PRIME MINISTER

Based on the Government Institutional Laws dated 30.9.1992;

Upon the requests from Ministers of Agriculture & Rural Development, Planning and Investment, Finance, the Minister - Head of National Committee of Minority Ethnic Groups and Mountainous Affairs,

DECIDE:

ARTICLE 1:

A. Position, Potential and Advantages of the Central Highlands in Socio-Economic Development

The Central Highlands occupy a strategic and significant position in terms of economy, politics and national security to the country. Their protection, emphasizing the advantages of the Central Highlands in terms of their geographic position and natural conditions, including climate, forest, red basal soil, water resources, and other favorable conditions for agriculture and forestry development - especially important industrial tree species, etc., will help to develop the Central Highlands with flexibility in line with a stable ecological environment. It will help to increase living standards for people in the Central Highlands, particularly minority ethnic groups, while helping to create a link in economic development of the Central Highlands with that of coastline areas in the south of the central part, the east of the south delta and the entire country.

Presently, the protection and utilization of the advantages and tremendous potential of the Central Highlands are still restricted. Forest is the most valuable and largest resource of the country, however, the remaining forest area in the Central Highlands is continuously being destroyed and, therefore, dwindling. The area of red basal soil is very precious but is not properly utilized, water resources are decreasing to exhaustion, the infrastructure and technical basis are both very weak, some ethnic minority groups in the region still continued their shifting cultivation practice, and there is still a high percentage of poor households with little cultural life.

In order to overcome these circumstances and emphasize the advantages of the Central Highlands, the Government plans to implement with unity, in the long term, policies and systems which encourage people to mobilize all human resources locally and nation-wide to develop entirely the society and economy in the Central Highlands.

B. Major Objectives of Socio-Economic Development in the Central Highlands in the Period 1996-2000 And 2010

1. Development of agriculture and forestry production

a) Forestry:

It is required to understand completely that the mandate of protection and development of forest sources is of vital significance for the Central Highlands and for the country. Forest should be considered as an advantage and a major economic factor for integrated socio-economic development of the Central Highlands.
The protection and development of forest in the Central Highlands should achieve the following targets:

- To develop forestry economy in the Central Highlands, one should aim for enrichment of forest sources, productive exploitation and utilization of the forest advantages, protection of the ecological environment, protection of water resources, regulation of water flows, restriction of natural disasters, prevention of erosion and increasing of social products.

- To stop forest burning and degradation/destruction, by strengthening the management and protection of the existing 3 million ha of forest, while at the same time, planting an additional 300,000 ha of forest and 400,000 ha of perennial industrial trees, which will help to increase the forest cover to 70%. It is considered that strengthening the establishment of watershed forest in irrigation dams, hydroelectric stations, national parks and nature reserves is a vital task in order to protect the environment and water resources for the Central Highlands and for many other immense regions of the country.

- To accelerate plantation for industrial materials and native forest, mainly by applying intensive measures and by selection of fast growing forest species, which have short rotation but high productivity and efficiency. These should be combined with planning for the development of paper pulp industrial zones and processing sectors for timber and non-timber products.

- To encourage people to use land outside the planning region to plant firewood, and regularly replace firewood with other fuel sources, initially focusing on urban areas and areas with a high population concentration; it is strictly prohibited to use firewood in production units for construction materials and commodity charcoal.

- To convert the major part of existing natural forest into protection forest and special use forest for strict protection and management. Every village, commune and unit should formulate regulations for forest protection and management, and enforce such regulations.

- To apply technical and scientific advances, including biological technology, tissue culture, cross breeding, strain selection with a view to having suitable and valuable species (tree for timber, resin and fruit, construction, industrial materials, medicinal materials, etc.) for forest plantation.

- Mobilize all capital resources from every economic sector in the country, including joint ventures with other economic sectors for investment in forest development, (in places which are not restricted by national security or national defense, one can mobilize direct investment from foreign partners).

b) Industrial production:

Concentrate on developing major industrial products in the Central Highlands, first of all rubber and coffee, but based on the inventory and planning, it is considered to expand this area to include cotton, sericulture, sugar cane, etc.

- **Rubber**: this is a product of high potential in the Central Highlands. In order to reach the target of 350,000 ha in 2010, we have to use every piece of bare land and denuded hill which is suitable for developing rubber, vegetation cover and improving the ecological environment. We must try our utmost to plant annually an additional 20,000-30,000 ha, while following the direction of diversifying economic sectors involved in planting rubber (state, individuals, small holders), and mobilizing all capital sources from individuals, enterprises of all economic sectors and using the preference credit source from the World Bank for planting rubber. The Vietnam Rubber Corporation, in collaboration with provinces in the Central Highlands, should develop a plan for investment, and develop semi-processing and finished processing industries. The rubber processing industry will become an important sector in the economic system of the Central Highlands.

- **Coffee**: This is a major product for a market-oriented economy, not only for the Central Highlands but also for the whole country. It will help to create many wealthy settlements, new cities, new villages, communes and districts. Many villages have alleviated their poverty and a small part of them have become rich already. It is necessary to stop the forest destruction for mass coffee development without planning, which results in an imbalance of water resources and seriously violates the water resources. Illegal transfer of the possession of land and land disputes amongst ethnic communities in the Central Highlands are strictly prohibited. The objective of coffee planting development is to maintain and strengthen intensive farming to raise
the quality of existing coffee gardens, to expand the existing area of Arabica in favourable and planned areas, paying attention to the supply capacity of water resources and protection of water resources. The target is to reach an average productivity of 2 ton coffee beans/ha and an annual yield of approximately 300,000 ton of coffee beans.

Vietnam Coffee Corporation (VINACAFE) and provinces in Tay Nguyen should urgently make a plan for the coffee products processing industry and diversify the products to include: roasted coffee, high quality coffee powder, and fine designs of export quality catering to the taste of customers in the world market.

- **Cotton**: is a plant used for the traditional habit of cotton weaving of ethnic minorities. A lot of areas in Tay Nguyen are suitable for growing cotton plants (inter-cropping with other crops, in irrigated and non-irrigated fields). Initial results are needed on insect and disease prevention, cross fertilization and development of new cotton varieties. Priority policies and planned measures on varieties, extension, loans and subsidized prices should actively be implemented to expand the area of cotton cultivation. The cotton plant will become a main industrial plant with a high economic value to meet the great demand for cotton in the domestic and international markets.

- **Sericulture**: Apply measures and intensive farming techniques for existing mulberry areas in Tay Nguyen, based on the experience gained from mulberry cultivation, high-yield mulberry variety, good silk-worm breed and modern silk-reel. In order to increase the silk quality and productivity, the silk production industry should be gradually developed. Annual silk productivity should be 3,000 ton to meet the demand of the domestic market and the export market. The Ministry of Agriculture and Rural development (MARD), other concerned Ministries and sectors, and the Lam Dong People’s Committee should sum up and evaluate the sericulture situation in Bao Loc district to come to conclusions about sericulture development strategies. Joint-ventures and cooperation to attract capital should be immediately and urgently sought to effectively exploit the capacity of the existing processing factory of Vietnam Sericulture Corporation in Bao Loc.

- **Sugar cane**: The development of sugar cane should be in line with the capacity of development processing infrastructure and based on climatic and soil comparative advantages in Tay Nguyen in comparison with other crops, in order to have an appropriate development plan and certain effectiveness.

**c) Regarding food production:**

Food production in Tay Nguyen plays an important role in national food security strategies, and makes a direct contribution towards the improvement of the living conditions of ethnic people, and towards scaling down forest destruction, slash-and-burn, shifting cultivation and nomadic life. In favourable areas the high yield winter-rice areas should be quickly expanded. Low and unstable-yield rice areas should be gradually eliminated. High yield maize and cassava should be strongly developed to increase the yield of cash-crop (in place of rice). The objective is to raise the food productivity in Tay Nguyen to over 1,5 ton/year.

- **Rice**: The target is to reach 200,000 ha in the year 2000 and 240,000 ha in the year 2010, mainly based on irrigation development to expand the irrigated areas and paddy (wet) rice areas in favourable areas. Intensive farming and yield-increasing methods should be applied.

- **Cash crops**: The potential of cassava and maize production of Tay Nguyen should be promoted. High-yield concentrated maize and cassava areas with a processing industry should be established; varieties favourable to cross fertility should be used to reach 600,000 - 700,000 ton of cash crop (in place of rice) to meet the demands of the local market as well as other regions all over the country, and to supply raw materials for the fodder production industry.

**d) Vegetables, fruits and flowers**

The comparative advantages of the highland climate should be well exploited to produce various kinds of vegetables, fruits and flowers for the domestic market and export. High quality vegetables and flowers for export should be produced according to advanced industrial techniques in production, packaging, preservation and transportation, so as to get a foot-hold in the world market.

- **Regarding vegetables**: the objective is to increase the area and productivity of the whole region to approximately 20,000 ha, 400,000 ton in the year 2000 and 30,000 ha, 750,000 ton in the year 2010.
- **Regarding fruit trees:** 14,000 ha of mixed gardens should be reformed in order to have approximately 40,000 ha in the year 2000 and approximately 60,000 ha in the year 2010.

In particular, in Lam Dong, temperate varieties such as: Chinese cabbage, "Bo Xoi", potato, cauliflower, persimmon and strawberry should be produced to supply Dalat city, Ho Chi Minh city and other cities, and industrial zones. Valuable flowers such as: daisy, rose, sword lily tulip etc. should be planted for export.

d) **Animal husbandry**

As well as the potential development of the forest and industrial crops, livestock raising (cows) is another strength and potential of Tay Nguyen which should be developed.

The objective which has been set for the year 2010 is to have approximately 1,000,000 cow of which high quality beef cows account for 10% with 10,000 milk cows. Dairy productivity should reach over 30 million litters/year. Dairy, beef and leather processing-on-farm should be developed to form an important industry in Tay Nguyen.

Regional Beef and Milk-cow Development Projects with new technology should be designed, based on intensive farming pastures partially irrigated in the dry season.

The Cow (milk cow, beef cow) Development Programmes and Semi-wildlife Development Programmes in Tay Nguyen should be promoted according to the main direction. Livestock-raising farms should be diversified, with household-based and state business enterprises playing a core role in providing good breeds, extension, marketing and animal husbandry product processing.

2. **Industry development**

The main objective of industry development in Tay Nguyen is agriculture, forestry industrialization and development of agricultural and forest production industry.

**Agriculture and forestry industrialization:** advanced science and technology should quickly be introduced into agriculture, regarding tree species selection, new breeding with high productivity, good quality, tissue transplanting, grafting, new farming techniques, insect-disease prevention to minimize fertilizer use, and micro-biological fertilizer use. Soil preparation, watering, harvesting and transportation should be gradually mechanized.

- **The agricultural and forestry product processing industries:** should expand in scale in line with modernized technology in the paper industry, rubber processing coffee processing, cotton, silk, vegetable oil, cassava, sugar cane, sweet production, food stuff, soft drink, rice husk, maize, staple food processing, and fodder production.

- **The Machinery industry** consists mainly of repair works and simple machinery production such as: tools, simple spare parts and other metal products for daily use by local people especially in remote areas.

3. **Regarding education, health care services, social culture**

- **By the year 2010,** primary education should basically be universal, with every child of school age going to school. Boarding and semi-boarding schools should be promoted for children from ethnic minorities. Vocational training should be promoted. Curricula in primary schools should be compiled in both Kinh and Ethnic languages.

- **The common objective of health services development in Tay Nguyen is** disease prevention and treatment under various forms: state, private, civil-military cooperation in the health service, a combination of modern and traditional medical treatment, and developing fixed and mobile health services for remote areas. The objective for the year 2000 is to have health stations in 100% of communes for normal medical treatment and health services.

- **Cultural traditions of ethnic minorities in communities** should be promoted to establish a new cultural way of living in communes, villages and households, to eliminate superstition, develop mass art and cultural styles, folk culture, and to ensure that everyone can enjoy leisure time.
- The objective for the year 2000 is that the Broadcasting Television Network will cover the whole Tay Nguyen region with radio stations in 10% of communes, enabling about 80% of households to enjoy radio and 60% to enjoy television programmes.

- To focus on 7 specific projects listed below in poor communes: accessible roads in both dry and rainy seasons, electricity network to commune centres, class rooms, health stations, telephone posts, commune and inter-commune markets, enough clean water for daily life.

4. Fixed cultivation, sedentarization and new economic zone development

In the near future, 1,000,000 ethnic people should use fixed cultivation practice and lead a sedentary life. Fixed cultivation practice and sedentarization in mountainous and remote areas, old-revolution-bases and border areas should be basically completed with resettling of 60,000 households, supporting of 27,000 nomadic households, and improvement in the living conditions of people in new economic zones.

Migration to new economic zones should be in accordance with state planning and projects to attract labourers to Tay Nguyen. They mainly come from populated areas such as northern provinces, and central provinces in coastal areas. In the year 2010, the population in Tay Nguyen should be approximately 5 - 6 million people.

5. Poverty alleviation

The Poverty Alleviation Programme is a very important one in Tay Nguyen. Ministries, relevant sectors, and in particular the People’s Committee at all levels should make efforts to eliminate starvation by the end of 1998 and alleviate poverty. The objective for the year 2000 is that most poor households can afford enough food by themselves, especially ethnic and subsided households, and have living conditions of an average or higher level than those of communities.

ARTICLE 2 - MAIN SOLUTIONS

To achieve the above mentioned objectives, the basic solutions should be simultaneously implemented as follows:

1. Transportation

Based on the General Socio-economic Development Planning in Tay Nguyen, the optimized planning, detailed programmes and selected priority projects of transportation will be implemented. The priority is to broaden the transportation network and gradually improve it (depending on capital availability). The motto - "transportation should precede one step" - is applied to meet the demands of economic sectors in Tay Nguyen and meet the requirements for residential area planning and concentrated economic areas as well as serve well the National defense and security well. The transportation in Tay Nguyen should be expanded to cover developed areas.

National Route and Provincial Roads

- Improving and reforming the route along Tay Nguyen consists of: National Route No 14 from Kontum to Daklak, and from Buon Ma Thuot - Chon Thanh - Ho Chi Minh city, National route No 14C.

- Improving and reforming roads connected to the National Route No 14 such as: National route No 24 connecting Kontum and Quang Ngai provinces, National Route from Quy Nhon to Gialai crossing National route No 14C, National route connecting Gialai and Phu Yen provinces, national Route No 26 Buon Ma Thuot - Khanh Hoa, No 28 Phan Thiet - Gia Nghia, No 20 Dau Giay - Dalat - Don Duong.

Village access

- Planning, developing and upgrading district and commune roads to be accessible in both dry and rainy seasons.

- Focusing on making roads from districts to communes which do not have motorized vehicle access.
• Maintaining and upgrading some 4,000 km of district roads, 8,000 km of communal roads for long-term use, and increasing the transportation capacity according to the transport needs of local people etc.

• Communes should cooperate with Forest - Agriculture State Enterprises in upgrading the quality of main roads.

The Ministry of Transportation and provinces of Tay Nguyen, from now on, should carry out research on construction planning, new construction, upgrading, maintenance, and repair plans for the transportation network in Tay Nguyen (including: National route, inter-province roads, provincial roads, and rural transportation). The research and survey on planning of railways through Tay Nguyen should be implemented immediately, so that the construction can be started after the year 2000.

The motto “individuals and organizations are responsible and have a duty to participate in the transportation process” is applied in the mobilization of capital. This can be elaborated as follows:

• National Route Transportation Projects paid for by the State or ODA budget: setting priorities for some of the national routes: the State budget accounts for 40%, loans (from the commercial bank) 30%, issuing bonds and mobilizing from other sources 30%. When the projects are finished a transportation fee will be collected to repay the loan and interest.

• Provincial roads and inter-district roads are mainly paid for from the local budget with the annual supporting fund from the state budget.

• Village access provision is mainly based on the needs of farmers, including farmers living in villages, communes and districts where roads need to be upgraded to go through them. People living in other cities, towns, districts and villages of the provinces which have good road conditions also have to contribute to the road construction / repair / maintenance.

• In remote and mountainous areas where the living conditions of people are very low and there is no access for motorized vehicles in both rainy and dry seasons, the main contribution of people is labour. The State and province will provide technology, material and food to encourage people to participate in road construction, apart from their obligatory mandate.

2. Protection and utilization of water resources

The purpose of developing water resources and irrigation is to initiate and facilitate land use, labour and population distribution, and improve the ecological environment. Every change of watershed forest and utilization plan of water flows will have an affect on the whole and underground water table which is exploitable in the Central Highlands.

For water resources for production:

The construction and utilization of water dams in the Central Highlands is linked to the construction of reservoirs for irrigation and improvement of the ecological environment in the region. It is necessary to pay attention in planning to the proper distribution of the large, medium and small dams and reservoirs. They should be built in combination with forest protection and additional forest should be planted in line with utilization of the underground water table. The use of hydroelectric and irrigation works for watering rice, coffee, fruit, vegetables, and grazing areas, and to provide water supply for husbandry should be considered.

• Continue to upgrade and strengthen the existing irrigation works, gradually upgrading the small irrigation works to secure adequate water supply for two rice crops annually in the Central Highlands.

• For medium irrigation works which are presently of low efficiency, to concentrate on upgrading and completing the channel networks for Hoang An, Buon Triet, Eakao, Bien Ho, Krongbuk ha irrigation works, etc., and to try and raise the capacity up to 60-70% of the designed capacity.

• Accelerate to complete and carry out as soon as possible the medium and large irrigation works, including the work to create water resources, such as Dak Cam (Kon Tum), Lak, Buon Trap (Dak Lak), Tamo (Gia Lai), Cat Tien (Lam Dong).
• Complete as soon as possible the ongoing building of reservoirs like Easoup 1B (Dak Lak) AyunHa (Gia Lai), Da Teh (Lam Dong), start to build additional reservoirs: Easoup 2 (Dak Lak), Dak Ot (Kon Tum), Lamla (Gia Lai), Krong Buk Ha (Lower), Krong Pak Thuong (Upper) (Dak Lak).

• Encourage all institutions and individuals to invest in the production of small and medium reservoirs, irrigation dams for water industrial plantation, fruit and vegetable gardens, grazing areas and water supply for daily life in the Central Highlands.

• Continue to research, complete additional components, and develop sector review plans for utilising Srepok, Sesan, Ba, Thuong (Upper) Dong Nai rivers and prepare for follow up phases.

**For water supply to settlements:**

In the coming years, it is necessary to focus on:

• Water supply for drinking in remote and high land where water is scarce presently, particularly for 300,000 people in high land and new economic zones.

Use all methods to store water in the rainy season and develop a research plan to utilize the underground water table for watering demands and water supply for life. By the year 2000, the fresh water demand for people (including people in the new economic zones) and for other needs should be mainly satisfied.

The Ministry of Agriculture and Rural Development has to develop a project for planning and utilizing water resources (including the underground water table) to secure requirements for socio-economic development in the Central Highlands.

### 3. Electricity

The watershed potential of rivers should be exploited in order to develop hydro-power in Tay Nguyen. By the year 2000, the Yaly Hydro-power Station should be functioning at 100% capacity (700 MW). During the period from 2000 to 2010, the hydro-power stations Sean I, Sean II and Srepok will be completed with a total output capacity of 1.771 MW.

The target to be achieved by the year 2000 is that 65% of households are able to use light from national power lines; the rest will use light from local power sources such as small scale, and ultra-small scale hydro power plants, sun energy and wind energy.

The establishment and upgrading of the power sources and the power line network (of high, medium and low voltage) to provide light to the populated areas will be carried out on the basis of joint contribution by both the state and the population. The Ministry of Industry, the General Company of Electricity of Vietnam shall have plans and specific projects like the following:

• For the high voltage power source and network: the Government shall balance the capital from the state budget, ODA fund and credit loan from the state.

• For the medium voltage power network: the central and local investment is 30-40%, the credit loan with a favorable interest rate is 30% and the rest is from the public construction bonds and other sources.

• For the low voltage power network: all available resources of the local population (capital, labour) should be gathered and mobilized for building and diversifying organizations for the establishment and management of power networks like: power management board, power cooperative, private company...to provide electricity to households and populated clusters. The General Company of Electricity shall have to reimburse the investment, in terms of capital and labor of the local population, when the low voltage power networks established by them are completed and put into operation, by allocation and decreased electricity fees as agreed between the investor and the General Company of Electricity.

• The establishment of populated clusters should be closely combined with the establishment and upgrading of power networks provided to them. For the ethnic minorities in the far-off remote areas with a low population density, humanity aid sources should be sought for developing other local power sources (small scale and ultra-small scale hydro power plants, sun energy and wind energy).
The Ministry of Planning and Investment, as the main actor, in cooperation with the Ministry of Finance, Ministry of Industry and the General Company of Electricity shall rapidly study and elaborate a mechanism for mobilizing resources to develop power light in the Central Highlands to submit to the Primer Minister for a decision.

4. Urban development

This is a long term development strategy to urbanize the provinces of the Central Highlands. The Ministry of Construction, in cooperation with the related ministries and departments, is to rapidly formulate the planning of urban development and populated areas in close combination with the development of key urban centers such as Da Lat, Buon Ma Thuot, Pleiku, Kon Tum and 65 existing district towns by resettling the population, and building national and provincial roads. Planning is needed. The established district, communal and inter communal centers (markets) shall be specifically defined to gradually form new district and communal centers, step by step, through socio-economic development and rural urbanization.

5. Human resources development

It is of crucial importance to build up and improve the quality of human resources for socio-economic development in the Central Highlands.

- Improve the educational level of the population, human resources training, fostering local talents, attracting labour, scientists, technicians and experts to come and work in the Highlands.

- Strengthen the education systems, especially for the ethnic minorities. Introduce agro-forestry extension curricula in the ethnic schools and apply priority policies to promote graduates from those schools to participate in agro-forestry extension activities. Improve community health, and decrease illiteracy in the Central Highlands.

- Promote and create favourable opportunities for ethnic minority children to study in colleges and vocational schools in the Highlands through the provision of preparatory and boarding schools.

- Ethnic minority graduates from colleges and vocational schools outside the Central Highlands should be encouraged to come back to their home soil to assist in the socio-economic development.

- Promote and facilitate outsiders to learn in colleges and schools in the Central Highlands so that they then will voluntarily stay and work there.

- Provide adequate learning rooms for primary schools. Build good secondary schools. Introduce and apply priority policies to external teachers working in the Central Highlands, especially those who stay with the ethnic minorities in very remote areas.

- Establish district and inter-communal hospitals which will be strengthened with hygiene teams preventing and controlling endemic diseases like malaria, goiter, chronic and social diseases, and improving mother and child health care.

- Based on wealth ranking, measures to assist the poor households should be taken on the basis of creating conditions for to them to overcome difficulties by themselves through effective production and income increase.

- For those who lack land for agriculture and forestry development and have to cut forest to cultivate food crops, the People's Committees at different levels should take urgent measures of land allocation and issuing of forest protection contracts so that the households can have land to develop agro-forestry. At the same time, they should support the farmers with food in the first 1-2 years to stabilize their lives.

- For those who lack capital and production experience, the People's Committees at different levels should facilitate them in gaining access to loans from the Bank for the Poor, the 327 projects, the 120 programme... through independent credit groups and credit through pledge. Combine loans with effective agro-forestry extension measures.

- The People's Committees at different levels should have an adequate list of the households who are
unable to work in order to provide them with annual social support through priority policies.

- Set up a long term assistance fund (from the state budget and other sources) to provide the cadres with a knowledge package of agriculture, forestry and rural issues so that they can go to villages to assist local inhabitants to build up their lives (especially the ethnic minorities who are confronting many difficulties).

- The mobilizing of human resources from outside the Central Highlands should be in accordance with planning and specific programmes. This is an important measure to prevent illegal forest cutting and unorganized migration.

- Rapidly submit for approval the proposal for new populated areas according to the planned projects.

- Simultaneously invest in the approved projects. The Government is to invest in some key infrastructure works like roads, irrigation schemes, health stations, schools and clean water works to initially facilitate the local inhabitants to stabilize their living and develop production.

- The Ministry of Agriculture and Rural Development (MARD), the People's Committees of the provinces which sending migrants and the People's Committees of the provinces in the Central Highlands should rapidly meet together to get consensus on the responsibilities and obligations of each involved party, the policies, and the specific mechanism of operation. The provinces sending migrants should have a registered plan, those receiving migrants should have carried out land use planning and initial construction of infrastructure to jointly operate the sending and reception of migrants who come and live in the Central Highlands. Encourage and mobilize various kinds of labor forces with technical packages of agriculture, forestry, irrigation, health care and education for the socio-economic development in the Central Highlands.

6. Science and technologies development

- Invest and consolidate the agro-forestry scientific and research centers in the Central Highlands to rapidly introduce advanced technological progresses into production. First of all, the local research centers should be fully mobilized. Encourage international and domestic scientific agencies to study and transfer technologies to farmers in the rural areas of the Central Highlands.

- The MARD in cooperation with the related ministries and departments shall elaborate a feasibility study for transferring the Institute of Coffee Research (Eakmat) to the Scientific Institute of agro-forestry of the Central Highlands to be submitted to the Prime Minister for approval.

- The Ministry of Science, Technology and Environment shall allocate an adequate fund from their annual research plan for the programmes and projects researching agro-forestry and rural development in the Central Highlands.

The Ministry of Education and Training shall develop investment planning to upgrade the Central Highlands College, the Da Lat College, and innovate the training curricula and methodologies so that they are appropriate to the direction and development tendency of the Central Highlands. They should closely cooperate with the Scientific Institute of Agro-forestry of the Central Highlands in terms of transferring technologies to improve the production and lives of the Central Highlands population.

7. Land and forest resources protection

- Agricultural land should be allocated by the Government for stable long term use to households and individuals according to the Regulation No 64/CP dated 27/9/1993. The forestry land should be rapidly allocated by the Government for stable and long term use to households and individuals according to the Regulation No/02 dated 5/1/1994. The agricultural and forestry land formerly belonging to state enterprises should be dealt with by the Government according to the Regulation No 01/CP dated 4/1/1995.

- The People's Committees at different levels should take immediate measures for those households, especially the local ethnic ones, which have no land for production activities, so that they can have land for production development according to appropriate land use planning, and stabilize their lives.

- The forestry land allocated to the households should include a piece of agricultural land so that those
households can practise agro-forestry, fruit trees development, food crops cultivation, livestock breeding and horticulture, and have residence. These are conducive conditions for the local population to willingly practise forestry activities and protect the forest.

- The forestry land allocated for long term use which includes production forest, consisting of natural forest, plantation forest and regenerating forest are the main subjects for protection, while cooperating with planned and technical exploitation. The state only collects taxes on natural resources and a part of the value of exploitable products. The MARD shall provide specific technical guidance to the localities for the implementation.

- Implement the policies on land allocation, renting out barren land to internal and external economic sectors which make investment in forest development.

- The MARD shall cooperate with the related ministries and departments to issue policies and mechanism applying to the special use and protection forests, including land planned for those types of forests so that the localities can rapidly allocate or provide forest protection contracts to maintain them, combining protection with exploitation of the advantages of those forests in keeping water sources, environment protection, gene reservation and ecological tourism development.

- Rapidly carry out a forest inventory to develop forest planning, defining the areas of each type of forest, classifying them into special use forest, production forest, forest to be improved, and forest to be newly planted. Identify the best species in each type of forest, gradually improving the quality of existing forest and improving forest management activities, regularly monitoring and taking stock of the forest. Regarding the plan of thinning and exploiting the production forest, the speed of growing and greening must be faster than the speed of exploitation, so that the destroyed forest is gradually restored.

Re-define the forestry area of each province, each district, each commune and each village. The existing forests should be protected by any method. Appropriate policies should be introduced into the areas to be planted, mobilizing all funding sources and economic sectors to participate in developing the forest resources, and achieving the targeted forest cover.

From 1997 on, the province instead of the state shall be entitled to use money from taxes on forest resources, money from purchasing standing trees, fines and income from forest products to invest in forest protection and plantation. The Ministry of Finance shall provide specific guidance for the localities for implementation.

In collaboration with the Ministry of Agriculture and Rural Development, the chairman of the Provincial People's Committee shall order the closure of forest gates in the prohibited areas, mobilizing all kind of forces including police, army, state organizations and schools to participate in forest fire prevention and control, and in prevention of illegal timber logging. The mass media should be regularly reminded and informed about forest fire prevention and controlling of illegal logging. From now on, if any forest fire or destruction takes place in the area of any locality or organization, the chairman of the People's Committees at different levels of that mentioned locality or leader of that mentioned organization have to bear responsibility.

8. Capital and investment

Mobilize and use effectively funding sources including state funds, funds from enterprises inside and outside the region, the population’s capital and foreign investment to develop agro-forestry and the socio-economy of the Central Highlands on the basis of joint contribution from both the state and the population, fully mobilizing all local funding sources and labour of the organizations and population living in the Central Highlands.

a. State fund

- The State fund focuses on the following fields:

  - Irrigation: Medium and large scale irrigation schemes, water source establishment works, and provision of clean water for urban areas, populated areas and industrial areas.

The State fund for irrigation for the 5 years 1996-2000 is about 1,800 billion vnd, that in the period 2001-2010 is about 2,200 billion VND.

For the remote areas, highland areas and the old revolutionary base areas: assistance is provided by the State to build up 7 public works together with the fixed cultivation practice and sedentarization for 100
communes, 700 villages and 40,000 ethnic households.

Establishment of new economic zones: support, in terms of investment, is provided by the State for the construction of such infrastructure as road systems, irrigation, telecommunication, education, health care, and so on, in the pilot areas like Ea soup, Ayunpa-Krong Pa, Ia lau, Ia mo and other areas, where a high potential for the development of commodity products exists, to secure the livelihood of the local people and to receive migrant labourers.

For the immediate term, funding is to be focused on crucial works that need to be put into operation as early as possible. Improvements and finalization shall be made later in the development process.

In order to realise the national programmes like the 327 programme, the 120 programme, the hunger abolishing and poverty alleviation programme, and the fixed cultivation and sedentarization programme, the Vietnam bank of the poor (VBP) and others are requested to arrange funding and personnel.

Credit fund from the State: a sufficient amount of funding is made available as a loan to all economic entities for the development of agriculture, forestry and processing of agriculture and forest products. An appropriate interest rate policy is available from the State for organizations and individuals who get loans for plantation of long term cash crops and material-producing forest for industry. For the time being, priority should be given to the ethnic people living in the local area.

An amount of around 100 million USD borrowed from World Bank is available as a loan for rubber plantation in accordance with regulations and guidance from the State Bank.

Credit funding for plantation of production forest is provided following the Decision 264-CT dated 22 July 1992 of the Chairman of the Council of Ministers (the current Prime Minister).

The Ministry of Planning & Investment, as the main responsible Ministry, in cooperation with the Ministry of Finance, Ministry of Agriculture & Rural Development and the State Bank, is to set up a policy to support and mobilize different funding sources for the socio-economic development of the Central Highlands Area and to submit that to the Prime Minister for approval.

b. Funds from enterprises and people

State Enterprises: are to use depreciation funds, equity funds and borrowed funds for the development of perennial trees, plantation of forest, livestock raising, etc., on allocated land, and for the development of the processing industry.

Non-State enterprises and people are encouraged by the State to invest their funds in the development of agriculture, forestry, and the agriculture and forest product processing industry in the Central Highland Area.

The Ministry of Agriculture & Rural Development as the main responsible Ministry, in cooperation with other concerned ministries and sectors, is to set up and submit to the Prime Minister as soon as possible the detailed plan and policy to attract funding and people so that different organizations and people feel safer to invest.

The People’s Council at all levels are to understand that local effort is the stronghold for the development of the Central Highlands so that resources can be mobilized and favourable conditions created for enterprises and people in the area to build up infrastructure and public works.

c. Foreign funds

Based on the approved planning in the light of economic development combined with national security, local authorities and concerned ministries and sectors are responsible for making use of foreign official aid and direct investment funds in the fields and areas permissible by the national security and defense to serve the development course of the Central Highland Area. The Ministry of Planning & Investment is to study the use of an appropriate portion of the aid grants from international organizations, Governments and Non-Governmental organizations as a subsidy for agriculture and forestry development and rural construction in the Central Highland Area, particularly in the most difficult areas.

The Official Development Aid (ODA) (given priority by the State) is to be used for the development of the main
road systems from Buon Ma Thuot to Chon Thanh (road No. 14), from Buon Ma Thuot to Di Linh (road No. 27) and the road No. 24 from Kon Tum to Dung Quat; the hydro power plants, irrigation works, urban water supply and telecommunication, with priority given to urban infrastructure works.

d. Funding sources from outside provinces and from individual should also be attracted for production development, particularly with respect to export-oriented crops.

9. Renewal of State enterprises and development of jointly cooperating economic entities

The State-owned agriculture and forestry enterprises in the local area should be revised and reorganised. State agriculture and forestry enterprises are to perform land allocation and contracting of forest and tree gardens to households under the Decree 01/ CP of the Government.

Intermediate reorganisation of the forest enterprise system and forest product processing facilities is to be carried out. The Ministry of Agriculture & Rural Development is to make plans for steering, guiding and supporting local areas in making possible reorganization plans for forest enterprises and forest product processing enterprises system, following the points mentioned below:

- Only those forest enterprises that can follow the new requirements concerning forest protection and profitable commercialization specified in the Decree 388/ CP should remain in existence.

- The other State owned forest enterprises are to be changed into ones that provide silvicultural and forestry extension services, or become the management board for forest development projects, providing service to farmers in the field of forest protection and development.

The Ministry of Industry will discuss in detail with the Ministry of Agriculture & Rural Development and provinces in Central Highland Area concerning the planning and establishment of a paper material production area and development of an investment project for a high capacity and modern paper production facility in the Central Highland Area.

The General Corporations of forestry, rubber, sugarcane and sugar, cotton and sericulture and other State enterprises are to play the main role in fund mobilization, provision of seedling, productive animal and materials with quality guaranteed, provision of technical guidance and technical training to staff for the related programmes.

Renewal is made concerning the existing agriculture cooperatives and diversified economic cooperation is developed under the Law on Cooperatives passed by the National Assembly.

ARTICLE 3: ORGANIZATION OF THE IMPLEMENTATION

1. According to their function and scope of power, Ministries and sectors take the main role in organizing, in cooperation with the provinces in the Central Highland Area, the implementation of the programmes and projects within the extent of the ministry and sector, following the objectives and contents of this Decision.

   On the basis of the approved programme and project it is necessary to have detailed five and ten yearly plans as well as the annual plan starting from 1997, in order to organize the steering, inspection and supervision of the implementation following the set of objectives of the programme / project.

   It is necessary for each of the concerned ministries and sectors to send good technical staff with a firm understanding of the Central Highland Area to assist the ministry leadership in cooperating and coordinating with the Central Highland Steering Committee as well as with the concerned ministries and sectors for joint implementation, together with the People’s Committees of the provinces in the Central Highland area.

   Quarterly and annual evaluation of the implementation of the working program in the Central Highland area is to be done in the ministerial/ sectoral evaluation report; specifying difficulties and constraints so that solutions for them can be found.

2. The People’s Committees at all levels in the provinces in the Central Highland area have to take the contents of this Decision as the main tasks of the Communist Party at all levels, and of the local authorities. Based on this, the plans and programmes can be defined for different sectors, fields and levels in the province, district and commune for implementation.
For the time being, pilot programmes with locally specific contents and urgent needs are selectively defined to be implemented in the fourth quarter of 1996 and in 1997 and a specific plan for the realization of this decision in the subsequent years is to be made available. The People’s Committees of the provinces in the Central Highland area are requested to consult with the Provincial Communist Party Committee so that specific lines and measures are set up to mobilize all the resources in their society for the development of the infrastructure (including road, irrigation, electricity, etc.). These will be considered and decided by the provincial People’s Council to create the everybody-does-every-public-work movement. The Chairmen of the People’s Committees of the provinces in the Central Highland area are responsible for keeping close cooperation with the ministries and sectors at the Central level in the field of making and implementation of the set projects/programmes.

3. The Ministry of Agriculture & Rural Development takes the main responsibility, in cooperation with the concerned ministries and sectors and the People’s Committees of the provinces in the Central Highland area, to set up programmes for forestry and agriculture development, water source exploration, utilization and management, fixed cultivation and sedentarization, population resettlement and new economic development.

4. The Ministry of Transport, in cooperation with the People’s Committees of the provinces in the Central Highland area, is to make a plan for road development in the Central Highland area and steer the implementation.

5. The Ministry of Planning and Investment takes the main responsibility, together with the concerned sectors, to appraise the Central Highland Master Plan and submit it to the Prime Minister for a decision in October 1996. This serves as the basis to set up in detail the programmes and projects to be implemented at the beginning of 1997. Studies are to be made to set up policies and mechanisms to stimulate and attract resources for the enforcement of this Decision. On the basis of the approved project and programmes the Ministry is requested to arrange the annual budget for 1997 and the subsequent years so that the implementation of these projects and programmes can follow the given objectives in the Decision.

6. The Ministry of Finance takes the main responsibility, in cooperation with the Ministry of Planning and Investment, the Ministry of Agriculture & Rural Development and the People’s Committees of the provinces in the Central Highland area to study the policy on feedback investment due to the exploration of the hydro power potential and forest resources in the Central Highland area and submit that to the Prime Minister for a decision.

7. The Central Highland Steering Committee is to be set up to include leadership of the Ministry of Agriculture & Rural Development, the Ministry of Transport, the Ministry of Planning & Investment, the Ministry of Finance and of related ministries. The Minister of the Ministry of Agriculture & Rural Development is the chairman of the Steering Committee.

ARTICLE 4:

The ministers, leaders of the ministry level institutions, governmental institutions and Chairmen of the People’s Committees of the provinces in the Central Highlands are responsible for the realization of this Decision.

Prime Minister

VO VAN KIET

(Signed)