THE PILOT PROJECT OF FOREST LAND ALLOCATION

IN EASOL COMMUNE, EAHLLEO DISTRICT

DAK LAK, VIETNAM

Documented by Consultative Working Group

September 1999

Re. On approving of pilot project in which natural forest/forest land should be allocated to household

TO: DAKLAK PEOPLE'S COMMITTEE

Department of Planning Investment, Department of Agriculture and Rural Development and Land Management Department in Daklak province had received submission No 26/TT-LT on 1 August 1999 of Ea H'Leo Forest Enterprise in which forest land/natural forest allocation project are necessary to be approved

- According to Decree No. 02/CP dated 15.1.1994, the government issued regulations of forest land allocation to individuals households for sustainable management and protection.
- Based on Decision of the Prime Minister No 661/TTG of 29.7.1998 about objective, policy and operational organization of Five Million-Hectare Forest Programme.
- Pursuant to Decision No 96/1998/QD-UB dated 21 January 1998, which is promulgated by Daklak People's Committee for planned norm in accordance with governmental regulations in 1998

A meeting was hold in Ea Sol commune. All participants (DPI, DARD, Ea H'Leo district People's Committee, Ea Sol commune People's Committee and some households) totally agree with pilot project in which forest land and natural forest are allocated to households. After and agreement had been made among DPI, DARD and LMD, the contents of submitted report are as follows:

Article 1: natural forest/forest land allocation scenario to households in Ea H'Leo Forest Enterprise is approved.

1. The name of project: pilot project of natural forest/forest land allocation to households for sustainable management and protection.
2. Size - Location: the total areas is 2.036 ha for the two forest blocks No 1066 and 1068 of Ea Sol commune, Ea H'Leo district.

3. Forest type: forest land, forest production.

4. Objectives:
   - Pilot allocation of forest land to individuals or households for sustainable management and utilization.
   - Giving employment to local people, drawing stakeholders to participate in doing business in forestry sector, especially farmers

5. Land use planning
   The total number is 2036 ha of which
   - Land for plantation and cultivation (agro-forestry) 94 ha
   - Land for nourished young forest (to be maintained) 915.3 ha
   - Land for young forest (protected for natural regeneration) 18.4 ha
   - Land for rich forest 21 ha
   - Land for protection forest 703.8 ha
   - Land for agricultural production 249.4 ha

An area of agricultural land is 249.4 ha of which 35 ha of poor forest are converted to agricultural land

6. Planning for rural transportation/roads 20 km

7. Invested capital 1,321 Mio

8. Source capital 105 Mio
   - Capital from governmental budget (support to land clearing) 1,225 Mio
   - Households’ capital
     (Capital used for households’ agroforestry production)

9. Investor is Ea H’Leo Forest Enterprise until procedures for land use rights certificates and contract of sustainable forest allocation to households are completed

**Article 2: Duties and rights of people assigned forest land and natural forest**

**A. Rights**

1. Receivers allocated must be local people confirmed by the People’s Committee in commune. Ethnic minority people should be given priority.

2. Norm
   - Area of land of plantation forest is not over 10 ha per household
   - Area for agriculture land and residential is not over 2 ha per household
   - Area of natural forest is not over 250 ha per household

3. Time: 50 years

4. Receivers' rights through forest land/ natural forest allocation
   - They can harvest the whole non timber forest products: basin, dry firewood, branches of trees, shoot, pharmaceutical products and mushroom directly from allocated area for sustainable protection and utilization
   - For timber products, the benefit rate is expressed as follows:
Each household allocated natural forest area benefits 6% of the total value of harvested products after they pay taxes according to tax laws

- After 5 years, household benefits 30% of the total value of harvested products
- 10 years later, household benefits 60% of the total value of harvested products
- After 15 years, household benefits 90% of the total value of harvested products
- Since the 16th year, household benefits 100% the total value of timber products harvested from allocated size.

Designing cost and logging expenditure: each side pays costs itself for the products harvested

5. For families' need timber for housing, if they are permitted by leaders of the village or the commune People’s Committee in their locality, then they can have certificate issued by district People’s Committee so that they can log timber from their allocated area. The limit is 5 m³ of timber per household. In addition, they can do it once per 20 years and do not pay tax for this volume of timber

6. To plantation forest, households receive 100% products they exploit as well as are exempted from taxes in the initial phase. Since the second one, they have to pay taxes of land use as regulated

7. Other policies must obey the Decision of the Prime Minister No 661/TTG of 29.7.98

B. Duties

1. The households’ responsibility is to manage allocated land well. Shifting cultivation for land, encroachment, logging, forest fire and illegal land transfer should be avoided. In contrast, they are treated according to the law.

2. Within 2 years since families allocated land, if they do not use or use less than 50% allocated area without giving reasonable reasons, the People’s Committee in district can withdraw the remain, allocating to other families.

Article 3

Land Management Department takes responsibility for withdrawing 2036 ha of the two forest blocks No 1066 and 1068, which had been allocated to Ea H'Leo Forest Enterprise. Then People’s Committee in Ea H'leo district must manage the withdrawn size in accordance with contents of the approved project.

Article 4

Duties of Ea H'Leo People’s Committee and Ea Sol People’s Committee are:

1. Allocated forest and forest land must be managed in line with Decision of the Prime Minister No 245/TTG dated 21.12.1998
2. After Ea H'Leo Forest Enterprise finished its procedures as regulated (to every household), it is responsible for transferring the procedures to Ea H'Leo district People’s Committee. Its duty is to decide land allocation and issuance of land use rights for households or individuals for sustainable utilization pursuant to Decree No 64/CP dated 29.7.93; Decree No 02/CP of the Prime Minister on 15.1.1994; Instruction of the Prime Minister No 18/TTG of 1.7.1999; Circular No 346/TT of Head Office of General Department of Land Management dated 16.3.98. Ea H'leo district of People’s Committee also takes responsibility for making contract (khe uoc) in which households are allocated forest land for sustainable protection, management and trading allocated forest (households’ rights and duties see Article 2).

We would like to submit these contents and expect for provincial decision.
DAKLAK PEOPLE’S COMMITTEE

on approving pilot project in which forest land and natural forest are allocated to households living in Ea H'leo Forest Enterprise

DAKLAK PEOPLE’S COMMITTEE

- Based on institutional laws of People’s Council and People’s Committee approved by National Assembly dated 21.6.1994.
- According to Decree No. 02/CP of 15.1.1994, the government issued regulations of forest land allocation to households or individuals using it for sustainable purpose.
- Based on Decision of the Prime Minister No 661/TTG of 29.7.1998 about objective, policy and organisation of Five Million-Hectare Forest Programme.
- Evaluation of proposals from Planning and Investment Department, Department of Agriculture and Rural Development and Land Management Department.

DECIDE

ARTICLE 1

Approve pilot project which forest land and natural forest are allocated to households living in Ea H'leo Forest Enterprise. The contents are as follows:

1. The name of project: pilot project allocating forest land and natural forest to households and individuals for sustainable and long-term utilization.

2. Size - Location: the total areas is 2.036 ha for the two forest blocks No 1066 and 1068 belonging to Ea Sol commune, Ea H'Leo district.

3. Object: forest land and existing forest planned for production.

4. Objectives:
   - Piloting forest land allocation to people so that they themselves manage and protect the land allocated; helping families to produce and do business in sustainably
   - Giving additional employment to local people, motivating sources in trading and developing forest especially sources from local farmers

5. Land use planning
   - Land for plantation combined agriculture (agroforestry) 94 ha
   - Land for nourished young forest (to be maintained) 915.3 ha
   - Land for young forest (protected for natural regeneration) 18.4 ha
   The total number is 2036 ha of which
ARTICLE 2

Duties and rights of people assigned forest land and natural forest

A. Rights

1. Those persons who are allocated must be local people confirmed by the People’s Committee in commune. Ethnic minority people are prior.

2. Quota/norm of forest land allocation
   - Not go beyond 10 ha land of plantation forest per household
   - Not be more than 2 ha of agriculture land per household
   - Not exceed 250 ha land of natural forest which allocated to families with the aim of management, protection as well as doing business

3. Prolonged time of forest land/natural forest allocation: 50 years

4. People’s rights through allocating forest land/ natural forest
   - People can harvest the whole non timber forest products: dry firewood, branches of trees, shoot, pharmaceutical products and mushroom directly from areas allocated to manage, produce and trade
   - For timber products, the ratio between farmers and the government is below:
     - After 5 years, households receive 30% of the total value
     - 10 years later, households receive 60% of the total value
     - After 15 years, households receive 90% of the total value
     - Since the 16th year, households managing forest enjoy totally 100% the value of timber products exploited from the forest. The logging must obey exiting governmental regulations

Designing cost and logging one: each side pays costs itself for the products harvested

5. For families’ need timber for building their houses locally, if they receive the acceptance of local governmental village or the People’s Committee at commune, the district People’s Committee then issues the permission for them so that they can log in their allocated area. The limit is 5 m³ of timber per household. In addition, they can do it once per 20 years and do not pay tax for this volume of wood

6. To plantation forest, households receive 100% products they exploit as well as are exempted from taxes in

- Land for rich forest 21 ha
- Land for protection forest 703,8 ha
- Land for agricultural production 249,4 ha

249,4 ha of agricultural land of which poor forest reclassified and converted to agricultural land is 35 ha

6. Planning for transportation/roads 20 km

7. Invested capital 1,321 Mio

8. Source capital 105 Mio
   - Governmental budget capital (support to land clearing) Households’ capital need 1,225 Mio

(Capital used for households’ agroforestry production)

9. Investor is Ea H’leo Forest Enterprise until procedures for land use rights certificates and contract of forest allocation to households are completed
the initial phase. Since the second one, they have to pay taxes of land use as regulated

7. Other policies must obey the Decision of the Prime Minister No 661/TTG of 29.7.98

B. Duties

1. The households’ responsibility is to manage allocated land well. Shifting cultivation for land, encroachment, logging, forest fire and illegal land transfer should be avoided. In contrast, they are treated according to the law.

2. Within 2 years since families allocated land, if they do not use or use less than 50% allocated area without giving reasonable reasons, the People’s Committee in district can withdraw the remain, allocating to other families.

ARTICLE 3

Land Management Department assigned responsibility for making procedures to withdraw 2036 ha of the two forest blocks No 1066 and 1068 reallocating from Ea H’Leo Forest Enterprise this land use rights to the People’s Committee in Ea H’leo district so that it is managed the land as the contents of approved project. Then the report is submitted to the provincial People’s Committee.

ARTICLE 4

Duties of Ea H’Leo People’s Committee and Ea Sol People’s Committee are:

1. Manage forest and forest land pursuant to Decision of the Prime Minister No 245/TTG dated 21.12.1998
2. After Ea H’Leo Forest Enterprise finished its procedures as regulated (to every household), it is responsible for transferring the procedures to the People’s Committee in Ea H’Leo district. The duty of People’s Committee in Ea H’leo district is to give the decision of land allocation and land use rights certificate for forest land for each household, individual with the aim of sustainable use in agriculture and forestry according to Decree No 64/CP dated 29.7.93; Decree No 02/CP of the Prime Minister on 15.1.1994; Instruction of the Prime Minister No 18/TTG of 1.7.1999; Circular No 346/TT of Head Office of General Department of Land Management dated 16.3.98. Ea H’leo district of People’s Committee also takes responsibility for making contract in which households are assigned to manage, protect and trade natural forest (households’ right and duties see Article 2).

ARTICLE 5

- Chairman of the provincial People’s Committee
- Director of Planning and Investment Department
- Director of Department of Finance and Price
- Director of Land Management Department
- Director of Forestry Development Sub - Department
- Chairman of People’s Committee of Ea Sol commune
- Director of Ea H’Leo Forest Enterprise
- And leaders of relevant agencies are responsible for the realization of this Decision.
- The Decision is put into effect since the day it signed

File On behalf of Daklak People’s Committee
- As Article 5 Vice chairman
- The provincial Board of Communist Party Signed
- The provincial Board of People’s Council Le Van Quyet
- DARD, MARD, GD of LM
- MPI
Chapter 1

THE BACKGROUND FOR BUILDING THE PROJECT

The establishment and implementation of FLA project of EFE are based on:

3. The decree No 02/CP dated Jan 15, 1994 by the Prime Minister on allocation of forest land to organizations, households and individuals for long-term forestry purposes.
4. The decision No 661/QD-TTg dated July 29, 1998 by the Prime Minister on duty, objective, policy and implementation of 5 million ha of national forest plantation project.
7. The workshop of the provincial concerned Sectors, Dak Lak PC, EaH'leo PC and relevant district sectors, EaSol, EaHiao and EaH'leo commune PCs at EFE's office on June 13, 1998. Workshop at EaSol PC office on July 24, 1998, the meeting with people on July 30, 1998 in EaSol commune; workshop at EaH'leo district PC on August 22, 1998 for approving the project; workshop at DARD's office on August 29, 1998 for FLA plan of EFE.
8. Contributed opinions of the people in three villages: Cham, Diet and Kri of EaSol commune through the papers (questionnaire) of seeking for the people opinion (and then consensus).
9. The current situation of forest and forest land resources in the areas of EFE and EaSol commune. The current agricultural land resource of the households who had applications for land and forest, as well as the present economic and living conditions of the ethnic people in EaSol commune.
10. The conducted opinions of the Standing Members of EaH'leo district Party Committee, EaH'leo PC to EFE towards this project.
11. The 1st and 2nd drafts of regulations on land allocation/forest assignment to organizations, households and individuals for long term sustainable use for forestry production by Dak Lak DARD
12. Workshop on land allocation/forest assignment held at DARD on 10/4/99 with participation of relevant agencies and forestry consulting group.

Chapter 2

OBJECTIVES AND REQUIREMENTS

Objectives

Land and forest land is the valuable estate of the country, which is uniquely administered by the Government. The stable and long term forest land allocation to the individuals and households for utilization and management aims at:

- Involving individuals and households in the locality in the forest management and protection, forestry business and production.
- Step by step enhancing the people's awareness of forest and environmental protection, establishing a stable and developed society with a forestry career for people in the region.
- Creating more jobs for the local people.
- Mobilizing the human resources and other potentials of the people in the region for forestry development. People really own forest and forestland.
- Contributing to solve the lack of agricultural land, which is resulted from the in-migration, land encroachment of the people for growing coffee as well as the expansion of rubber plantation of the state-owned Enterprises in the region.
• Assisting to carry out hunger eradication and poverty alleviation, in order to enhance the living standard for the people, especially for the ethnic minority people.
• Creating a peaceful condition so that people feel self-confident to carry out their production activities, strengthening and enhancing their confidence in the Communist Party and Government, contributing to consolidate and strengthen the social and political security in the region. Gradually limiting and then stopping the tradition of forest destruction for shifting cultivation, as well as the illegal forest products exploitation of the people on the management areas of EFE.

Requirements

The implementation of forestry land allocation of the Enterprise must satisfy the following requirements:

• Be consistent with the policies of the Communist Party and Government, Forestry Sector, the provincial guidelines in term of FLA (Decree No 02/CP, Decision No 661/ QD-TTg on July 29,1998).
• Be consistent with the local situation, meet the people's expectation so that they can be involved positively in the forest and forestland allocation, management and protection, invest in forestry investment and business.
• Ensure that the forest is reserved and developed after allocating, users can improve their household economy by the establishment of agro-forestry systems and forestry businesses.
• Be suitable for the forest planing, forestry business and production of the Enterprise.
• Suitable to the local socio-economic development target.

Chapter 3

NATURAL AND SOCIO-ECONOMIC CONDITIONS OF THE PROJECT AREA

1. Status of forest and forestland

(following the forest inventory statistics in 1995)

For achieving an area scale of 2000 ha, blocks 1066, 1068 and compartment 4 of block 1069A have been selected for allocation (of which 300 ha have been allocated to the locality for management, and 49 ha have not been allocated).

**Block 1066:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total area</td>
<td>1010 ha</td>
</tr>
<tr>
<td>Area with natural forest, including:</td>
<td></td>
</tr>
<tr>
<td>Young forest</td>
<td>542.4 ha</td>
</tr>
<tr>
<td>Poor-stock forest</td>
<td>308.3 ha</td>
</tr>
<tr>
<td>Medium-stock forest</td>
<td>29.3 ha</td>
</tr>
<tr>
<td>Forest garden (cashew)</td>
<td>10.1 ha</td>
</tr>
<tr>
<td>Barren land without forest, including:</td>
<td>119.9 ha</td>
</tr>
<tr>
<td>Forestry barren land</td>
<td>78.3 ha</td>
</tr>
<tr>
<td>Agricultural land</td>
<td>40.2 ha</td>
</tr>
<tr>
<td>Others</td>
<td>1.4 ha</td>
</tr>
</tbody>
</table>

**Block 1068:**


Block 1069A: Compartment 4: 79 ha (Poor-stock semi-ever-green forest)

Include:

- Land with forest : 49 ha
- Land without forest: 30 ha (Forestry barren land)

Therefore, the project area for this block:

<table>
<thead>
<tr>
<th>Category</th>
<th>Area (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total area</td>
<td>2102</td>
</tr>
<tr>
<td>Area with natural forest, including:</td>
<td></td>
</tr>
<tr>
<td>Young forest</td>
<td>1087</td>
</tr>
<tr>
<td>Poor-stock forest</td>
<td></td>
</tr>
<tr>
<td>Medium-stock forest</td>
<td>627.0</td>
</tr>
<tr>
<td>Forest garden (Cashew)</td>
<td>29.3</td>
</tr>
<tr>
<td>Barren land without forest, including:</td>
<td></td>
</tr>
<tr>
<td>Forestry barren land</td>
<td>348.6</td>
</tr>
<tr>
<td>Agricultural land</td>
<td>186.5</td>
</tr>
<tr>
<td>Others</td>
<td>158.2</td>
</tr>
<tr>
<td></td>
<td>3.9</td>
</tr>
</tbody>
</table>

The forest land area is mainly dry open forest of Dipterocarps. Semi deciduous broad-leaved forest can be seen along the EaHiao and EaRo Mui forest.

The status of young forest is Iib.

(The above figures will be adjusted following the real number of designed document).

**NATURAL CONDITIONS IN THE PROJECT AREA**

**Geographical location**

- Eastern border adjoins block 1067 (EaHiao stream)
- Western border adjoins the focus agricultural land and residential area of EaSol commune.
• The Southern adjoins coffee plantation area of EaTul Enterprise.
• The Northern adjoins the blocks 1065, 1064, 1063.

**Geographical features:**

The planing area is surrounded by the big streams. The northern border is the provincial road No 7B and it is also the mutual border of block 1065, 1064, 1063. The eastern is the EaHiao stream which separates from block 1067, therefore, it is easier to differentiate with other areas.

The Western adjoins with the agricultural land and residential areas of EaSol commune, therefore, the forest land allocation to the individuals and HHs is convenient for agricultural and forestry production as well as forest management and protection.

It is obvious that this area is very comfortable for the local authority to manage because of the flat terrain (especially block 1066) and is not strongly divided.

**Altitude**

\[ H_{\text{max}}: 636 \text{ m} \]
\[ H_{\text{min}}: 400 \text{ m} \]
\[ H_{\text{average}}: 510 \text{ m} \]

The terrain is relatively flat, and slope to the north.

**Slope**

\[ I_{\text{max}}: 25^{\circ} \]
\[ I_{\text{min}}: 5^{\circ} \]
\[ I_{\text{average}}: 15^{\circ} \]

**Climate and Hydrology:**

**Climate:** Have the Central Highland climate with two differentiable seasons.

• The dry season: from November to April of the following year
• The rainy season: from May to October.

The dry season is dry with strong wind – the velocity of the wind is 2-3m/s - which is danger to the forest fire. The rain focus in July, August and September in the rainy season with the rainfall of 1700 – 1850 mm. The average rainfall is 1750 mm.

Being affected by the Chu Kung mountain range, this area is characterized a special climate in the region. The rainy season starts later than other communes, it stops later as well. In 1997 and 1998, this area of EaH'leo district (EaSol and EaHiao commune) was badly influenced by the Elnino phenomenon, causing the terrible drought. The winter-spring crop had almost been burned and lost.

**Hydrology:** EaHiao, Ea Ro Mui and Ea Ro Tao are the three large streams in the area, but only EaHiao is full of water for the whole year, and this is the most important stream to the EaHiao and Dlie Yang communes of EaH'leo district.

**Soil condition:**

Grey Feranit is the most popular soil which develops on the Granit, Argillaceous and Laterit rocks. Along the large streams of EaHiao and Ea Ro Mui, a relatively thick cultivated layer (>1m) can be found, which is suitable for agricultural production – comfortable for the cultivation of valuable industrial crops such as: pepper, cashew, sugarcane, for other high value kinds of fruit-trees for export such as longan, litchi, mango, durian, rambutan..or for annual crops, as well as for forest plantation.
Transportation:

The planing area for allocation is close to the residential area of EaSol commune so it is convenient for transportation. The northern border is the provincial Road No 7, the western border is inter-commune road from Road No 7 passing Kri village to Ea Hiao commune.

There is a big trail from Cham village to EaSol commune and other trails which previously were opened for forest products exploitation.

It can be said that the road system in these two blocks is very convenient for transportation to serve for the forest management and protection, agricultural production, forest plantation and exploitation.

However, forest will be allocated to each HH, therefore, a suitable road system should be planed in the project area in order to carry the agricultural and forest products, timber, seedling plant as well as to facilitate the forest management and protection, and subsequently avoid the disputes amongst forest Users. This road system should be detailed distributed and designed, in order to get to all the forest parcels of the entire planing area.

The forest areas which are planed for building the road system should not be allocated to HH to manage when the Government has not funded for construction.

Socio-economic conditions

This is an experimental project with a limited plan (and budget) for FLA, it is advised to follow strictly the conduction of the EaH’leo district Communist Party and PC. EFE and EaSol commune PC have agreed to allocate to the individual HH of 4 villages: Diet, kri, Cham, TaLy which are near the planing area. It is also considering mobilizing the entire communal officers (their HHs) to take part in the FLA, aiming at earning the confidence from the people. These peoples will be the key HHs to mobilize, support the above households of the 4 communes in the forest management and protection, as well as in the agricultural and forestry production.

- Total estimated HHs for allocation

<table>
<thead>
<tr>
<th>Village</th>
<th>Total HHs</th>
<th>Estimated HHs for allocation</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buon Kri</td>
<td>97</td>
<td>60</td>
<td>62</td>
</tr>
<tr>
<td>Buon Diet</td>
<td>28</td>
<td>15</td>
<td>50</td>
</tr>
<tr>
<td>Buon Cham</td>
<td>86</td>
<td>40</td>
<td>46</td>
</tr>
<tr>
<td>Buon Ta Ly</td>
<td>127</td>
<td>22</td>
<td>17</td>
</tr>
<tr>
<td>Communal Officers (HHs)</td>
<td>13</td>
<td>13</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total HHs to receive allocated land</strong></td>
<td><strong>351</strong></td>
<td><strong>145</strong></td>
<td><strong>41</strong></td>
</tr>
</tbody>
</table>

A small number of HHs with 0.5 - 1 ha harvested coffee have a relatively stable economic condition, most HHs of the above 4 villages have been dealing with the difficulties which have resulted from the backward custom of forest logging for shifting cultivation. Food amount per capita has not exceeded 150 kg/year. Average income per capita is under 100.000 VND/month, thus most of them are lacking of food. Current agricultural land of each HH is 1 - 1.5 ha, mostly Grey soil, some areas have been impoverished, which resulted in low productivity of agricultural production and food shortage.

At present, some HHs are trying to plant pepper and coffee, and they are also in the immature period. Some HHs of Diet, kri and TaLy villages have received coffee and rubber from EaH’leo Rubber Company, EFE and EaTul coffee Enterprise for managing, tending and inter-cropping following the contraction, nevertheless, they are still dealing with many difficulties. Livestock raising seems to have failed to develop due to the invested capital deficit for development and variety improvement.

Therefore, it is reasonable to choose the above 4 villages for experimentally allocating forestland, to improve their living standard and gradually increase their incomes. In order to give these HHs self-confidence to carry out effectively their agricultural forestry production on the allocated plots, the State should promulgate the
policies on capital support, loan and investment capital to offer a feasible condition for production to the people, so as to increase their family’s income and living standard (enough food), for them to obtain a perfect forest management and protection and step by step invest in forestry production with high effectiveness.

Chapter 4

POLICY FRAMEWORK FOR FORESTRY LAND ALLOCATION

- Forestry bare land and existing natural forest to be allocated

1. RIGHTS OF INDIVIDUAL HOUSEHOLDS

Right for benefiting forest products:

A. Natural forest:

- All the production forests are natural forest including: Forest for generation restoration, young forest, poor-stock forest, and medium-stock forest, etc are allocated to the HHs, and people are requested to pay natural resource tax for the value of the benefit sharing percentage of the product of final felling.
- Have the right to get use of supplemental forest products, such as bee honey, fuel wood, dead trees, damaged trees, naturally dry trees, rattan... without paying tax.
- Have the right to inherit, transfer allocated forestry land with permission of the forest enterprise
- The benefit sharing percentage by the final felling for the HHs are low or high due to the allocated duration:
  - < 5 years, HHs can get a benefit sharing rate at 30% of the total products
  - 5 - 10 years ........................................ 60 %
  - 10 - 15 years ....................................... 90 %
  - > 15 years ........................................... 100 %
- For HHs received forest for oriented regeneration, they can get 100% of the products in final felling, and must pay resource tax as regulated.

B. Plantation forest:

- Individual HHs are able to own their plantation forest in case they invest their money, implement the joint-venture cooperation with other HHs or stakeholders; they are offered a loan or capital support from the Government. They benefit 100 % of the products without paying land use tax for the first period; from the second period of forestry production, they are obliged to pay this tax.
- Plantation forest is the mutual estate of both the people and the Government if the investment was carried out by the capital of the both sides. In this case, the benefit sharing percentage is based on the contributed investment capital percentage of each side. People are not required to pay the land use tax for the first period, but for the subsequent periods, effectuating from the second.
- Other rights: Individual HHs have the right to decide the kinds of forest trees, planting spacing (density), planting practice (method), duration of exploitation, price and output service, and their products are free to sell on the market.
- HHs, who plant the precious timber species which belong to the group IIa (following the forest trees classification system) will be supported VND 2 million/ha by the Government. (following the Decision No 661/QĐ- TTg)
- When plantation forest reaches exploitable age, HHs should inform the local forest protection station for commercial exploitation, or inform commune PC for local use, to get confirmation that exploited wood is from plantation forest.

Other rights:

- Can receive land use titles for bare land and agricultural land
- FE issue certificate for forest protection/management to be legal basis
- Can integrate with every economic component to mobilize funds to input in development of agro-forestry production on the allocated area
- Can open forest product processing units in accordance with state regulations
- Are protected by law in terms of legitimate rights for land - forest
- Are supported by local authorities and legal agencies in forest protection, management and forest management.
production
• In case the Government withdraw from the contract for other purposes, people are compensated the
growth timber part of the previous time. The real stock of their plantation forest will be calculated and
paid by the government at the price at that moment.
• People are supported by investment capital, loan capital by the government for forest planting,
regenerating, restocking, forest restoration and protection, for developing industrial crops - in order to
boost their agricultural and forestry production on the allocated parcels.
• Agricultural land is allocated to HHs (who lack agricultural land) in the allocated parcels or in the focus
agricultural area of the project.
• In case people plant the forest trees which have over 50 years for obtaining matured period, they will
be continually allocated after 50 years.

Obligations of households

• The allocated parcels must be well-managed and protected by HHs, ensure that the forest is kept away
from stealing, timber loss and forest fire.
• Forest planting, regenerating, rehabilitating and protecting, enriching, exploiting must be implemented
following the approved project, consistent with the forest protection and development law.
• Changes of usage purposes must be permitted by provincial PC. Bare land should be used with proper
purpose as approved plan and detailed designs.
• Trading or transferring of forestry land without permission of district PC are prohibited
• If the forests is destroyed and burned, forest owners will be punished according to the level of damage.
In the case of lack of responsibility for forest management and protection for a period of 12 months,
forests will be reallocated to other HHs.
• If the barren land, which has not yet been planted, is encroached or HHs have converted into other
purposes, owners will be punished by the law following the decree 77/CP and their land will be
withdrawn for afforestation purpose.
• Within 2 years after allocation if the allocated land is not used by HH for afforestation as planned, the
state will retrieve the land to allocated to other HH.

Duration - stakeholders - area norms of forest land allocation

• The duration for FLA to HHs, individuals is 50 years from the day of allocation. (to the year 2048).
• Stakeholders for forest land allocation are households, individuals who have the regular settlement
registration in the locality.
• Norms of allocation:
  + Natural forest: < 25 ha/HH
  + Barren land : < 10 ha/HH
• Documents of forestry land allocation are made in the common form attached

Authority of FLA:

• The Chairman of the district PC decide for forestry land allocation to the individuals and HHs

Chapter 5

ORGANIZATION OF FOREST PLANNING, PRODUCTION AND MANAGEMENT

| 1. Regeneration-oriented protection | Calculation, explanation for each item |
| 2. Forest enrichment               |                                          |
| 3. Nourishment of young forest     |                                          |
| 4. Afforestation                   |                                          |
| 5. Exploitation - consumption      |                                          |
| 6. Planing the agricultural land for production. | |

Review and consideration will be based on the collection of the existing agricultural land for production
including coffee area, joint-plantation coffee, subsidiary crops, upland and wetland rice...

Area norm for stable and long-term agricultural production of each 5 heads-HH is 2.5 ha, further area for crucial requirement will be considered for allocation.

The direction of agricultural land distribution is the planning for the focus areas, as well as maintaining the existing plots.

To achieve a good manner of arrangement and avoid the overlapping, the priority of forestland allocation will be given to the HHs who have cultivated land in the project area. If they are unwilling to receive forest and forestland, their area will be reallocated to other HHs.

Chapter 6

STEPS OF FORESTRY LAND ALLOCATION

Step 1: Organized workshops:

- EFE organized a workshop in EaH'leo district PC to ask, for their guidance, opinions of relevant Sectors of the province, EaH'leo district and the Leader of the Communes about the location, the stakeholders (users) and area scale for each household for allocation. Discussed the policy framework, line of responsibility and authority of households, governmental responsibility for the detailed technical solutions on implementing the design for allocation on the field, as well as drawing up the project. (on June 13, 1998).
- Organized a workshop in EaSol Commune with the participation of the Party, PC, Unions.. of EaSol commune, traditional village Headmen to inform and discuss the principles, involved governmental policies, regulations as well as the method of implementation. Well-informed local officers will disseminate, explain and mobilize the local people to participate positively in the process. (on July 24, 1998)
- Organized meetings on July 30, 98 in the villages which are chosen for the pilot areas, to disseminate the regulations, governmental policies, the plan of EFE (Decree No 02/CP, Decision N0 661/QD-TTg), informed the result of the two workshops on June 13 and July 24, 1998. Analyzed and answered the inquiry of the local peoples. Distributed the questionnaire to ask for their expectations toward the FLA, and delivered application forms to the individual HHs.
- Collected the questionnaire, compiled the contributed opinions of the people and the total number of people's applications.

Based on the results of all the workshops and the local current situation as well as the assigned plan of EFE to set up the project: Establishment and implementation of FLA project of the Enterprise.

- Organized the workshop at EaH'leo district PC to pass through the plan content before submitting to Dak Lak PC for approval. (on August 22,1998)
- Participated in the workshop with the concerned Sectors of Dak Lak province, the provincial economic Committee, Dak Lak PC, the Party and PC of EaH'leo district to inform the plan before submitting to Dak Lak PC for approval. (organized by DARD on August 29, 1998)
- Basing on the result of the workshop on August 29,1998, EFE emended, supplemented and submitted to relevant authorities for the final approval before initiating the design and establishment of the official project.

(The process has been upgraded – see the appendices)

Step 2: Design on the field - establish the project and deliver to people

After the project is approved, following works will be implemented:

- On field designing, making the existing forest and land use map, map of the areas for allocation, calculating the sivilcultural figures about the forest, the area of forest and forestland types for each HH, making the land use planing map and planing on the field also.
- Drawing up the project of FLA and submit to Dak Lak PC for approval.
- Complete the procedures for transferring forest and forest land to the local authority (include: The
provincial Decision on the land allocation to the local authority for management, the Decision of EaH'leo district PC on the allocation of forest and forest land to HHs, draw up the statement for transferring forest and forest land on the field. Coordinating with EaH'leo LMO to register in the redbook and deliver to households).

Chapter 7

RECOMMENDATIONS

- For forestry bare land: the design has been elaborated by EFE following the approved plan and has been checked and taken over by inter-sectoral of provincial PC, Ea H'Leo district, Ea Sol commune. It is requested to issue land use titles and make to documents in accordance with the design elaborated by EFE.
- For land planned for forestry production: EFE has measured by tripod compass, Department of Land Management is requested to review and give its opinions.

Chapter 8

ANNEXES, FORMS, MAPS

Appendix: Administrative Map of Ea H'leo District
The Process of forestland allocation in Ea Sol organized by Ea Hleo Forest Enterprise (monitored by the CWG)

<table>
<thead>
<tr>
<th>Title of papers or workshops</th>
<th>Date</th>
<th>Content</th>
<th>Objectives of events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision No 96/1998/QD-UB of the Dak Lak people committee (DL PC)</td>
<td>21.1.1998</td>
<td>Assignment of responsibility to EFE to implement forest land allocation with 2,000 Ha in the year 1998-1999</td>
<td>Giving direction to carry out forest land allocation to local farmers</td>
</tr>
<tr>
<td>Decision No 41/1998/QD-KH of DPI</td>
<td>21.1.1998</td>
<td>Pursuant the decision of DLPC, decided official plan assignment to EFE to carry out forestland allocation programme</td>
<td>Admitted the official plan for EFE to make budget available for doing the process</td>
</tr>
<tr>
<td>---------------------------------</td>
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<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Official letter No 103/1998/KH-KTN of DPI</td>
<td>19.2.1998</td>
<td>Guiding implementing plan for EFE to implement forest land allocation to the local farmers</td>
<td>Giving more specific principles for forest land allocation in Ea Hleo</td>
</tr>
</tbody>
</table>
| The first workshop jointly organized by EFE and district authority (District level) Workshop was held at EAHLEO PC | 13.6.1998 | • Report a draft policy/plan of forestland allocation to be implemented  
• Different stake holders in province, district, commune invited to discuss about the policy of sharing benefit as well as various steps could be applied | Informing to decision makers at different steps, draft of benefit sharing prepared by EFE to get comments before informing the local people |
| The second workshop Jointly organized by EFE and Commune authority (Commune level) Workshop was held at EASOL PC | 24.7.1998 | Informing in detail the forestry policy of the local government, aiming to reallocate forestland resources to the local people | Discuss with villagers about the policy of forestland allocation, checking expectations as well as getting feedback |
| The third workshop organized at hamlet levels (Hamlet level) | 30.7.1998 | Discuss more detail with villagers at 4 hamlets where the forestland will be reallocated | Make sure that villagers, village headmen, and people understand about forest land allocation policy of the government |
| Deliver questionnaires to each household (Family level) | 20 days in August 1998 | Get opinions from different households as well as their expectations on forest land allocation | Make sure that the government policy will touch to households |
| The fourth workshop at EFE | 22.8.1998 | • Bring opinions of villagers to District decision-makers.  
• Inform draft of forestry policy on allocation process as well as plan  
• Get consensus of District PC before submitting to provincial level | Keep local PC be involved in the process |
<p>| The fifth workshop at DARD First draft of forest land allocation plan after commented from lower levels | 29.8.1998 | First ratify the plan of forest land allocation of EFE before submitting to higher level | Get agreement from DARD before submitting to other related departments |
| Official letter No 979/CV-NN-PTNT of DARD | 14.9.1998 | Giving comments about the plan and the policy of benefit sharing (first draft) | Discussion to find out suitable means for forest land allocation |
| Official letter No 257/CV-NN-PTNT of DARD | 16.3.1999 | Giving comments about the plan and discuss forestry | Discussion to decide existing forest can be |</p>
<table>
<thead>
<tr>
<th>Event Description</th>
<th>Date</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>The sixth Workshop at DARD</td>
<td>10.4.1999</td>
<td>Discuss with different stakeholders at provincial level about forest resources can be allocated or making contracts as well as different means to share benefit (third draft)</td>
</tr>
<tr>
<td>The seventh workshop at DARD</td>
<td>18.4.1999</td>
<td>Discuss to revise some contents in the plan (the fourth draft)</td>
</tr>
<tr>
<td>The eighth workshop at DARD</td>
<td>25.5.1999</td>
<td>Discuss to revise some contents in the proposed plan (the fifth draft)</td>
</tr>
<tr>
<td>The ninth workshop at Ea Sol commune</td>
<td>20.7.1999</td>
<td>Requirement from the DLPC to make sure that after revision the plan still satisfy local farmers’ expectation</td>
</tr>
<tr>
<td>Proposal of multi-departments of DARD, DPI, LMD No 772/KH-NN-DC</td>
<td>14.8.1999</td>
<td>Final agreement of three major organization about the proposed plan for forest land allocation in Ea Hleo</td>
</tr>
<tr>
<td>Decision No 2232/QD-UB of Dak Lak PC</td>
<td>7.9.1999</td>
<td>Approved the proposed plan on forest land allocation in Ea Hleo</td>
</tr>
</tbody>
</table>

Reallocation or just made long-term contracts with local people.