1. Project "Afforestation in Ha Tinh, Quang Binh, Quang Tri Provinces" financed by the Federal Republic of Germany, a percentage for protection forest plantation accounts for 50% of the total plantation area. To successfully implement project, a part from the issues of planning, techniques applied for protection forest, it is needed to simples and amend some socio-economic policies for encouraging local participation in plantation and co-management of protection forest. Presently, this issue seems to be a thorny one and that needs to have an answer.

It is said that immediate benefit brought from plantation is a driving force for farm households to plant and manage protection forest in a sustainable way. Protection forest is functioned to protect water resources, quality of soil, land erosion, lessen natural calamities, regulate climate, and make a contribution to the protection of bio-environment. Protection forest is of public characteristics. Economic benefits play the second fiddle only. As a result of that, the public interests and benefits of forest owners must be solved in harmonious way.

2. Review of policies issued by the project on protection forest:

- Forest plantation is carried out by farm households;
- Protection forest is managed by the State,
- Farm households are allocated to land for planting production forest, a medium-term contract on forest tree planting and tending of protection forest with a duration of 8 years is obtained;
• The savings accounts will serve to compensate the farmers for their investment of labor. The amount of
  an account depends on the planted area and on the species planted. Labor cost is calculated according
  to the tree species planted raking from 195DM/ha to 335DM/ha. A sum of money from savings accounts
  must be withdrawn in accordance with the plan and under the supervision of the Project Management
  Unit (PMU).

• After 8 years, farm households will obtain a contract for a larger area for protecting with the limited
  purposes as stipulated in the Decree 327.

• The project will have a long-term and direct impact on land users for forest tending by providing them
  with savings accounts.

• Farm households are supplied with good-quality and sufficient seedlings according to the technical
  standards applied for different tree species.

• To ensure equality among farm households, 1-2 ha of land is allocated to each farm household; and

• Forest compartments and blocks are not far from residential area.

3. Issues for further discussion and consideration

However, many more points should be further considered. In working sessions with provincial and district
project officers and some field staff, their opinions and comments regarding to policy issues to be considered:

1. 50% of the total area is identified as area for protection forest, however, the Village Land Use Planning
   (VLUP) concentrates on only identification of area for plantation. It does not mention land use planning
   for protection forest. Moreover, identification of protection forest is not clear, because there is no clear
   criteria for identifying different protection forest types (even, at national level, there is no formal criteria
   for the most critical protection forest area, not-so critical protection forest area, and less critical
   protection forest area). In 1997, Forest Inventory and Planning Institute (FIPI) conducted a research into
   this issue for 327 National Management Unit. Yet, no results have been published so far.

2. Farm households prefer planting production forest to protection forest because of limited privileges

3. Is forestland (02/CP) allocated to farm households for planting protection forest? Most of opinions given
   shows that land allocation must be proceeded, therefore, farm households are confident to plant and
   protect forest, however, they are afraid that this idea runs counter to the current land allocation policy.
   Some opinions from project management officers indicates that land allocation for planting protection
   forest is not proceeded, only contract to farm households (01/CP), which are similar to the program 327.
   Apparently, these opinions coincide with the project feasibility study.

4. To encourage farmers to plant forest, economic standards for investment must be higher in comparison
   with those of production forest. After the investment period made by the project. In any case, the State
   should support farm households to plant and protect protection forest in a long term. Responsibility put
   on shoulders of farm households of protection forest is heavier. Immediate benefit from forest products
   is less than production forest.

   Policy attach to economic benefits for long term protection forest

5. When planting protection forest, suitable tree species must be selected so that farm households can
   harvest non-wood forest products. Main products from plantation forest are so long to be harvested.

6. Farm households must be identified to be given priority. Equality in land allocation must be ensured by
   selecting at random. Mr. Sy, a project management officers in Bo Trach District, was at a loss when
   some households in Bac Trach Commune did not want to participate in the project because they were
   afraid of difficult and far-away forest land blocks. Mr. Sy also revealed that a project’s regulation
   economic investment on different forest land blocks (accessibility) has not been issued so that he could
   not dare to explain to farm households:

7. Investment is not made by farm households; they wait for fund from the State’s budget in spite of the
   fact that forest products are harvested.
8. There is no uniformed answer to one big question? Who is an owners of the protection forest?

- Opinions shown that it is better if the recipient farm household has an ownership of protection forest, which is similar to production forest (¿) They, therefore, attach to protection forest in a long term.

- No regulation adopted by the State on the ownership of the protection forest are available even in WPF-funded project (2780 and 4304).

4. Analysis and suggestions:

4.1 Protection forest planting planning in the project

A report written by a protection forest expert intensively get involved in this issue. Yet, protection forest plantation planning relates to policy-making process of protection forest. Therefore, points of view are necessary to be made:

Forest land use planning for protection forest including land under forest and land for plantation is an objective and realistic demand of project communes.

Some land-use-planning documents written in 1998 are quoted as follows: "there is an area of 357.4 ha of wet rice field, yet a comprehensive cultivation has not been made, a large acreage is still remain fallow caused by water supply shortage for agricultural farming. This situation has its roots in destruction of watershed forests (land-use-planning document in Son Mai, Huong Son, Ha Tinh)

"Of 729 ha of wet rice field, only half of which two harvests per year are possible. The remaining has only one harvest per year due to the shortage of water supply caused by severe forest damages (land-use-planning document in Duc Lien, Duc Tho, Ha Tinh)

"Protection forest for lakes, rivers, and streams must be focused on to protect forest from land erosion and increase capacity of water retention in order to protect environment (Thai Thuy, Le Thuy, Quang Binh)"

However, in the village land use planning documents, specific demand for how many hectares needed for protecting watershed forest, reservoirs are not mentioned so as to improve quality of water sources for agricultural farming and lives of villagers.

Land use planning only concentrates on selection and identification of land for forest tree planting. Area for protection and production forests has not been classified.

Guidelines for village-land-use planning do not give a concrete criteria for classification. After identifying forest land for planting protection forest, functions and degree of protection forest must be classified. This plays an important role in building up for a concrete policy for identifying protection forest.

After studying maps for village land use planning and exchanging view with district project officers, it is generally agreed that most of the project area is water source protection areas, local reservoir protection areas those of the less critical protection areas. These areas are out of the 327 program areas whose forest land is the most critical protection areas and critical protection area.

4.2 Land Allocation of forest land in the protection forest areas

The necessary to allocate land for planting protection forest to farm households for the following reasons:

As stated in the 5.1 forest land for planting protection forest in the project area is identified as less critical protection areas with a small acreage.

As stipulated in the Decree No. 02/CP dated 15.01.1995 issued by the Government on forest land allocation to organizations, households, individuals for long-term use for forestry purposes "The State allocates forest land to organizations, households, and individuals to establish protection forest, captive plantation, and to protect vegetation cover in combination with protection, operation of forestry, agriculture, and fishery in the following areas:
a. Less critical watershed protection areas;
b. Wind-break, anti-sand moving areas;
c. Wave-break areas; and
d. Eco-environmental protection areas.

4.3 Ownership of protection forest in the project area

4.3.1 As the Feasibility Study on Forest and Natural Resource Conservation in Ha Tinh, Quang Binh, Quang Tri, SR Viet Nam stated that:

"On land classified as protection forest, the state awards contracts to farmers for planting but is responsible for the plantation management"

"Production forest area is allocated to farm households to plant and manage"

How the term "manage" would be meant? Does "management" contain "ownership"? It may be explained that some project officers at both national and provincial level thought that production forest planted by farm households belongs to farm households. Protection forest planted by farm households, in which land is not allocated to them, belongs to the State. This may be a source of understanding that can lead to an unwillingness to plant protection forest because they do not have an ownership to the plantations.

In the transition to the market economy, farm household is an independent economic unit whose psychology is sensitive to the ownership issues. Ownership of a property brings them visible benefits. Resolutely, they become engaged in the property. Farm households have an aspiration to own protection forest planted by themselves.

4.3.2 The current policies on aid fund sources:

Grant is an income of the State's budget that is used in the form of grant from the State's budget or loans given by the State quoted in Circular No. 30-TC/VT dated 12.06.1997, guidelines on financial management of grants.

In the Decision No. 435/TTg dated 16.06.1997 on the approval of the Feasibility Study Project "Afforestation in Ha Tinh, Quang Binh, Quang Tri Provinces" funded by the German Government, Article 7.1 stated that "Financial support for farm households by providing savings accounts for forest tree planting and tending". In Article 3, "The Ministry of Agriculture and Rural Development in coordination with the Ministry of Finance and Ministry of Planning and Investment make suggestions and submit to the Government the policy of withdrawal of part of invested capital in kinds".

In the documents on financial management of projects funded by international agencies belonging to the Ministry (workshop document No 7,8. August 1997) simplified that "All grants in foreign currencies or in kinds received by projects through PMU are an income of the State's budget managed in compliance with the State's budget law and regulations of MARD and MOF (Aid Reception Department).

The Project "Afforestation in Lang Son, Bac Giang Provinces" and Project "Afforestation in Ha Tinh, Quang Binh, Quang Tri Provinces" are on the list of foreign country-funded projects.

It is clear that in said projects, there is a source of finance from Vietnamese side, so called Vietnamese contribution of which makes up 17.04% in the Project "Afforestation in Ha Tinh, Quang Binh, Quang Tri Provinces".

In regard to forest ownership, as stipulated in the Law on forest protection and development (1991): "Natural Forest, plantation forest invested from the State's capital belong to the State. Plantation forest not invested by the State whose forest products are harvested by investors (Article 3).

Part of investment capital must be contributed by farm households for planting and managing project protection forest

During the project implementation, recipient farm households are provided with seedlings, techniques, and paid
for their labor investment (planting, tending, and protecting). The duration for protection forest is 8 years long. However, after 8 years, protection forest can not fully perform its protection functions. It takes 20 years for *Pinus merkussi* (Silviculture experts and protection forest experts will define). To have protection forest, from year 8 onwards, farm households have to make investment in tending and protecting forest.

According to a rough calculation, contribution from farm households accounts for 14-15% of the total cost.

**4.3.3 Co-ownership of the State and farm households (or diversity of ownership)**

An identification of co-ownership of the protection forest between the State and farm households is not clear and not yet created a momentum for farm households to attach to the protection forest planted by them. Their attitude to protection forest largely depends on immediate visible benefits expected from planted protection forest. The grant of "Red Book" certificate is of their interest because land is getting scarcer and scarcer, leading to more expensive price of land. Land also easily creates more jobs for households in spite of low economic efficiency.

From the economic angle, project protection forest owned by both the State and households has its own economic basis. However, the protection forest has the main functions of protection and environment protection. Economic purpose plays only the second fiddle.

From the management angle, the co-ownership between the State and households is necessary. If the farm households own protection forest, for economic benefits, they focus on only economic immediate benefits and pay less attention to the protection functions. If the State own protection forest, it is certain that the State only pay attention to the protection functions and does not make full use of immediate benefits brought from the protection forest. Protection areas in the three provinces are less critical with small size areas. The State, therefore, do not allocate forest land to the Protection Forest Management Board (PFMU) but authorizes the local community, commune people’s committee where immediate benefits are obtained from water supply protection, reservoir protection for agriculture farming, storm protection, land erosion protection for the local community. The co-ownership is presented through the village rules on protection of the certain protection area. Village rules stipulate activities of all individuals to protect protection functions of the forests. Benefits shared between the community and forest owners are not regulated in the village rules.

**4.3.4 Withdrawal part of invested capital for planting project protection forest from recipient farm households:**

Through estimated income calculation of one ha of protection forest, some concerns are arisen for discussion:

- A low and inconstant annual income is foreseen the first 20 years;
- An average net income of one household planting 2 ha of protection forest:
  
  \[158000 \text{ VND} \times 2 = 316000 \text{ VND/year}, \text{ equivalent to 197.5 kg rice or 30 kg pig meat} \geq 4\% \text{ of the average net income of one household in the project area (8272000 \text{ VND})};\]
- The issue of withdrawal part of invested capital is not visibility economic; and
- If all benefits of one ha of protection forest go to farm households which only account for a very small portion of their current income.

*Therefore, to give them a momentum to attach to planting protection forest, the State should not withdraw part of its invested capital.*

**4.4 Land use tax of project protection forest**

Pursuant to:

Article 26, The Law on Forest Protection and Development expressly stipulated "Protection forests mainly perform the functions of protection of soil and water conservation, land erosion, reduction of natural calamities, climate regulation, and protection of bio-environment.

And in Clause No. 2, Article 29 of the same Law stipulated on the protection forest management and utilization: "In the process of protection forest protecting, tending, and planting, forest product harvesting in combination with business operation must not have any negative impacts on functions of the protection forests. All
harvesting of protection forests must be in compliance with the plan for protection forest management and utilization evaluated and approved by competent authorities and bind to the standards for forestry techniques. Organizations, individuals allocated with land or obtain contracts to protect, plant, and tend protection forests are entitled to get benefits from forest products made by themselves.

Therefore, though protection forest land is also allocated to farm households, which is identical to production forests, land use tax is exempted for its main functions of environment protection and the combination with business operation is ranked the second place.

Additionally, this is also taken as an incentive measure for farm households to plant and manage protection forest.

5. Recommendations and Conclusions:

On the basis of analysis and solutions to obstacles of socio-economic aspects on planting and sustainable management of protection forest, policy is recommended:

1. Land use right is granted to recipient farm households;

2. Co-ownership and management between the State and farm households are recommended. Local authorities, where are of protection forest areas are authorized by the State to perform all its rights and obligations to protection forest.

3. The plantation of protection forest is managed in accordance with the regulation on the less critical protection forest with the small size areas

4. Farm households are entitled to get all products from agro-forestry in a plantation areas. Land use tax is exempted.

5. Responsibilities of farm households:

a. Perform adherence to planting plan, planting, tending, and protecting techniques applied for protection forest;

b. Make their own investment of labor cost for protecting, tending, and managing in a long term after the investment period;

c. Be responsible to the State and the local community for sustainable utilization of project protection forest in compliance with the technical standards of the regulation on less critical protection forest management as well as village rules;

d. Farm households, who wish to plant protection forest with different tree species of higher economic value and more effective functions of protection, must make a project and get a permission from the district forestry department to make their own investment in planting, tending and protecting in a long term; and

e. 10000 VND is paid to the commune forest protection unit for protecting activities in commune (When harvesting of protection forest, money should be paid for previous years).