

THE FOREST POLICY OF VIETNAM AND THE ROLE OF PEOPLE'S PARTICIPATION IN FOREST PROTECTION AND DEVELOPMENT

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Introduction

The Institute for Global Environmental Strategies (IGES), a non-profit organization, was officially established under the authorization of the Prime Minister of Japan on March 31, 1988.

Five research projects have been identified and discussed during the first and second international workshops held in 1997 and 1998 in Japan: Climate change, Urbanization and Environment, Forest conservation, Environmental Education and Environmental Governance. The research project on forest conservation is managed by Prof. Dr. Hiroji Isozaki at the department of Legal Studies, Iwate University (Japan). This project consists of four sub-themes: Structural analysis of the Regional Forest Destruction and Underlying causes of deforestation, Timber trade policy, Participatory Forest Management, and Legal and Administrative measures. The sub-theme "Participatory Forest Management" is led by Prof. Dr. Makoto Inoue, Graduate School of Agricultural and Life Sciences, the University of Tokyo.

The Forest Science Institute of Vietnam participates in this sub-theme for two major reasons:

- To analyze the forest policy and land policy in Vietnam from a viewpoint of people's participation, conducted by Prof. Dr. Do Dinh Sam.
- Forest utilization by local people, managed by Mr. Le Quang Trung.

This report presents the issues related to forestry policies in Vietnam.

In line with the *Doi moi* (renovation) policy, forestry in Vietnam has shifted from an exploitation-oriented strategy to sustainable forestry management. This system promotes the integrated utilization of forest resources with the maintenance of natural regeneration, reforestation and the development of social forestry which is based on a multi-sectoral structure. Households and farm families have become grass-root economic units. State-owned forest enterprises play the leading role within the forestry sector by supporting people in forestry operations. The Government has promulgated numerous important legal decrees and acts for the protection and development of forests with the participation of the people. Among these are the Law on Forest Resource Protection and Development (1991), the Land Law (1993), Decision No. 327/CT (1992) on solutions to be applied for the utilization of bare hills, denuded lands, degraded forests, sand dunes and water flats, Circular No 13/CP (1994) on the agricultural extension services (including forestry and fishery extension services, Circular No 02/CP which establishes the mechanism for the allocation of forest lands to different organizations, households and individuals for long-term forestry -related uses, and Decision 202 TTg (1994) on contracts for forest protection, maintenance, natural regeneration and planting. Recently the Prime Minister released decision No 661/QD-TTg (1998) regarding objectives, tasks, policies and organizing the implementation of a project designed to replant 5 million hectares of forests by the year 2010.

In order to create favorable conditions for the people to participate in forest protection and forest capital development, the Government of Vietnam has carried out and continues to promote a campaign for fixed cultivation and sedentarization initiated in 1968 with the people of ethnic minority who are still practicing shifting cultivation and home moving. Based on those documents, the author seeks to analyze forestry policies as they relate to the participation of the local peoples.

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1. Forest land fund

1-1. Present conditions of forests

The total natural land area of Vietnam is 33,111,600 ha of which the forested area is 9,302,200 ha. Of the forested area, 8,252,000 ha are natural forests while 1,049,700 ha are forest plantations (Forest Inventory and Planning Institute, 1997). Taking the country as a whole, the forest cover is 28.1%. There are 9 forest economic development regions in the country: the North West, the Mid-region of North Vietnam, the North East, the Delta region of North Vietnam, North Central Vietnam, the Coastal region of Central Vietnam, the Central Highlands, the Eastern South of Vietnam and the Mekong river delta. The existing forests are concentrated in the Central Highlands with 57% forest cover. Next comes the coastal region of Central Vietnam and North Central Vietnam where the forest covers 35% of the land. The least forest cover is in the North West region, 14.3%

The forests are also classified in 3 categories: protection forest, special-use forest and production forest.

1-2. Planning of stable forest stands

According to the forestry branch, the total forest land area is 19,080,800 ha. of which the area of protection forests will be 6.8 million ha- it is now 3,487,700 ha. The area of special-use forests will be 2 million ha- it is now 898,300 ha (10 national parks, 61 nature reserves and 34 forest areas as historical and cultural assets) and the area of production forests will be 10.3 million ha where it is now 4.9 million ha (4.2 million ha of natural forests and 0.7 million ha of forests plantations).

In Vietnam, the General Department of Cadastration (GDC) is the State organization in charge of land management throughout the whole country. According to statistics by the GDC the unused land area of the country was 12.087 million ha (1996). This immense area was land not yet designated by the State as land that was being used for agriculture, forestry, rural and urban settlements or special uses. The Government carries out the planning, instituting policies that encourage and create favorable conditions for various organizations, households and individuals to improve the land for use in agriculture, forest production and other appropriate pursuits. According to the land use plan, by the year 2010, 5 million ha of the now unused land in the whole country is slated for forest development.

2. Role of forestry sector in the national economy and national development plan

2-1. Role of the forestry sector in the national economy

Besides the protection function, forests in Vietnam play an important role in the national economy i.e. supplying timber, firewood, bamboo, rattan and other special forest products for home consumption and export.

According to statistical data on agricultural, forest and aqua products in Vietnam, 1985-1995 (The Statistics Publishing house, Hanoi 1996), the gross output of forestry in 1989 dollars is as follows (Table 2).

Since 1954, domestic timber requirements for construction, communication and transport, mine-props, furniture, and the processing of export products have all been met mainly by natural forest exploitation.

According to the statistics, the annual timber exploitation from 1986 to 1995 varied from 8.8 million cu m to 4.445 million cu m. After the Government prohibited the export of round wood and the forestry sector set limits on the exploitation of natural forests, the volume of exploited timber has gradually decreased since 1993. In 1996/1997 it was only about 620,000 cu m/year and about 400,000 cu m of round wood was to be imported annually.

Timber and non-wood forest product processing factories are mainly of medium and small sizes. According to government data there were in 1996: 759 large and medium-sized processing enterprises, 1,200 small-sized processing enterprises including cooperatives and households engaged

Table 1. Present conditions of forest land in various regions
(Forest Inventory and Planning Institute, 1997)

Unit: 1,000 ha

Regions	Natural area	Total	Land under natural forests	Land under forest plantations	Forest land without forest	Forest cover %
Whole country	33,111.6	9,302.2	8,252.5	1,049.7	9,778.6	28.1
North West	3,595.3	515.5	464.1	51.4	2,232.0	14.3
Mid-region of North Vietnam	3,332.5	806.7	667.2	139.5	1,441.1	24.2
North East	3,368.8	670.7	533.8	136.9	1,309.5	19.9
Delta region of North Vietnam	1,251.2	53.4	22.7	30.7	37.7	4.3
North Central Vietnam	5,118.8	1,792.4	1,564.6	227.8	1,491.6	35.0
Coastal region of Central Vietnam	4,587.5	1,597.4	1,439.8	157.6	1,331.9	34.8
Central Highlands	5,556.8	3,168.1	3,108.9	59.2	1,264.7	57.0
Eastern South Vietnam	2,345.0	486.2	406.8	79.4	361.9	20.7
Mekong river delta	3,955.7	24.8	44.6	167.2	229.1	5.3

Table 2. Gross output of forestry

Unit 1,000 VNse dong

	1986	1990	1993	1995
Total	1,123,450	1,379,607	1,371,552	1,449,412
1. Forest planting and maintenance	191,672	184,559	249,079	344,767
2. Exploitation of timber, firewood and non-wood	918,389	1,182,161	1,093,780	1,078,645

products				
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in traditional handicrafts and fine handicrafts, and 53 joint-venture enterprises with foreign countries. The total capacity of timber processing enterprises was 1,560,000 cu m of which that of Vietnamese enterprises was 1,200,000 cu m, joint-venture enterprises: 360,000 cu m with a total labor force of 95,000 persons in forest product processing units. The main products were:

- High grade wood products, handicraft and fine handicraft articles.
- Composite boards and products from composite board (plywood, chipboard, veneer, etc.)
- Wood chips from forest plantation wood for paper and pulp production.
- Bamboo and rattan products.
- Other products of combined wood, rattan and other materials.

Year	1986	1988	1990	1993	1995
Volume of exploited timber (1,000 cu m)	3,387.7	3,355.7	4,446.6	2,884	2,793.1

In the three years 1993-1995, the mean annual export of processed wood products from Vietnam was 400,000 cu m of round wood equivalent, worth about US \$100 million. The main raw materials used in processing were timber from natural forests, bamboo and rattan. In the 1986-1990 period, about 3.2 million cu m of sawn wood, 276,000 cu m wooden flooring strips and 17 million cu m veneer was processed. Forest plantation wood mainly served as raw material for paper.

- Besides timber, rattan and bamboo, other forest products also play an important role in the national economy, especially in elevating the income of the people in mountainous regions. Cinnamomum cassia bark and essential oil, Illicium verum fruit for essential oil production, pine resin (*Pinus merkusii* or *P. kesiya*) and abundant medicinal plants in the forests of Vietnam serve to diversify the forest economy.

According to statistics from the 1986-1990 period, the yield of *C. cassia* bark was about 8,100 tonnes, with about 1,500 - 2,000 tonnes being exported at US \$2,000-\$2,500 per tonne. The yield of *Illicium verum* fruit was 1,500-2,000 tonnes/year. Essential oil obtained from distillation was US \$750 per kg on average. Pine resin is also an important product that is used for industrial applications. The distillation of pine resin produces turpentine and pine essential oil.

According to the data reported by pine resin processing enterprises, the yield of processed pine resin was 2,300-2,500 tonnes/year on the average, and the turpentine yield was 1,400-1,500 tonnes/year. Due to antiquated distillation technology, the quality of turpentine was inferior. Therefore, the export from 1985 to 1987 was only 300-600 tonnes/year. With improved distillation technology, the Uong Bi district (Quang Ninh province) alone exported 1,000 tonnes of turpentine in 1992 in a joint venture with Japan. Paper and paint industries within Vietnam consume over 50% of the turpentine produced. Pine resin is a valuable product and production should be encouraged as *P. merkusii* plantations are easily planted and adapt well to the conditions of degenerated soil.

- Forests supply firewood in very large quantities (up to 60 - 70% is from natural forests) for the requirements of cooking and heating especially in mountainous regions. Prior to 1990 the exploitation of firewood was about 21 million cu m/year, it is presently about 15 million cu m/year.

- Natural forests are a national natural resource and the Government has issued a State sanctioned natural resource tax law (1990). Subjected to natural resource taxes are products from natural forests, mainly timber, firewood and a number of special forest products. The tax rate depends on the kind of product and varies between 10-14%. The annual forest resource tax collected is about 150 billion dong and is used mainly for local forestry activities.

In brief, forests play an important role in the national economy and are closely linked with the life of the people in mountainous regions. The main supplies of timber, firewood and non-wood forest products for domestic requirements and export are from natural forests. Forest plantations are still of small area and mainly supply raw material for paper production. Regarding forest protection however, the exploitation and use of forest products in recent years was excessive, leaving rich timber stands decimated. Of the remaining area of natural production forests, only 6.5 % is rich forest with timber stocking 120-200 cu m/ha while 24.5% is average forest with timber stocking 80-120 cu m/ha. The remaining 69% is poor and rehabilitated forest with timber stocking 20-80 cu m/ha.

2-2. The importance of the forestry sector in the national development plan

The task of the forestry branch is to ensure the protection function of forests, supplying timber, firewood and other special forest products for home consumption and export, as well as contributing to hunger elimination and poverty alleviation. Additionally, there is a desire to create more employment for the laboring people and to elevate the people's income in rural areas of mountainous regions making forestry an important economic branch in the socio-economic development of those mountainous regions. These are also the objectives of forestry development projects and programs that have been approved by the State. In 1998, the Prime Minister organized and implemented a project that will plant 5 million new hectares of forests by the year 2010. On the basis of protecting the existing area of forests, 5 million hectares of forests will be planted and rehabilitated. The goal is to increase the forest cover from 28% to 43%.

Regarding the existing forest area and forest density per capita, Vietnam ranks low when compared to other South East Asian countries. The mean forest area and mean forest timber stocking per capita is 0.15 ha and 9.45 cu m respectively. Demand for timber and firewood in Vietnam is forecasted to be very high in the future.

Items	Year 2005	Year 2010
-Timber for infrastructure construction	1 million cu m	1.5 million cu m
-Wood as paper and pulp raw materials	4 million cu m	6.0 million cu m
-Wood for composite boards	2 million cu m	3.0 million cu m
-Wood for household use	2 million cu m	2.5 million cu m
-Other	0.35million cu m	0.5 million cu m
Total wood demand	9.35 million cu m	13.5 million cu m
Firewood demand	14.4 million cu m	10 million cu m

It will be a big task for the forest ministry to meet timber and firewood demands in the future while at the same time ensuring the protection function of forests. Protection of the existing forests, raising the productivity of natural forests, planting and rehabilitating from now to the year 2010 5 million hectares of forests, special-use forests, protection forests, and production forests while promoting timber and other forest product processing technologies will aid the ministry in fulfilling their mandate. With the implementation of this plan, the living standard of over 20 million people living in and nearby forested areas could be improved as Vietnam attempts to achieve about US \$35-500 /year benefit from forests for each household, making forestry a significant player in the nation's economy.

3. Main policies and measures for the protection and development of forest capital

In agreement with the general economic plan for Vietnam, forestry activities are being shifted into social forestry policies that encourage the active participation of the people. This is a step towards the socialization of forestry endeavors. Conditions will be created for the people to enjoy the benefits generated from forests so that they are intimately linked with forests and with the protection and development of forest capital.

3-1. The campaign for fixed cultivation and sedentarization

Of the 53 ethnic groups in Vietnam, up to 50 groups practice shifting agriculture. They live near the forests and their main cultivation system is slash-and-burn cultivation. The number of shifting cultivation practitioners is estimated at around 3 million (1981 data). Thus the campaign for fixed cultivation and sedentarization, raising the people's living standards, restricting forest destruction for slash-and-burn cultivation, and creating favorable conditions for the people's participation in the protection and development of forest capital are important measures for the promotion of forest protection in mountainous regions. The campaign, begun in 1968, has continued and will go on for many more years. At the present time, about 1.9 million people are engaged in fixed cultivation and sedentarization of which only 660,000 people in 378 communes do have a stable life. It seems that shifting agriculture is gradually diminishing.

3-2. Programme 327

This is a national programme signed by the Chairman of the Council of Ministers on 15/9/1992 concerning the use of bare land, denuded hills, alluvial deposit land and water bodies (Decision No 327/CT). The programme has been carried out through projects financed by the State and is aimed at revegetating bare land and denuded hills and increasing the forest cover. The plan will eventually extend to many targets including alluvial deposit land, water bodies and all bare land and denuded hills. After 4 years of Programme 327, Decree No 556/TTg was signed by the Prime Minister on 15/9/1995 refining the scope and content of the activities of the programme. It was now called The National Programme on Rehabilitation and Protection of Upstream and Special Use Forests. The programme was responsible for forest protection, forest regeneration through natural forest succession and forest planting aimed only at 2 targets: upstream protection forests and forests in national parks, nature reserves involving agro-forestry projects with direct participation of the people. The State places great emphasis on the protection and development of the forest capital.

3-3. The scheme

“The promotion of forest planting with the revegetating of bare land and denuded hills as a step towards banning natural forest exploitation”

Due to over-exploitation and repeated exploitation in the same areas, most of the remaining natural production forests (nearly 60%) are depleted with timber stocking $\leq 80\text{cu m/ha}$. In addition, many plots of average forests (timber stocking $80\text{-}150\text{cu m/ha}$) were also overexploited. In these plots

especially, exploitation must also be discontinued to allow time for forest rehabilitation and development that will ensure a stable supply of timber in the future. This measure is called “banning natural forest exploitation” (closing the gates of natural forests). Average timber exploitation prior to 1995 was 3-4 million cu m/year and recently decreased to 600,000-700,000 cu m/year.

3-4. The project of establishing 5 million new hectares of forest from now to the year 2010

In conjunction with the project banning natural forest exploitation, the Prime Minister, on 29/7/1998 announced Decision No 661-QD/TTg clearly stating the objectives, tasks, and policies of the plan and he put into place the steps necessary to implement the project that will develop 5 million new hectares of forest from now to the year 2010.

Main objectives:

- To plant 5 million new hectares of forest together with protecting the existing forest area to raise the forest cover to 43%.

- To support the effective use of bare land and denuded hills, thus creating more employment for the laboring people.

- To supply wood as paper and composite board raw material, meeting the demand for timber, firewood and other forest products for domestic consumption and export.

The guiding principle for the implementation emphasizes that people are the main force in forest planting, forest protection and forest regeneration by natural forest succession and will enjoy the benefits generated from forests. The State will create a favorable legal environment and technology transfer and will develop policies to encourage forest workers, such as investment support from State budgets or favorable loans from credit funds to support essential infrastructure construction. Forest planting in each period will be organized and implemented by projects established at a local level with the people's participation.

The concrete objective set forth is to establish 2 million hectares of protection and special-use forests of which 1 million hectares will be through forest regeneration through natural forest succession and supplemental planting, 1 million by new planting closely tied with fixed cultivation and sedentarization endeavors and to plant 3 million hectares of production forests of which 2 million hectares will be set aside for raw materials, special-products, precious and rare timber supply. Finally, 1 million hectares is allocated for perennial industrial crops and fruit trees, to make full use of bare land and denuded hills for scattered tree planting.

3-5. The policy on land allocation and forest allocation for protection and management on contract

This is a core policy for the people to participate in the protection and development of forest capital. It appears regularly in concrete deeds in all forestry programmes and schemes. Its main content is forest allocation and forest and forest land allocation on contract to various organizations, households and individuals on a long term basis for forestry purposes. The legal basis of the policy is Article 18 of the 1992 Constitution, the Land Law (1987, 1993) the Revised and Supplemented Land Law (1998), The Law on Forests Protection and Development (1991) and sub-law documents such as Decision 02/CP of 15/01/1994 of the Government regulating the allocation of forest land to organizations, households and individuals for long-term use serving forestry purposes; Decision 01/CP of 4/1/1995 of the Government on land allocation on contract for use in agricultural, forest production, and aqua-culture in State-owned enterprises. As well, an Instruction by the Prime Minister on policies and methods for continued economic and social development in mountainous areas; Decision 202/TTg dated 2/5/1994 by the Prime Minister on contracts for forests protection, maintenance, natural regeneration and planting and most recently, the Decision 661 QD/TTg of 29/7/1998 by the Prime Minister on objectives, tasks, policies and organizing the implementation of the project that will plant 5 million new hectares of forests.

4. Concrete regulations in policies on land allocation and forest allocation on contract

4-1. Land Law specifics

4-1-1. Land ownership is by the entire people. Land management is undertaken by the State through integrated planning and is in agreement with the laws. The State allocates the land with and without land use fees, leases the land to organizations and households, to Vietnamese individuals at home and those residing in overseas countries, and to foreign organizations and individuals as regulated by land laws.

4-1-2. Forest land is the land determined to be used mainly for forestry purposes and includes land containing natural and man-made forests, land subjected to natural forest succession for forest rehabilitation and land for forest planting, forest research and experimentation. Forest land is divided into land for protection forests, land for special-use forests and land for production forests.

4-1-3. Targets of forest land allocation and leases:

- Organizations including forest management boards, forest tree seed stations and enterprises, forest, agricultural and fishery enterprises, people's army units, schools, social organizations and others.
- Households, individuals with residence registration in localities having the forest land or those residing in other localities and are certified by the people's committee of these localities.
- Village communities.

4-1-4. Land use duration

The duration allowed for long-term and stable land use is 20 years for annual crops, aquaculture and salt production, and 50 years for perennial agricultural crops and forest tree species. If the land utilizer wishes to prolong the land-use at the expiration of the established duration the State will consider it and decide.

4-2. Regulations related to forest land allocation, and their application in practice.

There are two main provisions in forest land allocation:

- Allocation of forest land to organizations, households and individuals for stable and long-term use for forestry purposes.
- Management boards for protection forests, special-use forests and forest enterprises are allowed to re-allocate on contract the forest land already allocated to them by the State to households, individuals and other organizations for management, protection or forest planting. Depending on the types of forest, the regulations on the allocation of forest land are different.

4-2-1. Special use forests.

Special -use forests are allocated to the special-use forests management boards (SFMB) These "managers" of the forests are responsible for forest protection and development.

4-2-1-1. Critical special-use forests are generally managed by the SFMB. In special cases where the relocation of people living near-by is impossible, parts of the forests may be allocated to them for protection.

4-2-1-2. With the areas subjected to ecological restoration, most of the SFMBs do allocate the forests to the households and hamlets for protection. The locals are also responsible for forest capital development by forest restoration through natural forest succession or forest planting.

Rights and benefits of the households that receive the forest on contract:

- +If forest planting is done, the average payment received is 1-2 million dongs per hectare.
- +Payment received for forest protection, forest restoration by natural forest succession is 40,000-50,000 dongs per hectare.

The area received on contract differs and depends on the location. For forest planting, each household receives between 2-4 ha on average, and between 10-20 ha on the average for forest protection and forest restoration.

4-2-1-3. The buffer zones of national parks: Regarding buffer zones, there are special policies aimed at helping the people to improve their standard of living. To diminish the pressure on national parks and nature reserves, land is allocated for forest planting, there is forest allocation for protection on contract as well as agro-forestry and household economic development (garden-pond, pig-sty or cattle stable).

4-2-2. Protection forests.

Similar to special use forests, the State establishes management boards for protection forests (MBPF). Where MBPFs are not yet formed, protection forests are put under the direct management of the forest protection section.

4-2-2-1.Upstream protection forests:

+ With utterly critical and critical areas of forests still in existence, the MBPF allocates the forests to households or hamlets on contract for long-term or short-term forest protection, forest restoration by natural forest succession or forest enrichment planting. The payment is the same as that of the special-use forest. The households may practice an agro-forestry system under the forest canopy, collect some minor forest products and dry firewood . In some cases, overly mature trees are allowed to be cut. Where no forests exist the households can undertake forest planting on contract. Payment is provided by a State fund. Forest maintenance and protection may also be undertaken by the households. Indigenous species are mainly used in forest planting to form multi-leveled forests. Mixed planting can be done with supporting and multi-purpose species that can be harvested after a period of time. Agro-forestry measures can be applied to raise household income.

+ With the less critical areas (or relatively safe areas) it is the same as in the case of buffer zones around special use forests. Here the people living near the forests are allowed to develop agriculture, increase forest and agro-forestry production, and to establish protection forests combined with production forests to stabilize their lives. Each household is allowed to receive land for their home and garden to develop a household economy.

4-2-2-2. Coastal protection forests near sea waves and advancing to the sea: mainly mangrove forests.

At present, utterly critical protection forests are not allocated to households. Forest protection sections are the responsibility of the organization for forest management and protection.

With less critical protection forests, the policies are the same as the case of production forests: 7-15 ha are allocated on contract to each household for a 15-20 year duration. The households that receive the forest on contract may use between 10-30% of the land for fishery development (shrimp, crab rearing) and enjoy 100% of the products harvested. The remaining land is used for forest planting on contract with the forest enterprise including forest maintenance and protection.

The households may also receive natural or re-planted forests for protection and for combined natural aqua-product exploitation in the canals. In addition to payments received from the forest protection fund, the households also receive payments for forest thinning once every two years and are entitled to enjoy 50% of the value of thinning products.

4-2-3. Production forest.

4-2-3-1. Most of natural production forests are managed by State forest enterprises. This enterprise organizes forest management and protection and can allocate part of the forests to the households of which one or more members are workers in the enterprise or to people's households and individuals for protection. Between 5-10 ha is allocated on contract to a household, with some places receiving up to 50 ha. Payment for forest protection is the same as in the case of protection and special-use forests (40,000-50,000 dong/ha/year). The households that receive the forests on contract may collect minor forest products and dry firewood. A proposal for a new policy that would ensure that the households that receive the forest for protection may enjoy part of the products when the forest is harvested is before the state legislators.

Forest allocation on contract for forest restoration by natural forest succession is the same as in the case of special use and protection forests. Forest plantations raised by State funds can also be allocated to the people's households for protection, the same way as with natural forests.

4-2-3-2.Planting of production forests

Individuals, households and organizations can receive land for forest planting. The land area allocated depends on the localities and their land capital. In practice there are households that receive up to 50 or 100 hectares of land for forestry purposes but due to limited conditions (resources, labor force, organizational and managerial ability) an average of 3-5 ha is received by a household in mountainous regions. In mid-land regions it is 2-3 ha due to limited land capital. The households may receive investment funds from the State forest enterprise or the State for forest planting and then undertake forest maintenance and protection until the forest is harvested. In practice, the regulated rates as to the sharing of the eventual product are diversified and varied.

The households can employ themselves for forest planting and may decide the species to be planted for definite economic purposes, manage and see to the protection of the plantations. They themselves decide the suitable harvesting time and may have the products brought to market at will. The land must be reforested 2 years after the forest is harvested. These are the most recent regulations aimed at encouraging local investment in forest planting.

Regarding the project to plant 5 million new hectares of forest from now to the year 2010, it was clearly stated in Decision 661/QD-TTg by the Prime Minister that policies and measures for the project included local participation as a main factor.

4-2-4. Policies on land: On the basis of re-examining and planning land capital for each commune, district, province and provincial people's committees responsible for land allocation, land lease and the provision of land use certificates to organizations, households and individuals as regulated by Decision 02/CP.

4-2-5. Policies on investment and credit loan

- Investment capital from the State budget:
 - + Contracts for the protection of special-use forests, utterly critical and critical protection forests. The payment rate does not exceed 50,000 d/ha/year, nor will the duration exceed 5 years. For forest restoration by natural forest succession and supplemented planting the payment rate does not exceed 1 million dong/ha, with a duration not exceeding 6 years.
 - + Direct investment support is given to the households undertaking protection forest planting with an average of 2.5 million dong/ha.
 - + Households, individuals that decide to plant rare and precious tree species over a 30 year period are supported with an average of 2 million dong per hectare.
 - + The State pays in advance in the first year for planting stock.
- Credit loan: Forest masters enjoy privileges specified in the law on domestic investment encouragement and are provided with loans from credit and other funds.

4-2-6. Policy on the sharing of products and the selling of products:

- The households that undertake the protection of utterly critical and critical protection forests are allowed to harvest firewood and minor forest products under the forest canopy. In the case of forest restoration by natural forest succession and supplemented planting and the planting of protection forests, the households are also allowed to enjoy all the products garnered from thinning.
- Regarding production forests: With forest plantations the master of the forest plantation has the right to decide the time and method of exploitation. The exploited products are then free to be brought to market.

In brief, new forestry policies involving land laws, laws ensuring forest protection and development as well as sub-law documents, especially the allocation of forest land on contract to organizations, households, individuals for long term forestry purposes have contributed greatly to forest protection and development. Forest masters are now extremely diversified and have arisen from the State, collectives, (cooperatives, hamlets, forest management boards), households, individuals and communities.

Conclusion

The Government of Vietnam pays utmost attention to forest capital protection and development aimed at raising the forest cover from the current 28% to 43% by the year 2010. Policies on forestry and land are designed to encourage the people's participation. The main contents of these policies are:

- Allocation of forest land to the people for long-term use for forestry purposes.
- Allocation of forest and forest land on contract for forest capital protection and development. Organizations that receive forest and forest land allocated by the State are allocated again on contract, part of the received forest and forest land area for forest protection and forest planting.
- Conditions are created for the people to have some income from forests through concrete policies.
- Creating favorable conditions regarding investment policies, credit, and the consumption of products to encourage the people's participation in forest capital development.

With these measures and policies, forest masters of varied status have emerged, with considerable results having been obtained in recent years in forest rehabilitation and planting. However, during national seminars on "Forest masters and forest masters' benefits" (1998) it was conceived that the policies must further be supplemented and made more concrete. New policies need to continue to offer further incentives. As well, the relationship between forest masters still needs to be legally defined. Moreover it must be further emphasized that the majority of the households that received forest and forest land are poor, thus the policies so far have not been especially attractive to them. They have few opportunities to make use of the policies after receiving forest land for forest rehabilitation and forest planting.