POLICY ON FOREST LAND ALLOCATION AND ITS IMPACTS TOWARDS THE STAKEHOLDERS BENEFITS IN FOREST MANAGEMENT

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1. INTRODUCTION:

Vietnam has a land area of 33 million ha in which 9.9 million ha are covered by forest with tile coverage of 30% of total land area consisting 8.9 million ha of the natural forests and a million ha of forest plantation. The forests in Vietnam are being degraded at a rapid rate due to high demand of commercial timber, shifting cultivation, fuel wood exploitation, forest fires, as well as conversion of forest land into agricultural land ... Other reason is that large forest lands are without real owners. Therefore nobody wants or is able to protect the forests and everybody call cut trees for their own use. The quality of forests are now very low most covered by poor forests with a standing volume of 30 to 50 m$^3$ per ha and large areas of barren hills. It makes the existing forests not meet the timber requirement of the country in the next decade.

In a bid to reduce the deforestation, the Government of Vietnam is allocating a large part of forestland and barren land (or unused land according to the Land Law) to people with the aim to plant new forests and to protect existing natural forests. The Land Law 1993 made a legal status for the allocation of forest land to the Organisation, households and individuals and the Degree 02/CP. of the Government on 15 January 1994 clarified how forest land can be allocated to use forest land on the sustainable basis. The statistics showed that after three years implementation of forest land allocation (1994 -1996) 7,726,000 ha of forestry land have been allocated to Organisation, households and individuals, in which 1,357,000 ha has been allocated to 500,000 households and individuals.

The Government of Vietnam has given high priority to rehabilitate natural forests and to develop new forest plantations. The programme 327 with a budget of USD 50 million per year has been carried out since 1992 to rehabilitate protection and special use forests. The new Five Million Hectares Forest Plantation Programme has been approved by National Assembly oil December 5, 1997 creating good possibility to develop and protect the forests in the next decades. The purposes of this program are:

- To speed up the forest planting oil barren land, to protect the existing forests and to increase the forest cover in Vietnam to 40% by the year 2010;
- To establish raw material areas including wood processing industries;
- To create more jobs and incomes to farmers.

Meeting subsistence needs and maintaining people's livelihoods is directly related to the reduction and degradation of Vietnam's forests and therefore the first measure to be taken is to solve these problems; land tenure or land use right is precondition to use effectively forests and barren land.

A part of allocated land is being used for forest plantation or for agroforestry purpose and another part will be protected for natural regeneration. Plantation activities on forestland can be done at a large scale mostly in the areas where national or international planting programmes take place. In many provinces, forest land has
been used properly such as in provinces: Thanh Hoa, Thai Nguyen, Phu Tho, Tuyen Quang, Nghe An, etc.

2. ACHIEVEMENTS:

2.1. Forest land use planning:

The Government has a plan for the forest estate in Vietnam and divides the forest land into three forest categories: special use forest (protected area) with a land area of 898,300 ha; protection forest with land area of 6 million ha and production forest with an area of 9.6 million ha in which a large part of forest land still barren land but planned for forest production. However there is now no permanent national forest system, therefore it influences the classification, delineation of three forest categories and forest land allocation process.

2.2. Forest land allocation:

Since 1994 7,726,000 ha of forestland have been allocated to organisations, households and individuals, in which forested areas consisting of 6.7 million hectares:

- 5,769,000 ha forest land have been allocated to organisations such as forest enterprises, management boards of special use and protection forest, forest companies, etc.
- 4.7 million ha of forestland have been allocated to 412 forest enterprises, in which there is 2.8 million ha of natural forest, 0.3 million ha of forest plantation;
- 1,357,000 ha of forestry land have been allocated to 500,000 households and individuals.
- 600,000 ha of forestry land have been allocated to other organisations: schools, army units, police units, co-operatives, villages...
- There are many provinces with successful land allocation. In Thanh Hoa province 500,000 ha forestland consists of 70% of total -forestry land of province during the period 1993-1997. In Tuyen Quang 60% of forestry land have been allocated to organisations, households and communities until 1995. In Hoa Binh 261,814 ha forestland consisting of 80% of total forestry land have been allocated to organisations (22,912 ha) and to households (238,814 ha).
- Many forest farms in midland and upland have been established and diversified household economy with many activities: natural regeneration of poor natural forests, forest planting with short rotation species, agroforestry with high economic and environmental values.

2.3. Forest Organisation system:

- Management boards for 10 national parks and 32 reserves have been established. 50 remaining reserves are still without management boards.
- 39 protection forest areas have been established but the management boards exist in most important areas only.
- 412 forest enterprises occupied 4.7 million ha of forestry land in which 2.8 million ha covered by forest.
- After forestland allocation many kinds of ownership have been formed such as: state, co-operative, household, individual and community forest.

3. OUTSTANDING ISSUES IN FOREST LAND ALLOCATION PROCESS:

3.1. Land use planning:
There is no land use plan for permanent forest estate in the country. There are few land use plans at local level especially at commune level. This makes the delineation between agricultural and forestry land in general and delineation of three forest categories: special use, protection and production for estate particularly in the field difficult. Land conflicts and land encroachment occur often leading to low speed of land allocation.

Methodology for LUP-FLA at commune level is rather complicated and thus needs qualified planning staff to carry out this work. This doesn't fit with the present professional level of District and Commune staff. This is why LUP-FLA can not implemented at a large scale.

3.2. Forest Management:

Forestland has been allocated to organisations and households without enough technical and financial support of the Government. This is why 20-30% of allocated land has been used efficiently.

The forest management has special characteristics and is different to agriculture due to longer rotation for example forest plantation has a rotation at least of 7-10 years for pulp and of 50-60 years for logs. Normally farmers particularly the poor people and ethnic minorities don't carry out forestry activities if Government don't have preferential policies to support them.

The forest land allocation to households and individuals to protect and manage is correct in this time because the forest protection is an urgent need nowadays. But in long-term it is a problem for sustainable forest management, if each household can be allocated on average 1 to 2 hectares (limited land resource) in which most of the land is barren land or poor natural forest. It is necessary to allocate for each household 5-10 ha land using intensive cultivation for forest plantation with a rotation of 10 years. For natural forest the allocated forest area must be larger, because the logging cycle is 30 years at least. Creating of suitable management forms is necessary. Collective or private forms with large forest area enough for sustainable management should be tested. Large and concentrated natural forest areas should be reserved for this production purpose.

Intensive forest management should be considered as a vehicle for forest development. High forest productivity is the main factor for farmers to decide whether they will participate in forestry activities. If the forest sector cannot create forest plantation with a standing volume more than 100 m$^3$/ha after 10 years, it's not possible to convince them to plant forest trees. This productivity can be reached easily if there are Government policies to support people in forest planting such as long-term credit, price, marketing, insurance, extension...

It is important to test many different forms of forest management and Organisation, which may be suitable with local conditions. Such as forest co-operatives, forest planting companies, joint forest management ... to enable better forest management on the sustainable and, efficient basis.

It's noted that the plan implementers are farmers. Therefore only the production activities, which warranty for their daily living, are more important than the needs of Government. Thus a bottom-up planning can be feasible, if it's based mainly on the wishes of villagers with consideration of the needs of Government and of the technical and financial capacity of the farmers and the state.

3.3. Organisational arrangements:

There is a rather good administration system in the forest sector. However there is lack of qualified forest staff at local level; the management boards of special use and protection forests and forest enterprises are in general weak in management capacity and therefore many of them cannot protect and manage the forest properly.

The Cadastral General Department or the Forest Protection Department cannot carry out the forest land allocation without support from the other. However, their co-operation is still limited and the fund for implementing forestland allocation is little and thus not enough to do in larger scale.

The forest land allocation to state organisations such as forest enterprises have been assigned to Provincial Department of Agriculture and Rural Development and Cadastral Department. However, the reorganisation process for forest enterprises is still going on and no final decision has been made. This situation has also negative impacts to the land allocation; particularly many forest enterprises are not able to manage and to protect the forests.
3.4. Other constraints:

- Population increasing, illegal migration, food shortage, high demand oil timber and fuel wood, high demand on agricultural land, low living standard and education level lead to deforestation in most of the provinces in Vietnam and make difficulty for forest land allocation process.

- The regulations for protection and management of three forest categories are not flexible. It doesn't integrate the farmer's responsibility with the benefit. So it doesn't make any incentive to farmers to protect and manage the forests.

- Working in forestry is more difficult than in agriculture due to long tree rotation combined with many risks. Thus the farmers don't like to invest and cannot invest in forestry, if the Government don't have incentives and if the shifting cultivation and illegal cutting are still going on.

4. GOVERNMENT POLICIES:

4.1. Policy on Land use planning and forest land allocation:

The land use planning and forestland allocation can not carry out in good speed due to shortage of fund and of a proper and feasible methodology. Therefore reaching a simple procedure for LUP-FLA is necessary.

The new inter-ministerial circular on LUP/FLA it commune level is being prepared by Cadastral General Department and the Forest Protection Department and may be a good instrument to speed up LUP/FLA process. The advantages of this circular are as follows:

a) Simple method for land use planning at commune level, which can be used by local authorities and farmers with little assistance of technical staff;

b) Clear definitions of land and forests, which land call be allocated or rented and to whom land can be allocated or rent;

c) The farmers allow to use up to 30% of allocated barren land for long-term agricultural tree crops and agroforestry can be applied to increase their food security and their dependence on forest and forest products can be reduced.

d) Simplified cadastral maps based on existing sketmaps without precise mapping call be used for forestland allocation. The most important condition for forestland allocation is that there are clear boundaries between landowners and sketch map with land areas is acceptable by adjacent users with signature.

e) Farmers already received temporary forestland certificates (green books) can apply forestland use certificates (Red Books), if no land conflicts occur.

f) Forest land belong to forest enterprises, which cannot be used effectively, should be revised and allocated based on their capacity and the rest will be allocated to farmers.

g) Clear allocation of responsibilities of the Cadastral Department and Forest Protection Department and Agriculture Department at different levels. The Cadastral Department is responsible for forestland allocation in close collaboration with Forest Protection Department and Agricultural Department.

4.2. Investment and Credit Policies:

a) Forestland allocation must combine with technical and financial support of the Government. However there is inequality on benefit distribution after forest land allocation e.g. the land owners must receive more support such as preferential long-term credit, extension services, support for infrastructure improvement, marketing and price policy, forest tree insurance...

b) The preferential long-term credit policy has to be the basis for forest activities after forestland allocation, because without it nobody will invest in forestry. The State must aware the long-term benefits of this investment in social and environmental and economic aspects, as the target groups are the ethnic minorities.
c) The Government indicated clear policies on forest investment:

d) Government budget will be allocated farmers to protect the protection forests critical and most critical forest categories) and special use forests with an amount less than VND 50,000/ha/year with a duration not more than 5 years;

e) Contract farmers to protect forests in; combination with enrichment planting will get an amount not more than VND 1 million/ha/year;

f) Farmers who plant protection forests (critical and most critical categories) will get VND 2.5 million on average.

g) An amount of VND 2 million will be supported to organisations and individuals, which plant long-term valuable forest trees species with a rotation more than 30 years;

h) The Government will advance money to farmers to prepare seedlings in the first year.

i) The organisations and farmers, who protect forests and plant forest trees in less critical protection forest and production forests or develop wood and non-wood processing industries, will get priority according to the Inland Investment Law: It's able to borrow money from National Investment Fund, other preferential credits, ODA and other loans.

5. FARMER'S BENEFITS:

It's clear that farmers cannot rely on forests only to survive and also cannot rely on Government investment on forests, because forest earning contributes small incomes of farmers only and the Government investment is not sustainable. Therefore in the Fife Million Hectares Programme the benefits for the farmers will be identified as follows:

5.1. Toward the protection forests (most critical and critical categories) and special use forests:

Forest Protection Contracts will give first to the poor, living near to the forests and farmers having former forest protection contracts or participating fixed cultivation and Sedentarization Programme. By the termination of contracts farmers who protect forests well or having willingness to protect forest for next period, will award the new contracts:

- Farmers allow collecting firewood and non-wood products in the forests;

- Farmers allow also enjoying all thinning products and minor products under forest canopy;

- Farmers planting protection forests will get all thinning products, minor forest products and agricultural products under forest canopy. If support trees are planted with main tree species (at least 600 trees /ha), farmers can enjoy all support trees in the forest.

5.2. Toward the production forests:

a) The forest owners have the right to decide the way and time to harvest but they must replant forest within two years;

b) All forest products to be cut in the forest plantation, the bamboo and ironwood products harvested from natural forests will be sold and bought freely in the market without any permission;

c) Timber and ironwood forest products harvested from the allocated natural forests will be sold and bought freely, but it Reeds certificates of District Forest Protection Unit or Commune People’s Committee. Within 10 days after application the authority must certify that this product is harvested legally.

d) Wood processing within the country is preferable. In case raw material cannot be processed locally, raw material can be exported.
e) Forest plantation products of the farmers will be insured by the Government in combination with other policies to support farmers planting forest trees.

f) Companies and farmers, planting forest trees and agricultural long-term crops on barren land will enjoy preferential taxes according to the Ireland, Investment Law such as: reduction of land use taxes or land rent from 50 to 100% till the end of rotation depending to difficulty categories; exemption of land taxes for the first rotation of forest plantation in remote areas; farmers can borrow money from the preferential credit programme with maximal amount of 70% of total investment;

g) Exemption of resource taxes to the forest products harvested from production forest categories: rehabilitated natural forest though the natural regeneration;

h) Exemption of commercial taxes to the forest products harvested legally in forest plantation and ironwood forest products in natural forests.

6. CONCLUSIONS AND RECOMMENDATIONS:

6.1. Conclusions:

- The Land allocation policy is sound and correct and contributes to better protection and management of the forests. It contributes to increasing of the forested areas in Vietnam. The land allocation also improves the living condition of the farmers for example income generating, job opportunity, and food security...

- The land allocation is a process following land use planning and the issue of land use certificates is the first step. It's more important how land can be used properly and efficiently. The Government has to support to the farmers technically and financially, because the forest investment paces many risks and negative impacts on forests caused by human being cannot solve immediately. The Government must aware the pact, that forests contribute not only to the economic development, but more to the social and environmental development. Therefore the investment to forestry is the investment to the future generation.

- The forest land allocation is now don’t make strong dynamics to encourage people to participate in forest protection and management because people don’t get benefit, if they invest in forestry and the investment is also more risky. More incentives will be given to farmers to plant and to protect the forests.

- Forestland to be allocated to farmers is rather small due to land shortage and large land occupation of forest enterprises, which must be revised soon. Reorganisation of forest enterprises is the key for successful implementation of the forestland allocation and for the future development of the forest sector in Vietnam.

6.2. Recommendations:

- Clear delineation of three forest categories: special use, protection and production forests by means of simplified land use planning at local level (District and Commune) in the field to facilitate the land allocation process. Simplified procedures for LUP/FLA will be applied to speed up the process.

- Strengthening the management system: management boards for special use and protection forest areas and reorganising the forest enterprises by reducing the enterprise area to the extent that they can protect and manage for industrial timber supply; the remaining area should be allocated to farmers.

- Joint forest management with local people participation will be encouraged, because no forest police can protect the forests without support of the farmers and local administration. Economic benefit sharing will be for the farmers first.

- Clarification of the benefit of farmers who are working in forestry: For example farmers to be allocated forest land can get free extension support, long-term preferential credit, enjoy all products harvested in production forest and taxes exemption for the first rotation at least, insurance for risks and marketing
support to farmers...

- People living inside or near the special use and protection forest will participate in form of joint forest management and protection. Community forest management may be a good solution. The rate for contracting people to protect the forests will be considered carefully.

- Applied research in forestry should be strengthened particularly in species selection and site matching for better forest plantation and natural forest management.