE FIVE MILLION HECTARE REFORESTATION PROGRAM 13

1. What is the long-term vision?

1.1 The Vision:

1. An environmentally sustainable rural economy comprising: (a) forests covering 43% of the country with (i) soil erosion in vulnerable watersheds, flooding and siltation rates of reservoirs substantially reduced, (ii) better balanced year round water storage for hydro-power generation, household and productive use, and (iii) valuable bio-diversity preserved; and (b) a Hill and Mountain Economy free of hunger, with substantially reduced poverty and secure and resilient livelihoods.

1.2 Its Ownership, Origin and Evolution

2. The Government of Vietnam (GOV) is in full ownership of the Five Million Hectare Program (5MHRP). The origin of the program lies with the Decree 327 Program (focussed on infrastructure, forestry and land settlement) of 1993-96. This program is modified by Decision 556 (from 1997-98) and was, as a result, re-oriented towards forest protection. The current Five Million Hectare Program (5MHRP) is focused on the following to realize the vision above: (a) the creation and more effective protection of special use forests and watershed protection forests; (b) the economic regeneration or expansion of forests to meet domestic consumption and export needs of the wood products industry; and (c) the effective development of communes with bare lands/hills to create more employment, improve incomes and reduce the pressure on forests. The vision has had comments from selected members of the Partnership, ADB and Vice-Minister Nguyen Van Dang of MARD.

2. What are the Key Steps needed to attain this vision?

3. The key issues and sub-programs, given below, constitute the key steps or "sub-visions" to attain the above vision.

2.1 Land Use Planning, Forestland Classification, Allocation and Tenure

4. To make more forestland available for sustainable production or protection and to provide appropriate tenure security for agro-forestry investments, priority would be given to land use planning and classification to identify vulnerable communes and mini-watersheds for priority protection and the preparation of realistic land use plans. This will be done after re-classifying current protection forests into a simplified category, largely be based on slope and adjusted for current levels of population pressure. The remaining areas not retained as protection forest will be classified as either suitable for agriculture or production forests. In conjunction with household allocation, production forestland could be considered for competitively-bidded long-term concessions to the private sector for commercial activities like industrial crop production. However, for production forests located in critical watersheds or riverbanks, land classification will also take into account minimum forest areas needed to be consistent with land

13 This version of the "Vision Theme Note" represents work in process.
cover and water conservation. Community-based land use planning would be undertaken at the village/hamlet level in such a way that local officials' influence will be minimized and “true” community needs/problems can be presented and resolved.

5. **Land allocation** (the issuance of land use certificates or red books) and the assignment of related rights and obligations will be undertaken simultaneously for all types of land in each village/hamlet lacking such rights. Community-based land-use planning and establishment of boundaries and, where necessary, their demarcation, will form the basis for land allocation. For organizations and households, land use certificates can be issued to them under the law. However, the issue is how do we satisfy the needs for traditional community rights? Furthermore, hurried issuance of redbooks may be counterproductive if it leads to further conflicts. Until proper community land use planning is completed, a “pre-red book” -- the present “forest registration booklet” (to be given expanded legal rights) would be issued. Stipulated land use restrictions in the forest registration application would be minimal. The capacity to undertake classification, land use planning and forestland allocation will, at the same time, be considerably strengthened. Nearly landless or landless households suffering net losses from the land allocation process will be given priority for new land available for allocation.

6. To ensure environmental sustainability in the protection of priority conservation forest areas (i.e., protection and special use forests), **protection contracts** for selected conservation parcels will continue to be issued for a specified period. Protection contract arrangements would typically be carried out at the community level in order to instill an element of collective responsibility and accountability for protection results. Under certain resource sustainability guidelines, Management Boards will be allowed greater flexibility to grant smallholder contractors with permission to collect limited forest products from the protected parcel. In deciding how long protection contracts are needed, account will be taken of the value of collected products from protection forestland. In addition to spelling out protection payment duration, contracts will specify the benefit sharing arrangements. For special socio-cultural reasons, and after it has been determined that acceptable production alternatives outside the conservation area are limited, long term forestland users or residents in conservation areas can be permitted to receive “conditional red books” for their agricultural/swidden parcels or home gardens/plots. Conditional red book conditions will include a statement of joint smallholders/authority protection obligations of the conservation area. An important clause will stipulate responsibilities for re-forestation interventions on vulnerable agricultural plots entering into fallow. The regulatory and administrative requirements to facilitate these changes will be provided for.

### 2.2 Improving the Social Status of the Forest-Dependent Farmer

7. Forest-dependent farmers can avail themselves of the forests and its products as a source of subsistence, cash income and as a social safety net during times of natural disasters and economic/market shocks or failures. In addition to environmental benefits, forest protection contracts for special use or protection forest (normally earmarked for the poorest segment of the forest dependent community) has helped in poverty alleviation by providing cash for work (forest protection and maintenance). Furthermore, successful forest protection and management programs have secondary but not inconsequential effects on the forest-dependent farmer. Successful forest regeneration nearer to farmers' holdings reduce the time needed to collect firewood and provide more non-timber forest products nearer home. This will free the farmers'
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time for more lucrative home and agro-forestry garden activities (fruit-trees, small livestock). Conservation activities (e.g., resource inventorying, biodiversity monitoring, fire break maintenance) can be contracted to the community as well. Hence, socio-economic impact from forest management and protection can be significant.

2.3 Sustainable Farmer Support Services for Technology and Farm Income Improvement

8. To improve the technical quality of smallholder forest plantations and to improve forest-dependent farmers’ income so that pressure on the forests can be reduced, effective farmer support services must be provided for the improvement of mixed forestry and agriculture systems. First, it has to be recognized that farm forestry cannot be divorced from the rest of the livelihood systems of rural families. An integrated extension approach is therefore necessary. Second, a multi-disciplinary research extension mechanism has to be established to ensure the availability of appropriate technologies that is relevant to various farmer livelihood conditions and forest dependencies. Inter-sector cooperation is required to (a) improve the technical data base (growing stock, species mix, productivity); and (b) evaluate and package available technologies in such a way that farmers can be easily convinced of their attractiveness. This includes not only economic and financial justification but socio-cultural relevance and the role of indigenous knowledge. Managed natural regeneration of production forests will be an important part of the package as will be the concept of agro-forestry gardens and marketing assistance. Third, to facilitate further technology transfer, demand-driven adaptive research trials under typical farmers’ conditions (which can also permit relevant feedback and be used as monitoring and training tools) will be jointly established by the agro-forestry development/extension service, relevant research institutes, private companies and grass roots organizations. The result will be used for up-scaled extension demonstrations to promote lateral information and technology spread between communities. Fourth, the Government extension service and forest development branches at the district level will be provided with improved incentives and supplemented with assistance from contractual arrangements with the private sector to promote extension networks that will facilitate farmer-to-farmer spread.

2.4 Farmer Financing and investment support

9. Financing (for investment and livelihood needs) can be an important constraint for forest-dependent farming households even though they usually undertake low cash requiring activities for multiple-purpose use to minimize their farming risks. Where there exists an opportunity for market integration, financing of quality high value crop seeds or tree seedlings is probably one of the most likely investments they will likely find attractive to borrow for. Tied to this is the need to ensure reasonable and competitive supply sources, including that from the local community. Thus, in accessible areas, credit arrangements will be made through the operational assistance of grass roots organizations (e.g., Women’s Unions) to obtain institutional credit from VBARD. In the less accessible areas, where credit does not play a role of significance, it will be necessary to package low investment and grant based forestry extension support services and combine these with reservations of emergency food support funding. The determination of credit outreach potential is best done through effective community participation starting with Land Use Planning and culminating with Commune Action Plans that contain investments incorporated into household farm plans prepared jointly with private sector, Viet Nam Bank for Agriculture and Rural Development and grass roots organizations.
2.5 State Forest Enterprise (SFE) Restructuring

10. SFEs have jurisdiction over about 5.0 million ha of forests. To ensure that SFEs can effectively play their role, restructuring under the guidance of Decree 187 will be needed to ensure that the spirit of the decree -- efficiency of production and business -- is properly implemented. SFE’s forestlands must be surveyed and re-classified in terms of their land-use capability. On the basis of these land-use classification results - SFEs themselves will be reclassified as either: (a) Management Boards (if their predominant role is protection) or (b) business/commercial production or service enterprises. The GOV (MARD, MPI and MOF) will provide clear guidelines on how the viability of SFEs as business enterprises can be evaluated. In cases where the SFEs do not fulfil the requirements of being classified as either a forest protection board or a commercial business unit, its staff will be eligible for a fair separation compensation (taking into account the supplementary income units provided to them during their service in the SFE). Alternatively, SFE staff could be released to district/ province forest development or extension service branches. Their remobilization into the services would make it possible to revamp and improve services, especially at the district and commune level. The function, tasks and representation of Management Boards will need to be reviewed to ensure that measures will be instituted for management efficiency (including proper accounting and auditing) and representation from grass-roots organization and local area farm households.

2.6 Institutional Capacity Building from Province to Commune Levels

11. While the central ministries, especially MARD, should continue to redefine and improve its policy, planning, legal and technical oversight roles, primary focus will be on strengthening: (a) provincial ability to plan, program, co-ordinate and monitor investment activities for forest resource development; (b) district ability to coordinate and implement support services to the smallholders within a development framework that more effectively involves the private sector and grass-roots organizations; and (c) commune capacity to prepare commune action plans and support households and private forest owners to manage and protect the allocated or assigned forests. Care will be taken to improve (i) the efficiency of allocation and use of investment funds (including the delineation of responsibilities for investments at the central, provincial and sub-provincial levels), and (ii) the monitoring and evaluation of investment results.

12. This would entail (a) some restructuring of responsibilities (absorbing SFE staff within an integrated district support service that can cater for mixed agro-forestry farming systems and small scale business development); and (b) capacity building -- with emphasis on (i) goal-oriented planning methods (including community-based consultation), (ii) the streamlining of budgeting/accounting procedures, (iii) strengthening of social, financial and economic appraisal skills; and (iv) monitoring and evaluation as well as auditing techniques.

3. What should the role of partners be?

3.1 Current Donor Sector Involvement

13. Existing donor assistance cover a wide range of activities in the Forestry sector ranging from policy support (Germany, UNDP, Netherlands, Sweden, Finland) to biodiversity conservation (Netherlands, EU, World Bank, UNDP, Denmark, Australia), inputs/tree seed (WWF, Denmark), technology (IUCN, Japan), watershed protection (ADB, Germany, FAO) and
Social or Community Forestry Projects, most of which are also watershed related (Denmark, Germany, Care, Switzerland, Finland, Sweden) and afforestation (WFP, Sweden, Germany); and agro-forestry (Thailand). There is some overlap in terms of thematic support but not of area (locality) covered. Different initiatives for similar activities (e.g. social forestry) have given results over the past five years which show that it is not possible to generalize about development impacts at the ground (village) level because of variations in agro-ecological and socio-cultural conditions, especially in the highland areas. This provides the case for a properly decentralized approach.

3.2 A possible role for the Government – Donor Partnership

14. The Government of Vietnam (from the Central to the Sub-provincial level) has been implementing the 5MHRP for the past two years and its predecessor (the 327 program) over the prior six years. The Government - Donor Partnership, established as a result of the 1998 CG, can be grouped as follows: a) Government of Vietnam (central and decentralized layers); b) households; c) SOEs/state-controlled management institutions; d) private sector; e) donors (grant or loan providers); f) international organizations (TA providers, International NGOs). The Partnership is now moving towards the development of a sector support program.

15. The programmatic approach being considered first establishes a framework for priority policy, sub-program and institutional development, the support of which would be designed in a flexible format. Sub-programs of the 5 MHRP are evaluated for their problems and constraints. The policy and institutional measures needed to alleviate them and to facilitate implementation will be broadly agreed upon by the main stakeholders. Care will be taken to identify systemic policies and operational guidelines that are applicable to broad sub-program or project conditions rather than detailed inflexible procedures. The Government and its local partners, within the agreed guidelines for the framework, will implement the sub-programs and projects. Foreign assistance (technical and financial) will be provided within a strategic approach set over a 10-15 year period, but will be grounded on anticipated needs devised along the lines of a rolling Three Year Plan and yet be able to fit in the Government’s budgetary process. The process approach would focus on result (output)-oriented monitoring (jointly with key stakeholders) of policy, activity and institutional milestones with timely warning guidance for technical/financial assistance to troubleshoot and resolve unanticipated problems during program implementation. Funding could be earmarked or contingency-based.

16. The existing form of 5MHRP lends itself quite well to the proposed approach. It is already based on a concept of projects within the umbrella of various subprograms where, in principle, beneficiaries propose projects to the authorities for funding or co-funding by the 5MHRP. Continuing its concept, the projects can be evaluated for their contribution to the agreed sub-program objectives and outputs, and their willingness to adhere to the principles of implementation in order to qualify for funding. This is basically what is taking place in a rather ad hoc fashion. It is, therefore, mainly a matter of systematically bringing the quality, effectiveness and efficiency of the existing system up to the standards for international co-financing. Furthermore, there already exist projects under the 5 MHRP that are co-funded by other national sources (local government or other national level programs). This means that provision for important linkages is already allowed for and will not be new.
17. Under this approach, donors and international organizations can still pursue their synergistic support, which is presently being practiced on a project level. For example, NGOs can continue to work with local grass roots organizations at the community development level while multilateral donors continue work on ensuring systemic changes in management and administration and on improving the policy and regulatory environment. Scientifically-oriented international organizations (IDRC, IUCN, WWF, ICRAF, CIFOR) could similarly work with local science institutes and with socio-cultural-oriented organizations (International NGOs) to continue their work with grass roots organizations to address the replicability issues for technology development and transfer at the farmer level. The only difference is that their participation will need to be designed on a program/sub-program basis.

3.3 Technical Assistance Focus

18. Donors and Government still have to do considerable work in coming together on a harmonized program approach. Various sub-studies will have to be carried out to prepare for such a program to cover its management and procedural framework, and its joint monitoring and evaluation requirements. A number of areas have been pre-identified for donor assistance in technical assistance. Their timely implementation will constitute important support of the programmatic approach:

(a) Financial and economic assessment and monitoring of sub-programs or projects.
(b) Completion of a simplified and more transparent system of forestland classification, land use planning and forest allocation.
(c) Comprehensive wood-processing/commercial plantation study.
(d) Establishing research-extension linkage in mixed forestry/agriculture systems.
(e) Study on the impact of various natural regeneration, assisted regeneration forestry models.
(f) Options for blending local/indigenous knowledge and modern/scientific approaches in forest management and agro-forestry systems development.
(g) Standardization of procedures for: (i) planning, monitoring and evaluation; and (ii) budgeting and financial planning

4. What are the key monitorable indicators?

19. This section will be finalized after further discussions between GOV and the Partnership. Some possible sub-program activity indicators include: area and number of households classified and allocated; area planted or under assisted natural regeneration; area under each category of forests; extent of bare land "re-greened"; number and area of red books issued; number and area of conditional red books issued; and number and area of "pre-red book" issued. In addition, indicators will also be needed for objective levels and policy and institutional development milestones, depending on how the programmatic approach is designed.