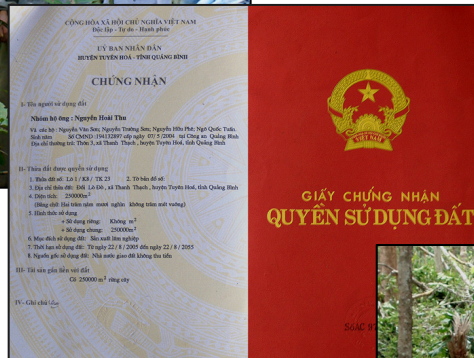


VIETNAM

STUDY ON STATE OF THE ART OF COMMUNITY FORESTRY IN VIETNAM



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The GTZ project on Sustainable Management of Natural Resources
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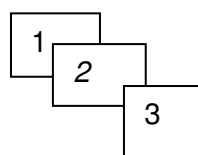
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LIST OF ABBREVIATIONS AND ACRONYMS

5MHRP	Five Million Hectare Reforestation Programme
ADB	Asian Development Bank
AEF	Allocation of Existing Forest
CBF	Community-based Forestry
CF	Community Forestry
CFM	Community Forest Management (same as above)
CPC	Commune People's Committee
dbh	Diameter at breast height
DoF	Department of Forestry
DoNRE	Department of Natural Resources and Environment
DPC	District People's Committee
EPMNR	GTZ project on Environmental Protection and Management of Natural Resources in Dak Nong Province
ETSP	Helvetas Extension and Training Support Program
FAO	Food and Agriculture Organisation of the United Nations
FLA	Forest Land Allocation
FPDR	Forest Protection and Development Regulations
FPU	Forest Protection Unit at district level
FSP	ADB Forest Sector Project
FSSP	Forest Sector Support Programme
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit GmbH (German Technical Cooperation)
ha	Hectare
ISG	International Support Group
JICA	Japanese International Cooperation Agency
JOFCA	Japanese Oversea Forestry Consultancy Agency
KfW	Kreditanstalt für Wiederaufbau (German Financial Cooperation)
KfW6	KfW project on Forest Rehabilitation and Forest Management in Quang Nam, Quang Ngai, Binh Dinh and Phu Yen
LUPLA	Land use Planning and Land Allocation
MARD	Ministry of Agriculture and Rural Development
MoNRE	Ministry of Natural Resources and Environment
NGO	Non-Governmental Organisation
NTFP	Non Timber Forest Products
NWG-CFM	National working group on Community Forest Management

ODA	Overseas Development Agency
PPFP	Pro-Poor Forest Project
RDDL	GTZ project on Rural Development in Dak Lak Province
REDD	Reduced Emissions from Deforestation and Degradation
REFAS	GTZ project on support to the Reform of the Forestry Administration System
SFM	Sustainable Forest Model
SFSP	Social Forestry Support Project
SMNR-CV	GTZ project on Sustainable Management of Natural Resources in Central Vietnam
SMRP	GTZ Project on Sustainable Management of Resources in the Lower Mekong River Basin
TFF	Trust Fund for Forests, a grant facility created in 2004 with funding from five European bilateral donors
UN REDD	UN Collaborative Programme on Reduced Emissions from Deforestation and Degradation in Developing Countries
UNDP	UN Development Programme
UNEP	UN Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
VAT	Value Added tax
WG-FLA/JFM	Provincial Working Group for Forest Land Allocation and Joined Forest Management

Cover photos:



- 1- Courtesy of KfW 6 - Forest rehabilitation and forest management project
 - Participatory forest inventory during forest allocation in accordance with Circular 38 in Quang Ngai province.
- 2- Courtesy of GTZ- Project on Sustainable Management of Natural Resources in Central Vietnam (SMNR-CV)
 - Red book certificate on forest land allocated to a forest user group in Tuyen Hoa district, Quang Binh province.
- 3- Courtesy of GTZ – Project on Rural Development Dak Lak province(RDDL)
 - Community based timber harvest in Ea H'Leo district during benefit sharing pilot in Dak Lak province.

1 INTRODUCTION

Background

Following a gradual shift from centralised state forest management towards the recognition of smallholder involvement in forestry as contribution to forest development and livelihood improvement in Vietnam, forest resources are increasingly allocated to individual households, groups of households or entire villages under their direct management.

With this shift towards community forest management, increased rights over forest resources are being transferred to households and entire communities. Handing over user rights to local people consequently includes increased self-reliance in decision-making, planning and management. However, sufficient knowledge in forest management at grass-root level cannot always be assumed and effective and practicable forest management planning concepts therefore have to be developed to support new forest owners in their sustainable forest management.

Continuous piloting of technical procedures for community forestry (CF), facilitated through numerous projects since 1995 has led to a legal recognition under the revised Forest Law in 2004 providing the legal basis for the allocation of forests to entire communities.

Despite this national legal recognition and intensive field testing, implementation is mainly driven by a number of ODA projects without common national, regional or provincial strategies and technical guidelines being defined yet. Even a CF pilot program under the Forest Department, despite completing 64 village pilots in ten provinces, could not influence national policy decisions yet.

Objective

The mission, comprising of a team of an international and national forestry consultant with long-standing experiences in CF development in Vietnam is assigned to embark on:

- i.) a comprehensive overview of the conceptual development of CF in Vietnam, both in national chronological and regional terms with a focus on consistent contributions towards a common CF procedure in Vietnam.
- ii.) a description of the current status quo of CF in Vietnam after completion of the TFF funded CFM pilot program under the Department of Forestry.
- iii.) an analysis of opportunities and challenges when applying CF under the current policy environment and existing administrative structures in Vietnam at national as well as local levels.
- iv.) clear recommendations for a strategic orientation of ODA assistance towards a supportive and detailed CF policy frame at national and local levels. Recommendations will further address Vietnamese decisions-makers on the national and decentralized levels with respect to legal, administrative and technical framework conditions of national forest strategies/programs in view of large-scale implementation and institutionalization of CF in Vietnam.

Scope

The scope of the review is limited to forest management regimes under which existing natural forest resources (of varying status and productivity) are handed over to local population (households, groups of households, communities) with long-term land use certificates who are engaged in joint agreements on forest protection, management and benefit sharing of benefits derived from a common forest resource base.

Any forms of involvement of individual households under afforestation schemes or only contractual arrangements for forest protection are therefore excluded under this survey.

CF is understood as a holistic approach of forest management further including afforestation, enrichment planting, protection and NTFP management. The analysis at hand however is narrowed towards issues under natural forest management and arrangements for timber utilisation only, as remaining aspects under afforestation are backed by numerous and feasible policies and technical guidelines and are therefore understood as standard procedures in Vietnam.

Limitations

CF piloting in Vietnam is ongoing with a nearly unmanageable range of actors including government agencies, research Institutes, ODA financial and technical cooperation, multi-donor funds, NGOs, etc. operating in various agro-ecological regions.

Due to time limitations, no field visits to project sites of the CF pilot program could be conducted and any information presented in the report is solely based on secondary data or derived from personal interviews only.

To ensure a structured focus and a manageable database, this study limited its review on projects which provided a clear contribution to, and/or are considered relevant for the analysis towards a common CF procedure as followed under the TFF-CF pilot program. An additional focus has been placed on analyzing the effective cooperation among main German technical and financial cooperation projects which played a leading role in CF methodology development and policy dialogue in Vietnam.

The study at hand is therefore not designed nor intended to be an exhaustive and full-fledged national review.

Due to long production cycles of natural forests and limited available research data a comprehensive long-term cost and benefit analysis could not be conducted during this study. An economic analysis as provided in chapter 6 is therefore limited to immediate cost-benefits of timber harvest operations from six benefit sharing pilots without considering additional costs for CF establishment, monitoring and administrative support.

Policy recommendations as detailed in this study are based on the missions personal analysis only and do not necessarily reflect those of other players in CF in Vietnam.

2 TERMINOLOGY

The term **Community Forestry**, sometimes also referred to as *social forestry*¹, was initially defined by FAO in early as 1978, as “...any situation which intimately involves local people in a forestry activity. It embraces a spectrum of situations ranging from woodlots in areas which are short of wood and other forest products for local needs, through the growing of trees at the farm level to provide cash crops and the processing of forest products at the household, artisan or small industry level to generate income, to the activities of forest dwelling communities”.

CF is therefore most accurately understood as an umbrella term denoting a wide range of activities which link rural people with forests and trees, and the products and benefits to be derived from them.

In the same year, the World Bank issued the influential Forestry Sector Policy Paper which indicated a major shift away from industrial forestry towards environmental protection and meeting local needs. This shift was “to reflect the reality that the major contribution of forestry to development will come ... from its impact on indigenous people ... in developing countries” (World Bank 1978).

In the context of Vietnam, CF (“rừng cộng đồng”, or “lâm nghiệp cộng đồng”) refers to a very broad range of managerial arrangements for forest management, covering “traditional” indigenous management, forest management under Unions (Women, Farther Front, Veteran...) and cooperatives. Land use rights are provided through traditional recognised land use, contractual arrangements (green book, annual protection contracts), or legal long-term land titles (red books).

CF in this study is referred to as any managerial arrangements in which local people are jointly engaged in managing natural forest resources inside their community boundaries for which long-term utilisation rights have been handed over to its managers. This concept comprises communities, groups of households and even natural forest areas under individual ownership, but with joint forest protection, management and benefit sharing arrangements. Therefore no distinction between CF and CBF (Community-based Forestry) is therefore applied under this definition.

Arrangements under which local people are only engaged in forest leasing or contracting (so-called green books) with the land use certificate remaining with a forest company or state entity are excluded from the term CF and are not discussed in this report.

Resource management under CF comprises silvicultural interventions including timber and NTFP utilisation, enrichment of natural forests, afforestation of bare land and benefits from environmental services.

However, under this study a clear focus is placed on procedures for timber utilisation as most significant human impact on economic and ecological services from natural forests and which still encounter numerous challenges due to conflicting and overlapping administrative and technical procedures.

¹ The term “social forestry” first appeared in a report of the National Commission of Agriculture in India, in which it was used for a programme of activities to encourage those who depended on fuelwood and other forest products to produce their own supplies (GOI 1976).

3 CHRONOLOGICAL DEVELOPMENT OF COMMUNITY FORESTRY APPROACHES IN VIETNAM

The following chapters provide a chronological overview of the development of CF in Vietnam towards the current technical and administrative standards applied as a common concept within major ongoing CF related projects in Vietnam, namely the TFF-CFM pilot program, the GTZ-RDDL, GTZ-SMNR-CV, KfW6, Helvetas-SFSP and ETSP, JICA and the recent GTZ-EPMNR. The below mentioned milestones are not sufficient to provide a full overview of all CF related activities that ever happened in Vietnam but are intended to specifically highlight the outstanding cooperation and successional development of methodologies among major ODA forestry projects and the Ministry of Agriculture and Rural Development (MARD) on behalf of the Vietnam Government. A detailed overview of the implementation progress regarding methodological steps applied and coverage of field implementation for main CF related projects is provided in Annex 3.

3.1 Phase 1: (since 1995) Forest Land-use Planning and Allocation

This initial phase of CF, or the privatisation of forestry in Vietnam, was dominated by conceptual development and piloting of technical and administrative procedures for forest and forest land allocation with numerous guidelines on land use planning and land allocation developed by various ODA projects. Approved as provincial guidelines for the implementation of land allocation schemes these guidelines have ultimately contributed to the development of the new Forest Law for Vietnam.

Timeline on LUP & (F)LA evolution in Vietnam

- 1995** GTZ-SFDP initiates the piloting of LUPLA procedures in the two districts Tua Chua, Lai Chau province and Yen Chau, Son La province to test the feasibility under two different socio-ecological site conditions.
- 1998** Start of allocation of forested land in Dak Lak province following the independent initiative of one State Forest Enterprise. The Ea H'Leo State Forest Enterprise received the approval of the Provincial People's Committee to allocate 2.000 ha forest land to households in four hamlets of Ea Sol commune. At the same time, Lak State Forest Enterprise earmarked 2.000 ha of forest land to be allocated to households in three hamlets of Dak Phoi commune. After these initiatives the GTZ Project on Sustainable Management of Resources in the Lower Mekong River Basin (SMRP) started to facilitate a subsequent pilot program of forest land allocation.
- 1999** Decree 163/1999/ND-CP provided first guidance for the allocation and leasing of forest land to organizations, households and individuals for forest management purposes.

- 1999** LUPLA guidelines are approved as provincial implementation guideline by Son La PPC based on Decision 532/QHSD-UB and Lai Chau province following Decision 520/QD-UB of Dien Bien province.
- 1999** Elaboration of a new methodology for allocation of existing forest (AEF) tested in Son La province with technical support provided by the GTZ-SFDP. One year later, pilot allocation of forest land and existing forest started in Son La province with over 300.000ha allocated to individuals and groups of households by 2004.
- 2000** Initiation of forest allocation with issuance of land use certificates to group of households in Dak Nong province (previous Dak Lak province). Support provided by the Tay Nguyen University, which resulted in a revised strategy for Ea H'Leo district.
- 2000** GTZ-IFSP support allocation of 43.000ha of forest to individual households with the name of the wife stated in the land use certificate.
- 2000** First national workshop on „Experiences and Potential on Community Forestry“ organised by the National Working Group for Community Forest Management one year after its establishment.
- 2001** Decision on allocation of 946 ha of evergreen forest to the entire community of Tul village in Krong Bong district, Dak Lak province. The land use certificate was issued in 2003. The first provincial initiative on testing forest allocation to entire communities prior to such options even being stipulated in the Forest Law from 2004.
- 2003** Article 9 of the Land Law (Resolution 13-2003-QH11) stipulates allocation of forest land to family households and individuals with long-term land use rights recognized by the State providing the legal basis for forest allocation.
- 2003** A red book certificate over existing forest resources issued to the entire community of Na Phieng, Yen Chau district, Son La province with only the name of the village stated as legal forest owner.
- 2004** GTZ-SMNR-CV support forest allocation to user groups in four communes.
- 2004** Law on Forest Protection and Development for the first time stipulating options for allocation of existing forest resources to entire village communities, thus providing the legal basis for CF ownership titles.
- 2005** Provincial guideline for participatory forest land use planning and forest land allocation approved by DARD Dak Lak with technical support from GTZ-RDDL.
- 2005** Decision 304/2005/QĐ-TTĐ on pilot allocation of forests and contractual assignment of forests for protection to ethnic minority households and communities in the Central Highlands.
- 2006** Provincial guideline on participatory forest and land allocation for Dak Nong province approved with technical support by Helvetas-ETSP.
- 2008** Participatory methodology for a combined forest inventory following procedures as stipulated in Circular 38/2007/TT-BNN developed and successfully applied in Quang Ngai province, Truong Le village under financing of the KfW6 project. A legal decision on forest allocation for 600ha of rich natural production forest reached in March 2008. Red book certificate still pending.

- 2008** Methodology on participatory LUP&FLA approved as provincial guideline in Quang Binh following procedures as stipulated in Circular 38/2007/TT-BNN with technical support provided by the GTZ-SMNR-CV.

Conclusions

FLA was expected to stimulate similar effects as triggered by the “Đổi mới”² policy in the agricultural sector, and it was hoped that secured long-term land tenure titles would be sufficient to provide enough incentives for private investment in terms of finance and labour into forest development.

However, expectations have not been fully realised and misunderstood management rights in some cases, where depleted forest resources could not provide immediate benefits for the local population, even resulted in forest conversion into agricultural production sites. In order to provide at least some tangible benefits, agricultural production on 20% of allocated barren forest land was later permitted under Decision 178/2001/QĐ-TTg.

Large scale implementation commences under provincial programs with varying speed and quality and encountered challenges such as:

- Inaccurate mapping results, often only conducted as desk job by referring to existing outdated information and insufficient state budget allocated for ground-truthing and updating of information of existing vegetation cover.
- Limited participation of forest receivers during field measurements and boundary demarcation leaving allottees uncertain about location of ownership boundaries which resulted in a situation of open access without a sense of ownership developed by the local people.
- Fragmentation of forest blocks into small parcels to ensure a high level of equity for sharing forest land among land receivers, resulting in very difficult arrangements for forest management, reporting and monitoring.
- Despite legal options for allocation to communities provided in the Forest Law only a marginal section of forest land is allocated to communities or even groups of households.
- The issuance of land use certificate was often considered the final step without providing sufficient information on the accompanied responsibilities and benefits for the new forest owners.

The currently completed re-classification of three types of forests resulted in a significant reduction of protection forest areas which further freed additional forest land to be reallocated to local population and thus provides further options for CF development in the coming years.

The recently issued Circular 38 is providing a very detailed though feasible and comprehensive guideline on how to proceed with allocation of existing forest resources, which should, if applied correctly, eliminate most of the above mentioned shortcomings during future implementation. The Circular is clearly stipulating a participatory approach by involving forest receivers in data collection and boundary demarcation. Field implementation as conducted under the KfW6, GTZ-RDDL, GTZ-SMNR-CV, GTZ-EPMNR and

² Refers to *Perestroika* or the open market reform from 1986 which among others stipulated a privatisation in the agricultural production sector.

TFF-PPFP has proven its feasibility under different socio-ecological conditions. As additional benefit, inventory results as developed for FLA are legalised planning data that can be directly used for CF management planning procedures without additional budget required for CF planning. As a common challenge, despite a Decision 112/2008/QĐ-BNN on cost norms for FLA being issued, the national budget source actually remains unidentified.

3.2 Phase 2: (since 2000) Forest Management Planning and Forest Protection Regulations

Forest management can only be sustainable if forest resource protection can be ensured and outsiders can be excluded from unregulated resource use. In the context of Vietnam the elaboration of village Forest Protection and Development Regulations is stipulated by law (Circular 70/2007/TT-BNN; replacing previous Circular 56/1999/TT/BNN-KL) which are to be approved at district level to become legal regulations which can be enforced against in- and outsiders by the community.

Forest owners are further requested to provide management plans to higher authorities based on which all forestry activities at village level can be monitored and evaluated.

Despite legal requirements being stipulated in the Forest Law no technical guidelines for development of forest management plans at grassroots level are available to guide a community to fulfil its legal requirements and to provide for a legal basis for regulated timber harvest.

In the context of CF, forest utilisation is proposed to be based on stem number per diameter class as solely unit for planning, reporting and implementation which is easily understood by local people and administration alike.

Forest management planning has to be based on a comprehensive forest inventory such as conducted under FLA allocation schemes and data collection to be repeated on a five-year basis to develop subsequent plans as stipulated in the legal policy frame.

Timeline on Forest Management Planning evolution in Vietnam

- 2000** A guideline for the participatory elaboration of Forest Protection and Development Regulations is developed by GTZ-SFDP following Circular 56/2007/TT-BNN and reached provincial approval in Lai Chau in the same year following Decision 1457/QĐ-UB. Approval in Son La province was reached in 2003 following Decision 4026/QĐ-UB.
- 2001** GTZ-SFDP initiate the development of two CF pilot communes in former Lai Chau province, Muong Pon commune and Son La province, Chieng Hac commune to derive at first cost norms and administrative responsibilities for CF implementation. Forest management plans at that time were only derived from existing mapping information and based on the respective forest status only, without applying a real forest inventory. Forest utilisation was simply based on the villagers subsistence demand for timber with no options for commercial timber sale provided yet.

- 2002** Provincial initiative on CF piloting in Gia Lai province in two pilots (considering two ethnicities Jarai and Bahnar) with land use certificates and forest management plans issued for two communities. Technical assistance provided through Tay Nguyen University.
- 2002** Proposal for responsibilities at various administrative levels under CF developed by Helvetas-SFSP in Dak Lak province with focus on benefit sharing for commercial timber utilisation.
- 2003** Development of the methodology for participatory forest inventory as basis for elaboration of technical sound forest management plans by GTZ-SFDP. The methodology further described the development of Sustainable Forest Models to determine the allowable harvest amount to be defined in terms of stem number per diameter class. First village level forest inventory and subsequent village forest management plan in Vietnam completed for Huoi Chan II village, Muong Pon commune. The methodology was presented to the national working group on community forest management (NWG-CFM) during a core group meeting in Hanoi and has been applied with only minor adjustments in all major CF projects in Vietnam.
- 2003** National workshop on Natural Forest Allocation and Community Forest Management held in Hanoi by the NWG-CFM. As a major achievement a Matrix on Establishment of CFM Pilot Schemes was elaborated and defined seven procedural steps with detailed commitments from various ODA projects under the lead of MARD representatives (see Annex 4 for the Matrix). This matrix formed the first national agreement on clear procedures for CF piloting in Vietnam.
- 2004** GTZ-RDDL is supporting the establishment of two CF village pilots in Ea H'Leo district by applying procedures as developed under the SFDP.
- 2004** The ADB-FSP is testing similar CF planning procedures in Gia Lai province, Ia Rmok commune, however plans are aggregated at commune level without distinguishing village boundaries which were not recognised by the concerned communities.
- 2004** National workshop organised by the NWG-CFM on guidelines for Implementation of Community Forestry Management in Vietnam. Participants agreed on a Matrix on responsibilities and coordinating mechanism among involved parties in community forest management (see Annex 5) defining clear guidance for planning, appraisal, approval, implementation, and monitoring for community forestry implementation from provincial down to village level and is still considered relevant today. Secondly, a draft technical guideline on participatory forest resource assessment, community forest management planning and harvesting regulations for CF was presented and discussed as standard for a consistent development and adjustment of technical procedures for each respective agro-ecological zone of Vietnam.
- 2005** GTZ-SMNR-CV established field demonstration models on Community-based Forest Management in four pilot communes in Quang Binh province including procedures for participatory forest inventory.
- 2005** CF pilots initiated in Hoa Binh and Dak Nong province by Helvetas-ETSP. Forest management plans reach district approval.
- 2006** TFF funded national CFM pilot program under the Department of Forestry initiated. The program embarks on the establishment of CFM schemes in 10 provinces, 38 communes and 64 villages. The overall task of the

program was to develop clear guidelines and a comprehensive approach integrating aspects of land-use planning, forest land allocation, benefit-sharing arrangements, forest management modalities and financial administration into one 'package'. Developed guidelines were intended to define the basis for a national legal frame for CF development in Vietnam.

- 2006** Decision 106 approved by MARD on guidelines for village community forest management to be applied in the scope of the 40 pilot communes of the above mentioned program. As major project result 12 guidelines and two Official Letters have been produced for streamlining planning and management of CF including regulations related to the use of commune funds.
- 2008** GTZ-SMNR-CV supported a legal update of the FPDR guideline with attached monitoring system following Circular 70/2007/TT-BNN which reached provincial approval for Quang Binh province.

Conclusions

Forest protection in Vietnam has been a key part of any major forest program with financial compensation provided for involvement of local people into forest protection schemes. Consequently, village forest protection and development regulations are already considered standard procedures with a provincial coverage reached in many regions.

The methodology is sufficiently integrated into national and provincial policies. However, effectiveness of applied village regulations is still evaluated as sub-optimal due to the following circumstances:

- Sustainability of forest protection relies on provision of direct incentives in terms of forest utilisation rights or external funding schemes which in reality are often not sufficient or not sustainable.
- Village level is not a recognised administrative unit in Vietnam and is therefore not entitled to apply administrative punishment for forest violation cases. However, without any punishment applied no village regulations can be effectively enforced, especially against outsiders.
- Social cohesion and fear of personal revenge can limit effective enforcement among village members.
- Mutual trust between forest rangers and local communities remains limited and in many cases is resulting in rather weak cooperation and often no timely support provided by the local administration.
- Absence of a clear system for monitoring of law enforcement under forest protection. However, strict enforcement of forest protection provides for a crucial incentive to comply with harvesting regulations as stated in approved forest management plans.

Forest management planning in Vietnam is stated in many legal documents (Circular 05/2008/TT-BNN, however are only designed for professional forest companies based on conventional planning procedures and defined in conventional terms like harvest cycle, harvest intensity and minimum harvestable diameter which are impossible to be applied by local people.

Acceptance of the new CF concept based on stem number per diameter class is still limited, especially among the conservative forester section, despite several successful implementation results. Due to this fact, the TFF-CFM pilot program was designed following a two-pronged approach for planning of timber utilisation based on solid timber volume and stem number per diameter class. Piloting revealed that the volume concept alone was too difficult to be understood even by the local administration and finally a combined concept was applied instead which still tends to be overly complex and in some parts unnecessary scientific.

Due to the absence of reliable scientific research data on forest growth and yield for natural forests in Vietnam it remains difficult to discuss on the scientific justification of one or the other method. Scientific research on the other hand would require at least 25 years to yield some initial results, however due to ongoing FLA in Vietnam practicable solutions are immediately required.

At present, forest inventory data as derived from inventories following Circular 38 are used as profound basis and allow for a conversion of volume to stem number and vice versa to be able to provide both sets of information for a respective plan. Based on the respective target group, one or the other measurement unit is applied; e.g. facilitating harvesting calculations with local people based on stem number per diameter class, however for legal approval of this quota at district level the respective volume estimate is provided.

3.3 Phase 3: (since 1999) Forest Utilisation and Benefit Sharing Arrangements

CF development in Vietnam was, and to some extend still is characterised by different perceptions on the actual means of involving local people in so-called “forest management”.

The Vietnamese administration and especially local authorities often refer to “management” as handing over responsibilities to the local population for just protecting forests with only very limited tangible benefits granted in return (permitted to use dead tree material and NTFP only). This focus is understood from the initial development of CF under reallocation of forest areas that could not be effectively protected or managed by a forest company (previously state forest enterprise) alone. Marginal management regulations were later attached to Forest Protection and Development Regulations based on semi-official permits granted for house construction with an average of 5m³ timber per household. However, this quota was granted without any comprehensive assessment of the respective forest resource base conducted at any time.

On the other side did ODA projects place a strong focus on the sustainable use of forest resources as a contribution to livelihood improvement by providing tangible benefits in terms of valuable timber for self-consumption and commercial sale. An aim, that has just recently been reached at a pilot scale only, with four benefit sharing trials completed in the Central Highlands between 2006 and 2009.

Timeline on Forest utilisation and Benefit sharing evolution in Vietnam

- 1999** Dak Lak working group on Forest Land Allocation & Joined Forest Management contribute to the issuance of Official letter 257/CV-NN-PTLN approved by DARD Dak Lak on a policy for forest protection and forest land allocation stipulating procedures for benefit sharing arrangements between local people and the State. Experiences from Dak Lak are later used to develop the national Decision on benefit sharing regulations.
- 2001** National Decision 178/2001/QD-TTg, dated Nov. 2001 on the benefits and obligations of households and individuals assigned leased or contracted forest and forestry land is issued but is not applied in reality due to overly complex procedures.
- 2002** First commercial timber utilisation by local people (user group) with a total harvest volume of over 500m³ solid timber supported by Helvetas-SFSP in Dak Nong province (previously Dak Lak province).
- 2003** Joint Circular 80/2003/TTLT/BNN-BTC, dated Sept. 2003 guiding the implementation of Decision 178/2001/QD-TTg. However, complex procedures still remain to difficult to be applied in the field.
- 2003** CF timber harvest application submitted to the Forest Protection Sub-Department Lai Chau Province requesting the commercial utilisation of natural forest timber from Huoi Chan II village as outcome of the participatory forest inventory and approved forest management plans supported by the GTZ-SFDP. However, no approval could be reached at that time.
- 2005** Due to impracticability of national benefit sharing guidelines, basically due to their complexity, the People's Committee of Dak Lak province initiate a process to accomplish the revision of associated provincial policies. DARD commissioned to elaborate practicable technical and administrative guidelines for the harvesting and sharing of benefits between communities and the state. Together with the provincial forestry consultative working group and assistance from GTZ-RDDL, benefit sharing mechanisms for three options were formulated and agreed upon.
- 2006** Village level benefit sharing pilot in T'Ly village, Ea H'Leo district, Dak Lak province facilitated by the GTZ-RDDL project. T'Ly village generated a net income of 283 million VND (~ USD 17,000) selling 370m³ of timber and at the same time satisfying their subsistence needs for construction timber within the village. Cham village satisfied their communities' demand for timber, commercial utilisation was not possible due to the rather poor forest resource base.
- 2007** Benefit sharing pilot implemented for three villages Bu Nor, Me Ra and Bu Dưng in Dak Nong province with timber utilisation, marketing and sale supported by the Helvetas-ETSP and Tay Nguyen University.
- 2008** Benefit sharing pilot implemented under the JICA project on the Villager Support for Sustainable Forest Management in Central Highland in Vi Ch'Ring village in Kon Tum province supported by Tay Nguyen University.
- 2008** Benefit sharing pilot conducted in Krong Bong district by GTZ-RDDL.
- 2009** Benefit sharing pilot approved and planned to be implemented in Quang Ngai province in August 2009 with additional piloting of on-site timber

processing by means of a portable chainsaw frame with support provided by the KfW6 project.

Conclusions

Forest protection and management can only be sustainable if sufficient tangible benefits can be provided to the forest owner on a long-term basis. In the context of CF this clearly means sustainable timber harvest from natural production forests. However, due to a period for severe degradation and loss of national forest resources in Vietnam any application for timber harvest from natural forests has to be based on cumbersome bureaucratic procedures which are by far exceeding available capacities of villagers and the local administration alike.

Current benefit sharing pilots in strict compliance with existing legal procedures ensured a timely completion of first benefit sharing pilots, however such procedures are not replicable for any community after project termination and can therefore not be considered a sustainable solution in view of the long-term goal of sustainable forest management as contribution to livelihood improvement of local people. Constant improvement of guidelines in view of further simplification of bureaucratic procedures is therefore required as focus during future project support.

In the long run village level harvesting planning, based on the approved five-year village forest management plan, has to become a compulsory part of the provincial harvesting quota similar to other large-scale forest companies. Only if CF timber harvest enters into institutional provincial and district forest planning, realistic application and reporting procedures within the capacities at village level can be defined and sustained.

3.4 CFM Working Groups in Vietnam

Community forestry is related to and dependent on a wide range of socio-ecological and political issues which require a broad spectrum of technical expertise in silviculture, land management, policy development, sociology etc. In order to ensure that CF development is sufficiently harmonising all these influencing factors, working groups consisting of experts from various departments have been set-up at different levels to provide consultancy and to ensure that CF will be developed in compliance with the existing policy frame and inside existing administrative structures.

The following chapters are highlighting the main functions and achievements of a number of selected working groups only and are therefore not intended to be exhaustive.

3.4.1 National Working Group on Community Forest Management

The National Working Group on Community Forest Management (NWG-CFM) was established in November 1999³ by the Vice-Minister of

³ The NWG-CF was formally recognised by Decision 5335 QD/BNN/TCCB (dated 22nd December 1999) of the Ministry of Agriculture and Rural Development, and Decision

Agriculture and Rural Development with the mandate to (i) facilitate the discussion on community forest management, (ii) explore options for developing a supporting strategy, and (iii) to advise policy makers on issues related to CF.

To steer activities, a core team consisting of eight members from MARD's Forest Department, Legal Department, and relevant ODA projects (previously the GTZ-SFDP, ADB-FSP, and Helvetas-ETSP Project) was established. Financial support was provided by the involved ODA projects out of individual project budgets. In the following years, working group members and external consultants were engaged in numerous field research, case studies, policy assessments and forestry sector reviews.

The NWG-CFM has organised and/or participated in a number of workshops and conferences of which the third and fourth national workshop are considered of outmost importance and main achievements are described in the following.

3rd National Workshop on allocation and management of natural forest in community forestry, 22nd May 2003

As a major achievement of this workshop, a Matrix on Establishment of CFM pilot schemes was agreed upon and scheduled studies were conducted in preparation of a comprehensive paper on CFM in Vietnam as input for by-laws and Circulars for the implementation of the Land law, and the amendment of the Forest Protection and Development Law.

4th National Workshop on guidelines on implementation of community forestry management in Vietnam, 30th November 2004

Study outcomes following the above mentioned matrix were analysed and two major products defined.

Firstly, a matrix on responsibilities and coordinating mechanism among involved parties in community forest management (see Annex 5) was agreed upon, stipulating:

Provincial level line agencies as responsible to consult to the Provincial People Committee in developing provincial decisions on the adjustment of the national forest policy framework to the provincial context. In this function the province is not involved in the approval of separate applications for forest allocation or approval procedures involved in CF but only provides general guidance for planning, appraisal, approval, implementation, and monitoring for community forestry in the province.

District People's Committee is given the mandate for approval of applications for forest land allocation, forest protection and development regulations and five-year community forest management plans. Forest Protection Units and the Agriculture and Rural Development Sections are main line agencies for commune and village level support during community forestry management.

Commune level is the lowest recognised administrative level in Vietnam. It is defined as main body for coordination and supervision of the real implementation of CF and has main responsibilities in reporting and submitting applications or approval requests to district level.

881QD/LN dated November 14th, 2003 on changes in personnel of the NWG-CFM and the Core Group by the head of the Forest Department.

Village level as implementation level is mainly responsible for the development of community forest management plans to be aggregated, coordinated and supervised by commune level authorities. Implementation of CF is carried out by the community under regulation of the commune administration and supported by respective line agencies from district level, mainly Forest Protection and Agriculture and Rural Development Section.

Secondly, a draft technical guideline on participatory forest inventory, community forest management planning and harvesting regulations for CF were presented as standard for a consistent development and adjustment of technical procedures for each respective agro-ecological zone of Vietnam. The concept stipulated the proposed stem number diameter concept as developed by the SFDP and requirements for a national coverage for each agro-ecological zone was discussed which was later realised under the TFF-CFM pilot program in 2008.

After 2004, the NWG-CFM was financed under the Helvetas-ETSP, however no major achievements of the group have been published since then and MARD representatives confirmed the lack of a clear target and leadership of the group. Similar experiences are reported in the final evaluation report from the CFM pilot program stating that: *“According to the project document the NWG-CFM was to support the implementation of the project in an advisory role and to be involved in its evaluation. Unfortunately, the NWG-CFM has been defunct for several years and did not provide the anticipated advice and guidance”*.

3.4.2 Regional Working Groups

Northwest CF Network Son La, Lai Chau, Dien Bien, Phu Tho

In June 1999, the GTZ-SFDP project initiated and financed a regional community forestry network for Son La and Lai Chau which was later joined by Dien Bien and Phu Thu province and was renamed into the Northwest CF Network.

The network comprised over 40 members of 20 different Departments and institutions such as Forest Protection Sub-Departments, Forest Development Sub-Departments, Agro-forestry vocational schools, Forest Inventory and Planning Institute and State Forest Enterprises which are concerned with CF.

The overall goal of the network was to enhance the results and increase the efficiency of the participating institutions in the fields of forest protection, forest development, agriculture and rural development, agro-forestry extension as well as education and research related to CF.

Numerous studies and technical research was conducted and several guidelines developed which in the case of a monitoring system for Forest Protection and Development regulations was approved and applied in Lai Chau province in 2004 and was used as a basis for the development of a comprehensive monitoring system as approved in Quang Binh following the recent Circular 70/2007/TT-BNN with support provided by the SMNR-CV.

Central Highland Forestry Network

The TFF is providing operational funds to a regional network for the five provinces of the Central Highlands until 2010. The network is operation under assistance of the Forest Sector Support Program (FSSP) since 2005 with bi-annual meetings conducted to strengthen linkages on information dissemination and collaboration from national to local level and vice versa with regard to decentralisation under the National Forest Strategy (NFS) until 2020 which only partly relates to CF. A major weakness of the network remains with the absence of a clear strategic orientation and attached annual operational plans towards an annual or overall target.

3.4.3 Provincial Working Groups

As no detailed legal guidance on CF is yet available at national level, the piloting of participatory forest management schemes mainly relies on a provincial commitment to pro-actively pilot new approaches.

The most well-known province in this context might be Dak Lak with a provincial working group on Forest Land Allocation & Joint Forest Management⁴ (WG-FLA/JFM) being established as early as 1999 and since then has been closely cooperating with provincial ODA projects such as the previous German-funded Sustainable Management of Resources in the Lower Mekong Basin Project⁵ (SMRP) and the ongoing GTZ-RDDL project.

The working group has been a major think tank for provincial DARD Dak Lak and a great deal of the CF development in Dak Lak and Vietnam in general has to be attributed to this group.

A significant outcome of this effective cooperation is the provincial guideline for participatory forest land allocation approved in January 2005 by DARD Dak Lak and of outmost importance the provincial benefit sharing pilots conducted in 2006, 2008 and 2009 which made Dak Lak the first pilot province in Vietnam to embark on commercial timber harvest and benefit sharing arrangements under CF schemes.

A similar approach is currently applied in Quang Binh with a Provincial Forestry Consultative Group established as forum for forest policy development and to provide consultancy on sustainable natural forest management, which was even defined as a critical milestone of the German funded project on Sustainable Preservation and Management of Natural Resources of Phong Nha-Ke Bang National Park.

3.4.4 Conclusion

Working groups at various levels have proven an effective forum to provide a crucial link between field level implementation and policy makers especially at early stages of lobbying CF approaches during the first phase on Forest Land-use Planning and Allocation (see chapter 4.1).

However, efficiency varied to a great extend even within the same group over time and highlighted the importance of an active leadership to provide a clear strategic orientation, coordinated operational plans, assigned task teams and defined outputs to be achieved.

⁴ Established by provincial Decision 272/QĐ, dated 18 March 1999

⁵ The project was working in the larger Mekong region from 1995 - 2002

At present, lack of strategic orientation is revealed as a major challenge, leaving most working groups inactive or even defunct. In this situation, field level piloting remains disconnected from regional and national policy development with no person within the Department of Forestry (DoF) under MARD assigned to absorb and analyse CF field level lessons learnt⁶.

⁶ Previously Mr. Nguyen Ba Ngai under DoF was responsible for CF issues, however after he was appointed Director of DARD in Bac Kan province nobody continued his efforts within MARD

4 POLICY DEVELOPMENT RELATED TO COMMUNITY FORESTRY

Policy development in Vietnam is observed at different strategic levels and is often characterised by independent and uncoordinated initiatives at provincial levels which were later utilised to develop and shape the national level policies.

The following chapters are intended to provide a general overview of CF related policies at three different strategic policy levels. As a number of projects require a legal approval of project implementation manuals in form of a Decision or Official letter, such guidelines are described under this policy brief as well.

4.1 Vietnamese Forest Strategy

The Vietnam Forestry Development Strategy for 2006 to 2020, promulgated and enclosed with Decision 18/2007/QD-TTg, is forming the main orientation of the national forest sector until 2015 with an orientation until 2020.

As detailed under objectives and tasks until 2020, CF is considered one key area aiming at: *“...improvement of livelihoods for people working in forestry, especially for ethnic minority people in mountainous, remote and isolated areas.”*

It is furthermore stated that: *“Forests have to be managed closely and belong to specific owners. Unless the forest owners (organizations, enterprises, households, communities etc.) will get clear benefits, rights and obligations, then the forest resources cannot be sustainably protected and developed”*.

The state further articulates a clear commitment to actively promote economic private forest management: *“...the state encourages organizations, households, individuals and local communities to invest, manage, harvest and use forests sustainably”*. In view of achieving this goal, forest allocation schemes are to be completed and forests are to be: *“...managed by private enterprises, communities, cooperatives, households, and individuals as stipulated in the law”*.

The strategy further details required interventions in terms of capacity building of the local administration, particularly the forestry extension system at grass roots level to provide: *“...training and forestry extension activities for the poor, particularly ethnic minorities and women...”*, to *“...strengthen their capacity on self-developing, implementing and monitoring forest protection and development plans”*.

Furthermore requirements for planning and reporting are mentioned which must be: *“...based on a foundation of sustainable management, through planning forest protection and development aiming at continuous improvement of the forest resource quality”*.

In order to ensure the feasibility of reporting procedures the strategy stipulates to: *“...further decentralize the state management of forests to district and commune administration levels. Clearly regulate the*

responsibilities and rights of forest owners, the government at different levels, law enforcement agencies and forest protection forces ...”.

As causes for existing constraints of the strategy, the slow progress in forest allocation: “...in particular to communities, households, and individuals...” is mentioned with only 20% of forest land allocation to local households completed by first quarter of 2006.

Staff resources are further mentioned to maintain at an unbalanced ratio between protection and management not being capable to provide sufficient technical support at grass roots level. Forest management has basically been decentralised to local levels, however: “...is still not creating enough preconditions, in term of policy, technical and material facilities and staff, in order to bring into play the role of local administrations in management, protection and development of forest, especially at the commune and district levels”.

Under specific objective 2.2 of the **Forestry Sector 5 year plan**, logframe for 2006-2010, community forest management schemes are even detailed under specific objective 2.2 aiming to “*Improve participatory sustainable natural resource management systems.*”

Program 5 of the strategy further stipulates indicative targets of 4 million hectares to be placed under community management by 2020 and 2,5 million hectares for the period 2006-2010.

The **Five Million Hectare Reforestation Programme** (5MHRP), implemented under Decision 661/QĐ-TTg, is forming the State’s major forestry programme until 2010. The 5MHRP aims not only to reforest Vietnam, but also to address issues of rural poverty and national socio-economic development such as: „to create employment, increase incomes for local people (residents in forest areas)“. However, despite this target a lack of community participation in the project management was mentioned as one out of six limiting factors (Thuan et. al. 2005).

To conclude the above-mentioned, the national forest development orientation of Vietnam is extremely supportive to the development of community forestry and decentralised forest management in general.

However, mentioned objectives are often not reflected in an adequate way in national and provincial programs/policies and no clear budget lines for a targeted implementation in the field are made available so far.

4.2 National Policy Development

National policies with regard to forestry are detailed in over 100 legal documents with rapid adjustments and development experienced in the last years which in some cases has resulted in undesired overlap and even conflicting legal instructions due to different viewpoints from respective Ministries involved.

Forest allocation to entire communities is stipulated in Article 29 of the **Law on Forest Protection and Development** (No. 29/2004/QĐ11), since 14th December 2004, however most forest land is still allocated to individual households or in some cases to groups of households due to the still unclear legal recognition of the village level in Vietnam. Village communities are defined in Article 30 as all households and individuals living in the same village, hamlet or equivalent unit.

The **Civil Code** of 2005 however does not recognise the community as subject of civil legal relationship which limits its legal mandate in terms of enforcing regulations and sanctions against people from in- and outside the community and thus forms a major challenge for the enforcement of forest protection regulations.

Forest Land Allocation (FLA) is further complicated due to overlapping mandates between MARD and MoNRE. While MARD has the official mandate for the management of the existing forest vegetation (see Forest Law), do responsibilities for the land resource management remain with MoNRE (see Land Law). Furthermore, do different mapping criteria and classification systems further complicate forest allocation procedures in the field.

Efforts on a harmonisation of FLA procedures among both Ministries have resulted in the drafting of a Joint-Circular⁷ for FLA procedures. However, preliminary drafts seem to only increase the amount of bureaucratic procedures with a cadastral certificate and cadastral maps to be issued by the respective sections under DoNRE while the forest management profile and forest status map are to be prepared by the respective Forest Protection sections under DARD.

Existing legal guidelines on **forest product harvesting** under Decision 40/2005/QĐ-BNN are designed with a clear focus on large-scale major timber utilisation under forest companies or concessions and are not feasible to be applied by local people for the following reasons:

- Harvesting cycle is defined from 35 to 40 years depending on the forest type which would limit harvest options per forest block for a smallholder to around one time in his entire lifetime only.
- Harvesting design is to be conducted by a legal service provider and harvesting plans are to be approved by the Forestry Sub-Department and reported to MARD for each forest owner. However, no village community can independently achieve such an approval without direct ODA project support as applied in pilots in Kontum and Quang Ngai province.
- Harvesting intensity of 18-30% of the standing timber volume is reflecting requirements for a minimum economic cut for a forest concession, however does not reflect the small but continuous timber demand of local people normally supplied by repeated, low intensity selective cutting.
- Stipulated minimum harvest diameter of 30-50cm dbh does not reflect the diversified demand of smallholders for timber in all diameter classes. Demand assessment in a benefit sharing pilot in Dak Lak revealed the greatest timber demand of the community in the diameter range from 10-20cm dbh.

Decision 178/2001/QĐ-TTg, dated 12th November 2001, on **benefits and obligations of households and individuals** assigned leased or contracted forest and forest land is considered the most controversial legal guideline related to CF. Intended to provide clear national guidance down

⁷ Since 1 ½ year elaboration of the Joint Circular continues with numerous revisions and drafts produced

to the implementing bodies, the complexity of the guideline (benefits for local people after being allocated existing natural forest resources are limited to the increment only, which is set to 2% per annum) impeded practicable benefit sharing in the field with major implications on the progress of forest allocation schemes to local people. The stipulated procedure furthermore results in a conflict of interests between the state benefiting most from an early timber utilisation and local people gaining maximised benefits only after a period of 50 years after the issuance of land use certificates.

Decision 178 and attached implementation guideline Circular 80/2003/TTLT/BNN-BTC, dated 3rd September 2003, have so far rarely been applied in reality and are still considered under continued revision, leaving local people in a state of uncertainty regarding their potential future benefits and thus limiting any private initiatives for long-term forest investment and development.

To conclude the above mentioned, the current national policy frame is characterised by:

- A general recognition of CF as legal option to involve local population into active natural forest management.
- Despite the general legal recognition, technical and administrative guidance regarding forest management is only designed for and applicable under large-scale concession management. No adjustments towards CF have yet been recognised at national level.
- Inconsistencies between different legal documents and weak coordination among different ministries is resulting in overlapping mandates and procedures among different agencies during field implementation with negative implications on the progress of forest allocation to the local population.

A detailed analysis on the current development of forest policy development with regard to CF is provided in Annex 6.

4.3 Provincial Policy Development

Provincial policy development in Vietnam reveals to be rather autonomous from national development and can even anticipate and pro-actively progress ahead of national level orientations as contribution to forest policy development. The most progressive development has been observed in Dak Lak province regarding forest land allocation to local population in Vietnam which has significantly shaped national policies such as the Forest Law and Decree 163/1999/ND-CP.

Due to the absence of practicable benefit sharing guidelines, DARD Dak Lak further initiated benefit sharing pilots which will be completed by end of this year and are hoped to result in a provincial decision for CF development in Dak Lak province as a major milestone towards a national CF policy frame.

Recent integration of national policies into provincial guidelines was recently observed in Quang Binh province with the approval of the previous SMNR-CV project guideline on PLUP-FLA as official province guideline in

2008. To the missions' knowledge this is the first provincial guideline in entire Vietnam which details clear technical instructions on a participatory forest inventory in line with Circular 38 and forms a significant contribution to CF development in Vietnam. It needs to be noticed, that despite a national guideline (Circular 38) being stipulated since 2007, rather few provinces have adjusted ongoing and planned allocation towards these procedures and even a forest land allocation project under MoNRE⁸ with its project design placed prior to Circular 38 did not adjust its implementation after the new policy frame has been stipulated. A similar situation is observed in Dak Lak province, which leaves new forest owners with an incomplete land use certificate that does not fulfil current legal requirements.

CF implementation therefore depends to some extent on the availability of a general national policy frame, however it ultimately relies on the provincial commitment towards developing detailed regulations suitable for the respective socio-ecological conditions of the province.

Project success is therefore to be evaluated not only against the field implementation results but ultimately against the impacts at provincial policy level.

In view of a national roll-out of CF in Vietnam it is further expected that only selected regions/provinces will implement CF schemes on a larger scale, namely the Northwest, North Central, Central coast and Central highlands region. Consequently, policy development, capacity building and budget sources to be allocated will vary to a great extent among provinces and can therefore not be stipulated in form of a national blue print but mainly relies on provincial decision-making.

4.4 Project related Decisions and Guidelines

In Vietnam, financial cooperation projects are requested to have main project methodologies/guidelines to be approved by MARD prior to the initiation of field implementation. Following these procedures main guidelines such as for KfW afforestation projects or the TFF funded CF Pilot Program under DoF have been submitted to and approved by MARD.

The products in form of an Official Letter or a Decision resemble a legal document, however the scope of application is limited to the respective pilot area only. In this context it needs to be emphasised that the numerous Decisions on community forest management as developed by the TFF-CFM pilot program are therefore only project guidelines with no legal status outside the respective project area and can therefore not yet be attributed to an achievement at national forest policy level (see Annex 7 for a list of approved project guidelines under the TFF-CF pilot program).

Following the final evaluation of the program it remains to be seen to what extent these guidelines will be considered as basis for the development of national legal guidelines for CF in the time to come. As stated in the

⁸ Project on "digital mapping and issuance of forestry land use right certificates", based on Decision 672/QĐ-TTg of the Prime Minister implemented by the Cadastre and Engineering Survey Company assigned by the Ministry of Natural Resources and Environment (MoNRE).

evaluation document and confirmed during interviews with project coordinators a second phase is proposed for a period until 2013 with a focus on the institutionalisation of project guidelines into a national legal policy frame (see Enters, T. and Nguyen Quang Tan, 2009). Under this scenario, CF policy changes at national level could not be expected before 2013.

Project guidelines which have reached a legal approval by MARD still adhere to a overly complex two-pronged approach (detailing stem numbers and volume figures) for participatory forest inventory and subsequent management plan elaboration as a result of the initial project design with a volume and a stem number concept tested as two separated methodologies. Volume estimates, though conventionally applied in forestry are often beyond the capacities at village and commune level and should be limited to reporting procedures at higher administrative level only. Too complicated procedures are as well mentioned in the final program evaluation report⁹ as a major limitation of the CF program with: *“guidelines, procedures and regulations remain rather complex and scientific. Some are difficult to understand, particular at sub-national levels”*.

The **different levels of complexity** are best illustrated by a comparison of the two forest inventory and attached Sustainable Forest Model¹⁰ (SFM) procedures and are discussed in further detail in Annex 8.

A total of 193 SFMs have been elaborated under the CF program to cover forest characteristics of 10 project provinces. Elaboration of SFMs revealed to be rather mechanical and target oriented with in some cases only marginal (2m³ standing timber volume/ha in the case of Son La province) differences between two SFM stages defined, which cannot be not justified nor applied in the field.

A number of SFM are designed with an extreme low harvest benchmark of 39m³ standing volume (legal requirements under Decision 40 stipulate a minimum standing volume of at least 130m³) which is considered by far to low to ensure productive forest development when applying off-take levels as defined in this model.

Despite these impracticalities, project guidelines have been approved as official project guideline by MARD following official letter 787/CV-LNCD with attached Appendices 3,4,5.

⁹ Enters, T., Nguyen Quang Tan, 2009

¹⁰ The Sustainable Forest Model is representing the structure of a well-developed, productive forest under sustainable management and is used as a benchmark against which the current forest structure in a respective site is compared during village forest management plan development. Imbalances between the SFM and the current forest status are defining sustainable harvest amounts or areas of strict protection for each diameter class.

5 STATUS QUO OF COMMUNITY FORESTRY IN VIETNAM

Achievements

Community forestry methodologies have been developed, refined and expanded for over a decade (see chapter 3.1) through a sequence of successive technical cooperation projects and resulted in a common CF concept for Vietnam. A total of eight main procedural steps (for a detailed technical introduction and discussion of each step refer to Annex 9) are defined with strong emphasis placed on legal timber utilisation rights as the main pillar of economic viability of CF and as a clear contribution to poverty reduction as stipulated under the National Forest Strategy.

Technical procedures are documented in numerous project guidelines and comprehensive training materials to provide sufficient guidance for implementing agencies and participating communities (see Annex 10).

Methodologies ensure full participation of forest users in all planning and decision-making procedures and have proven feasible under various sociological (>10 Ethnicities) and ecological (4 agro-ecological zones) environments. Existing capacities and personnel under current communal and district administration are sufficient to effectively supervise communities in sustainable forest management once they have been exposed to a comprehensive on-the-job training on their new responsibilities under CF.

Local communities have proven a very effective protection force with active patrolling inside the forest preventing forest degradation instead of administrative efforts normally being limited to treatment of conducted forest violation cases outside the forest.

Establishment costs for village-based CF schemes revealed to be within comparable budget limits as currently applied under national 661 program schemes on annual forest protection contracts. CF is therefore considered feasible to be applied under future national forest programs.

CF has entered financial cooperation projects with substantial implementation conducted under the KfW6 in Quang Ngai and Binh Dinh province and is forming a key component of the ADB-FLITCH project with an expected coverage of 60 communes within six Central Highlands provinces.

Methodologies under forest allocation and FPDR have entered into national legislation with large-scale implementation (often reaching provincial coverage) under national/provincial programs observed since early 2000 and are backed by supportive and feasible technical guidelines and attached state budget. However, required follow-up procedures towards sustainable CF management are often not provided yet, questioning the long-term success of forest allocation schemes at this stage.

Remaining procedures towards comprehensive CF management have been extensively tested and documented in numerous project guidelines which, in the case of the TFF-CF pilot program and KfW6 have reached approval by MARD or the Management Board for Forestry Projects, however with a clear limitation in scope to the defined project region only.

CF development is depending to a great extent on the commitment of the provincial authorities rather than on a detailed national policy frame and in many cases provinces are even anticipating national policy development.

Major achievements under CF, as experienced for example in Dak Lak province, were only possible due to a strong commitment from the provincial leadership. In this way provincial initiatives have effectively contributed to and significantly shaped national policy development. By end of 2009, detailed provincial guidelines on CF are expected in Dak Lak and Quang Binh province and are understood as the initial act towards a national CF policy frame.

Remaining Divergent Perspectives

The governments perspective towards CF remains characterised by a strong focus on forest protection and handing over responsibilities for protection of state forest resources with prevailing protection problems that could not be solved by the previous forest owner.

ODA projects on the other hand consider legal forest utilisation rights as a key element of CF following the thought that forest protection can best be ensured via sustainable utilisation which at the same time links livelihood improvement with environmental protection.

Consequently, i) scientific justification of simplified silvicultural indicators for harvest quotas, ii) feasibility of administrative procedures for timber harvest application and monitoring during logging, and of utmost importance iii) simplified benefit sharing arrangements are still under intensive debate as these aspects touch the core of the two prevailing perceptions towards CF.

Despite placing overly high expectations on CF regarding its impact on poverty reduction, mainly depleted forest resources being handed over to local people with consequently limited economic benefits realised in return.

The current national situation is well reflected in the TFF-CF pilot program with over 75% of allocated forest resources accounted for bare land or poor and restored forests¹¹ from which no economic benefits to be expected in the short-term, but on the contrary requires continuous labour inputs for forest patrolling and protection measures, which can often not be provided by the poor.

Limitations Regarding Current Forest Policy Frame

The national forest development orientation of Vietnam is extremely supportive to community forestry and decentralised forest management in general. However, strategic objectives are often not adequately reflected in national and provincial programs/policies and no clear budget lines for a targeted implementation in the field are made available so far. Despite CF being detailed as a key outcome under the national forest strategy as a clear state commitment towards active promotion of economic private forest management, actual implementation is lacking far behind defined targets.

Inconsistencies between different legal documents and weak coordination among different ministries is resulting in overlapping mandates and

¹¹ Source: Enters, T., Nguyen Quang Tan, 2009. Final Evaluation Report. Community Forestry Pilot Program. Table 4.

procedures among different agencies during field implementation with negative implications on the progress of forest allocation to the local population

Procedures for forest management planning and benefit sharing remain limited at pilot scale only, with no feasible national policy frame elaborated yet. Provincial initiatives in Kontum, Dak Lak and Dak Nong province have pro-actively piloted simplified procedures with six benefit sharing pilots completed in the Central highlands so far.

Pilot results revealed that under scenarios where productive forest resources are handed over to local population, tangible benefits from sustainable timber utilisation can be generated ensuring the long-term economic viability of CF (an average of 20.000 Euro of net revenues has been realised per community).

National technical guidelines on forest management are designed for large-scale commercial concession management and are not applicable for CF. Selective timber harvest with low intensity but frequent harvest cycles as typically applied by local people is not defined. The current legislation can therefore not accommodate the demand of local people regarding major forest products and need to be adjusted before a comprehensive roll-out of CF can be feasible.

National technical guidelines on planning, approval and benefit sharing regulations remain overly complex and are not understood and applied by local administration. These limitations resulted in a further slow-down of forest allocation to local people as without clear understanding and feasible regulations for benefit sharing, local peoples willingness to invest finance and labour into long-term forest development cannot be expected. Especially, rights for commercial timber utilisation, a major pillar of sustainability, is currently still hampered by cumbersome bureaucracy which leaves communities furthermore extremely vulnerable for indirect fees.

Limitations are further encountered due to delayed national decentralisation efforts resulting in insufficient legal decision-making power granted to local administration to effectively supervise CF operation. However, without an unambiguous mandate provided to local authorities CF cannot be expected to be sustainable outside direct project support.

A harmonisation of technical details in view of a common best practise for Vietnam remains to be achieved under forest management planning and benefit sharing mechanisms and would require a close dialogue and cooperation among the TFF-CF pilot program and ODA projects to ensure a feasible, relevant and cost-effective procedure for CF in Vietnam.

To conclude the above mentioned issues, sufficient technical concepts have been developed and tested which remain to be analysed and documented as a best practise for CF in Vietnam and to be integrated into a national policy frame with specific adjustments provided to effectively accommodate CF procedures as a separate forest management system next to conventional large-scale enterprise management.

6 CONSIDERATIONS FOR UP-SCALING COMMUNITY FORESTRY

The following chapters detail requirements and challenges encountered when applying CF schemes under the current political and institutional context of Vietnam and highlight options for overcoming these challenges towards an institutionalised continuation of a nation-wide CF implementation.

6.1 Responsibilities and Capacities at Administrative Levels

Field piloting in most projects has been conducted in close cooperation with local authorities, especially at district and commune level.

Results revealed sufficient capacities and personnel to support and guide CF implementation at village and household level after on-the-job training has been provided in new procedures under CF.

Commune level has proven crucial in providing logistical and organisational support to communities during planning and reporting procedures and to link grass roots level with district authorities.

District level is forming the main body for timber harvest approval as detailed in community planning and utilisation schemes and provides legal backing on forest protection enforcement by the community.

However, at present administrative support to communities is not considered sustainable without project support due to the following reasons:

- New procedures and responsibilities under CF are not yet part of the legal job-description and sufficient knowledge can therefore not be assumed but relies on a comprehensive training exercise.
- Legal decision-making power of lower administration is still too limited to effectively support communities. Despite a clear orientation for decentralisation and empowerment of grassroots level being stipulated in Ordinance 34/2007/PL-UBTVQH11¹², state control over forest resource utilisation remains very centralised and overregulated.
- Insufficient backing from higher level to provide a clear mandate for local authorities to support the process is often observed.
- Agro-forestry extension system still technically weak and cannot provide demand-driven support to communities.

Local administration therefore need to be equipped with an unambiguous mandate and sufficient decision-making power to effectively support CF at the implementation level.

The existence of sound long-term land use and forest management plans developed with active participation of local population and approved by relevant GoV agencies is the prerequisite for ensuring appropriate balance among interests of households, the community, and the state and should

¹² Ordinance 34/2007/PL-UBTVQH11 on implementation of democracy at the commune level

be facilitated by the lowest suitable administrative Government level, by district and commune administration, as currently regulated (Decision 245/1998/QĐ-TTg¹³).

6.2 Capital and Labour Requirements

Institutionalising CF procedures greatly depend on the economic feasibility of the proposed concept. CF schemes have mostly been tested with extensive technical and monitoring efforts provided by ODA projects which cannot be sustained with current budget resources of the involved administration. High inputs were justified and required during the process of methodology development with a major focus on monitoring and evaluation at the methodological level. Once a standard implementation procedure is agreed upon, implementation costs are considered to drop considerably and time requirements for establishment and monitoring expected to be feasible given the current administrative structures at implementation level.

Assuming a national agreement of CF planning procedures a total cost estimate for the establishment of a village CF pilot is detailed in Annex 11 based on the assumption of one village community to be allocated with 1000ha of forest, reflecting a common scenario to be encountered in the Central Highlands.

The calculation comprises costs for i) capacity building of 12 technicians/administration prior to the implementation as sufficient skills and knowledge cannot be assumed for this new approach, ii) forest land allocation procedures following legal procedures as stipulated in Circular 38/2007/TT-BNN, iii) Forest management planning procedures and finally iv) expected monitoring and follow-up activities on a five-year basis.

The analysis revealed an estimated 200 Mio. VND (currently around 8.000 Euro) covering a period of five years including the establishment phase which would be within comparable budget limits as currently applied under national 661 program schemes on forest protection contracts. CF is therefore considered feasible to be applied under future national forest programs.

Table 2: Cost estimates for CFM village pilot implementation compared against national 661 program financing

Cost estimates based on 1000ha per village				
Five year Grand Total	200.083.333	VND	~8.003	Euro
Annual Grand Total	40.016.667	VND	~1.601	Euro
661 funding schemes (100.000VND/ha/5 year)	500.000.000	VND	~20.000	Euro

Costs for a nation-wide application to a large extend depend on the forest status of allocated resources with two distinct scenarios to be expected:

¹³ "On the Implementation of State Management Responsibility on Forest and Forestry Land at all Levels", dated 21/12/1998.

- Allocated forest resources are in a **productive stage** and tangible benefits in terms of timber can immediately ensure the sustainability of forest protection measures, or
- Allocated forest resources are in a **degraded stage** and external funding for at least an initial period is required until the resource base has been restored to a productive stage for sustainable utilisation. Thus the stage of degradation defines the time and total amount of external funding required.

Natural forest resources in Vietnam are under ongoing immense pressure in form of unregulated extraction of valuable timber and NTFP products which finally can lead to the conversion and loss of forests into agricultural production sites.

Any further delay of a nation-wide CF roll-out will therefore increase the financial gap of required external state financing as illustrated in Annex 12 and has to be avoided by all means. This further implies that even if the methodology development has not yet been completed at all details, implementation with a preliminary concept is still contributing to a reduced financial gap and to reduced forest degradation compared to a situation without interventions.

6.3 Legal Utilisation Rights

Long-term forest development can only be viable if tangible benefits are provided to the forest dependent population living in proximity to the respective forest resource. In Vietnam two different economic incentives are commonly applied under CF and are discussed in the following chapters.

External financial incentives

Government incentives in form of so-called annual forest protection contracts have been provided under various national programs such as the previous 327 and the ongoing 661 program. Under these schemes local population is compensated for patrolling forest lots assigned to households or group of households. Under the ongoing national 661 program, local people are entitled to receive 100.000 VND/ha/year and in most cases are assigned for an area of around 30ha per households which results in a quite substantial income. Field coordination is often assigned to forest companies (previous state forest enterprises) which also benefit from receiving management fees which are deducted from the total contract amount.

Another scheme as stipulated in Decision 304/2005/QD-TTg, and specifically designed for forest allocation to local ethnic minorities in the Central Highlands, further considers rice donations as incentives to protect allocated degraded forest resources until tangible benefits from timber can be expected in the future.

Intended as a national solution to encountered forest protection challenges, the following difficulties of such schemes are revealed:

- Sustainability is limited to the time period of funding which under the 661 program is officially limited to a five year period per assigned forest block only.

- Absence of a comprehensive monitoring scheme to assess the impact on the forest resource. Monitoring is often limited to sustainability of the forest area (total size) but not at the forest quality/volume level.
- Increased forest protection efforts in one area is likely to result in increased pressure on neighbouring resources if the local demand is not reflected in the contract design. Such leakage is often not assessed during contract design and monitoring.
- No land use rights are allocated to local people, utilisation is limited to subsistence use of dead tree branches and minor NTFPs, and the subsistence needs of local people for housing and fencing are not taken into account, drastically increasing their dependence on external funding.

Keeping in mind above mentioned “allocation” schemes, the governments perspective towards CF is still characterised by a dominant focus on only protection and handing over responsibilities for protection of state forest resources to local communities.

Direct incentives from sustainable forest utilisation

ODA projects on the other hand considered legal forest utilisation rights as a key element of CF following the thought that forest protection can best be ensured via sustainable utilisation which at the same time links livelihood improvement with environmental protection.

Consequently, i) scientific justification of simplified silvicultural indicators for harvest quotas, ii) feasibility of administrative procedures for timber harvest application and monitoring during logging, and of outmost importance iii) simplified benefit sharing arrangements are still under intensive debate as these aspects touch the core of the two prevailing perceptions towards CFM.

Current experiences

Pilots on commercial timber harvest by communities are limited to four completed, one ongoing and two planned pilots in entire Vietnam and were often impeded by rather cumbersome and unpredictable administrative procedures. The main lessons learnt are summarised below:

- Lack of standardised application and approval procedures, greatly depending on the interpretation and commitment of involved authorities as illustrated by the following two case studies:

Initiation of a trial harvest of 65 trees in Quang Ngai province required a sequence of 26 steps (see Annex 13) with a final approval from the Department of Forestry under MARD requested by Quang Ngai provincial authorities. Similar procedures were required during a trial harvest in Kontum province in 2008.

On the contrary, large-scale harvest pilots in Dak Lak and Dak Nong province only required a District People Committee approval as timber harvest was covered under the previously granted CF pilot permission by the respective province.

- Current legal procedures for timber auctions are drastically narrowing the scope of local people to:
 - Select a timber buyer based on their trust and specific preferences

- Decide on the starting price for timber as auction prices are bound to provincial baseline timber prices
- Prevent collusions among dominant timber companies, thus reducing chances of reaching a fair sales price.
- Inconsistencies regarding application of Value Added Tax (VAT) for communities and for calculation of base price for payment of natural resource tax.
- Expenditures for harvesting design, tree marking and reporting by contracted service providers as applied only for Quang Ngai province are outweighing expected benefits from timber harvest and can only be sustained under direct project financing.
- Following Article 56 of the Forest Law, the utilisation of natural production forest by local people must be based on forest management plans developed under the guidance of Commune People's Committees and to be approved at district People's Committee. However, despite the harvesting quota being mentioned in the approved five year plans, the actual timber harvest requires additional legal approvals following varying rather spontaneous procedures, thus making the communities vulnerable for unregulated fees.

Under scenarios where productive natural forest resources have been allocated to local population, piloted procedures for timber utilisation and benefit sharing have proven feasible under direct project support. However, in view of an independent application by a community without project support, procedures require significant simplifications and adjustments especially with regard to increased decision-making power for local administration and communities to be stipulated by legal decision.

Under a scenario where degraded forest resources cannot provide sufficient tangible benefits, alternative financing schemes are required and are discussed in the following chapter.

6.4 New Financing Mechanisms

Vietnam is one out of three pioneer countries in Southeast Asia where new concepts for financing schemes under REDD are to be piloted.

Pilot efforts are accommodated under the UN-REDD Programme¹⁴ which is a collaborative initiative between the UN Environment Programme (UNEP), the UN Development Programme (UNDP) and the Food and Agriculture Organisation of the United Nations (FAO). The main aim is to contribute to the development of capacity (regional, national, local) for implementing REDD and to support the international dialogue for the inclusion of a REDD mechanism in a post-2012 climate regime.

The UN REDD program is scheduled for an initial phase from March 2009 until March 2010 which forms the basis for the design of subsequent implementation phases with attached budget per phase.

¹⁴ <http://www.undp.org/mdtf/UN-REDD/overview.shtml>

Box 1: UN REDD programme in Vietnam

Goal: *Reducing emissions of green house gases from deforestation and forest degradation in Viet Nam and globally*

Objective: *To develop and implement an effective REDD regime in Viet Nam that will maximize financial flows and optimize stakeholder benefits*

Project Indicative Outputs under Capacity Development:

Outcome 1: *Improved institutional capacity for national coordination to manage REDD activities in Viet Nam*

Outcome 2: *Improved capacity to mainstream REDD into district-level sustainable development planning and implementation*

Outcome 3: *Improved regional cooperation on trans-boundary REDD readiness*

Indicative Outputs under Outcome 2:

1. *District level forest land-use plans with identification of areas for REDD (opportunity costs) and testing REDD guidelines and targets (monitoring, C-stock assessment, indicators, C-stock valuations)*
2. *Participatory C-stock monitoring system*
3. *Equitable and transparent benefit sharing payment systems (incl. ethnic minorities and the poor)*
4. *Awareness raising at district and local levels*
5. *Capacity built at provincial level to link national REDD planning with district-level REDD planning*

REDD is one key sub-program of the Component 1 of the National Forest Development Strategy (Sustainable Forest Management) and REDD activities are designed to be consistent with and to support to achieve the strategy's goals.

The REDD program is designed as a national-level (programmatic) approach to avoid in-country leakage but during the initial phase, piloting will be limited to project-based options.

This implies that current CF models can provide valuable experiences during the initial REDD phase and further emphasizes the need for a national CF policy frame for a nation-wide application towards a programmatic REDD implementation in the future.

The ambitious aims are i) to demonstrate that early REDD results are achievable in some of the most forested regions in the world and ii) to ensure that the needs of local and indigenous people are addressed in a post-2012 climate agreement that may include payments for standing forests.

Under outcome two on improved district level capacities three indicative outputs are detailed (see Box 1) which closely relate to applied CF schemes in Vietnam.

Participation of local indigenous people is further recognised as a major precondition for success and it is stipulated that „*there is wide recognition that REDD will succeed only with the full participation and ownership of*

*Indigenous Peoples and other forest-dependent communities. This is especially relevant at the local level, where land and other natural resource management decisions are ultimately made*¹⁵.

As stated by the national representative for the UN REDD program within the Department of Forestry¹⁶, the UN REDD program in Vietnam is going to inherit facilities from ongoing projects and will not develop new models during the initial programme phase.

These models will among others embark on the development of monitoring, assessment, reporting and verification systems that can demonstrate that actual emission reductions have been achieved in a respective forest area. Any claims for crediting have to be backed by a credible and reliable baseline which in some countries¹⁷ have been successfully tested in form of participatory carbon stock monitoring.

In Vietnam, participatory inventory techniques as successfully tested during forest land allocation and CF management plans are key elements to link CF implementation with REDD financing schemes and by this guarantee that protection efforts by local population can be sustained until a productive forest resource base has been re-established. It has to be noted that no international standard for resource monitoring is defined for REDD, instead countries have to take the lead to define national standards based on their capacities which would effectively allow an integration of current CF procedures under these schemes.

The ultimate goal of the UN REDD program is to develop a National Readiness Plan of participating countries so if a formal REDD agreement is achieved by nations in Copenhagen, countries will be 'ready for implementation'. This however implies that a national policy frame for CF in Vietnam is required within the next two years to allow for an implementation during phase 2 and to be ready to absorb the financing provided through REDD at a national scale.

Financing can only be expected if the sustainability of developed CFM schemes can be ensured under existing administrative structures and without direct project support and thus requires an administrative reform and capacity building program to ensure that related authorities are equipped with sufficient capacities and mandate to facilitate CF development in the field.

6.5 Forest Resource Potential

Forest areas earmarked for reallocation to private entities often resemble degraded resources that have been excluded from previous management of forest companies (previous State Forest Enterprise) with expected low production potential or prevailing protection problems that could not be solved by the previous forest owner.

Solely handing over these forest resources with their inherited challenges to a generally poor rural population does therefore not guaranty for a sustainable forest development and livelihood improvement but requires

¹⁵ <http://new.un-redd.org/UNREDDProgramme/tabid/602/language/en-US/Default.aspx>

¹⁶ Dr. Pham Mang Cuong, Forest Management Division DoF

¹⁷ See Zahabu, E., Jambiya, G., 2007

further technical and often financial inputs to ensure a sustainable result at least during the period of forest rehabilitation were no tangible benefits can be derived from the forest resource.

In cases where productive forest resources have been handed over to local community allottees showed a high responsibility in protection their resources and were very eager to engage in sustainable forest utilisation.

During management plan development communities often agreed on a harvest level far below the possible level defined based on the sustainable forest model to ensure the sustainability of their forests.

CF contribution to livelihood development in Vietnam

It is observed that overly high expectations are placed on CF regarding its impact on poverty reduction in Vietnam. Numerous studies have been conducted to assess the immediate impact after one to five years of forest allocation to local people. However, due to long production cycles of forestry, economic benefits from timber utilisation might only realise after a period of up to a decade, which was often not considered during the survey design. Survey results have therefore only reflected the current challenge that mainly depleted forest resources have been handed over to local people with consequently limited economic benefits realised in return.

Despite poverty reduction through socialisation of forestry stated in the national forest strategy even under the TFF-CF pilot program harvesting rights of participating communities were limited to subsistence use only and slightly over 75 percent of allocated resources are classified as “bare land” or “poor and restored forests” with only marginal benefits in the short-term to be expected by allottees.

A number of benefit sharing pilots have been recently (2006-2009) completed for a scenario where productive forest resources have been handed over to communities. Communities have been facilitated through commercial timber utilisation based on approved five-year management plans with an average of 20.000 Euro realised during a single harvest operation as show in table 1 below, which was only concerning one part of the approved five-year harvesting quota (for a detailed analysis refer to Annex 14). Production costs, tax expenses and commune levy comprised for a total of 52% with major expenses revealed under timber transportation and monitoring. Net revenues to be shared among the community and managed via a bank account under the village name account for remaining 48%. Timber harvest was further limited to trees of lesser timber and stem quality (mainly comprising timber tax group 4-8) and in that sense would in technical terms only qualify for a thinning operation rather than a major harvest and even led to an improved forest structure compared to a situation prior harvest.

Table 1: Economic analysis of six completed benefit sharing pilots for commercial timber sale from natural forests in Vietnam

Location of village pilot	Logging area [ha]	Harvested volume [m³]	Total revenue before tax and production costs	Harvesting cost & Natural Resource Tax	Commune levy paid by community	Village net revenue
Kontum	88	980	1839	883	96	860

Location of village pilot	Logging area [ha]	Harvested volume [m³]	Total revenue before tax and production costs	Harvesting cost & Natural Resource Tax	Commune levy paid by community	Village net revenue
Dak Lak	105	368	616	219	62	335
Dak Lak	104	950	2108	1213	89	805
Dak Nong	88	476	688	244	42	381
Dak Nong	100	585	846	301	52	469
Dak Nong	201	500	723	257	44	400
Average	114	643	1.137	520	64	542
Euro			45.467	20.780	2.567	21.667

Benefit sharing pilots revealed that participants were fully capable to participate in all procedures and confirmed the technical suitability of silvicultural interventions applied. However, due to the rather large scale operation, **decision-making often rested with local authorities**, not the community and it remains of major concern on how fair negotiations between large timber companies and a community can be ensured during a major timber auction. Auction results revealed that each time the entire lot was sold to a single company only and to a price only marginally above the base price as defined by the province. In a situation with scarcity of natural timber supply in Vietnam¹⁸, a more intensive bidding process would have been expected during a free private sale.

It is therefore recommended to increasingly hand over productive forest resources to local communities to ensure that allocation will result in livelihood improvement as stated as a major outcome in the national forest strategy.

6.6 Form of Forest Allocation

The Forest law from 2004 is stipulating forest allocation to individuals, groups of households and communities with each option providing specific advantages and disadvantages to be based on the demand of the allottees. A detailed analysis of three above mentioned options is provided in Annex 15. Despite three options being stipulated by law, allocation to groups of households and communities remains limited to pilot schemes under project support with the majority of forest resources (bare land and existing forest) being allocated to individual households for the following reasons:

- Avoiding requirements for participatory planning and decision-making procedures which require much time, skills and efforts. If allottees are not sufficiently informed about pros and cons of different forms of land allocation they often tend to choose allocation to individual households

¹⁸ Vietnams timber consumption is currently supplied by over 80% imported timber

which might be further influenced by negative memories of previous cooperative schemes (1976-1985) prior to the new market economy. Consequently, allottees have to be provided with sufficient knowledge to make informed decisions on their long-term forest management preferences.

- Limited experiences of technical staff and administration in facilitating procedures for allocation to group of households or communities. Technicians are often not trained to facilitate participatory decision-making during group exercises. Decisions are often pre-selected and introduced as given fact to local population. Provincial guidelines, apart from few examples with direct support from ODA projects, (see Annex 10) do not provide clear guidance on procedures for allocation to groups or communities. Lack of legal guidance for the development of village organisations and forest management planning procedures after forest allocation.
- Forest management by individual households is perceived of being more effective in terms of forest protection with additionally no requirements for forest management plan development stipulated in the legal policy frame.
- Cost norms and provincial targets are often designed for allocation to individual households and implementation only evaluated against fulfilment of short-term targets. Allocation schemes are often understood as a one-time exercise with the red book certificate forming the ultimate outcome. However, the success of forest allocation schemes can only be evaluated after a period of time in terms of the improvement of the allocated forest resources and tangible benefits received by the local population.
- Lack of criteria as guidance for field facilitators to decide which form of allocation to be promoted.
- Expected follow-up requirements of community allocation schemes are considered much higher with more administrative and technical support required from local administration.

A shift towards increased community allocation requires a clear commitment from the respective province with accompanied on-the job training schemes based on comprehensive technical guidelines for the implementation level. Acceptance of implementation results further requires a shift from target oriented activity monitoring towards a continuous coaching and monitoring against achievements of the improvement in forest development and livelihoods.

6.7 Ethnicity

Effectiveness and sustainability of the management of a common resource base like a village natural forest is significantly effected by socio-economic factors like customary law, village leadership, social cohesion, settlement history and dependency on forest resources which significantly differ among groups belonging to different ethnicities and with distinct settlement history.

The success of forest allocation and subsequent management regimes therefore is determined by the way above mentioned circumstances have

been analysed and integrated into each specific design and finally realised during implementation.

Three most dominant socio-economic scenarios for Vietnam are analysed in Annex 16 regarding their suitability towards a specific form of forest land allocation and forest user schemes and are briefly discussed in the following.

Local ethnic minorities with a long standing history in the area and close communities ties are best allocated forest resources to the entire community, respecting and benefiting from customary regulations and ensuring social equity over forest product utilisation. Under this scenario, CF is de facto only legalising and integrating existing forest management arrangements into the legal administrative environment of the State.

Migrated ethnic minorities or resettled households of Kinh ethnicity often experienced a complete loss of their customary foundation and not yet developed any long-term perspective regarding their natural resource use in the new location. Cultural and to some extend language barriers further limit the evolution of social structures that village forest management could be based on. Consequently, allocation of groups of same ethnicity or even allocation to individual households should be considered.

Kinh majority even within a traditional settlement tend to have the strongest social ties at household level and the family forms the fundamental socio-economic unit. Willingness to jointly manage and benefit from a common resource is often limited which might be connected to the history of unsuccessful cooperative management in the past. Options for forest allocation are therefore limited to group of households (trusted friends and neighbours).

As discussed above CF regulations cannot be prepared as a blue print to be laid out for an entire district or even province but has to be based on a comprehensive analysis of various social and ecological factors.

However, the general CF planning concept and involved steps have been implemented under various socio-cultural environments from Northwest (Hmong, Black Thai ethnicities), to Northeast (Tay and Nung ethnicities), to Central Highlands (Sedang, Gia Rai, Mhong and Hre...) and no requirements for methodological adjustments following involved ethnic groups have been found necessary as the current method is based on a participatory approach providing sufficient space to accommodate local specifications.

7 CONCLUSIONS

Outstanding cooperation between German technical and financial cooperation for over a decade has provided substantial contribution to a common approach for CF in Vietnam which was finally applied for the design of a national CF pilot program under the Department of Forestry with results expected to form the basis for a national CF policy frame.

Knowledge transfer between subsequent projects has greatly benefited from the consistency of consulting services and project management provided under the same company, GFA consulting group, for the majority of CF-related projects in Vietnam. An additional strength relied in the close cooperation with national forestry research institutes which led to a strong ownership over the approach acquired by the Tay Nguyen University with highly qualified members available to independently apply and adjust CF procedures to any specific region in Vietnam. Gained expertise has already been incorporated into the Tay Nguyen University curricula and will ensure a sufficient pool of young professionals to be available for future implementation outside ODA support.

The currently applied concept still remains unchanged in its main technical procedures since its first introduction in 2003 under the GTZ-SFDP and has been taken over by other donors such as the Swiss International Cooperation Helvetas or the Japanese JICA.

Exhaustive field piloting has precisely indicated opportunities, challenges and limitations when applying common CF procedures under the current legal policy frame and are discussed in the following paragraphs. A detailed analysis is provided in Annex 17. For major challenges encountered, priority actions are defined which are further discussed under chapter 8 and are intended to provide a strategic orientation towards a national CF frame for Vietnam.

I. Institutional Responsibilities

Community forestry can only be sustained if it is developed inside the legal forest policy framework and inside existing administrative structures. Consequently, relevant authorities and local administration have been incorporated into methodology development and field piloting from the beginning in 1999. Current administrative structures proved sufficient in terms of available capacities and labour force to provide required support to local communities involved in CF management. Active involvement of local communities into forest protection and management further resulted in reduced workload for the state protection force as duties for patrolling are shared with the local population.

A nation-wide implementation of CF could therefore effectively be executed by relying on existing structures only. A detailed matrix on envisioned responsibilities and coordination mechanism among CF-related administration, as developed during a national workshop in 2004 (see Annex 5), is still considered relevant and feasible in the present context.

Administrative support however relies on the given legal mandate and despite decentralization being stipulated by law, major reporting and approval procedures for commercial timber harvest and benefit sharing are

not yet integrated into the legal mandate at lower levels. In general, decentralisation efforts in the forestry sector remain rather nominal and have not yet reached field implementation in a way that CF could be sustained by local authorities alone.

Desired policy impacts in view of administrative reforms are at present impeded due to the fact that field piloting is not ultimately linked to a contact person/office/task force inside DoF under MARD. Consequently, no channel for lessons learnt from the field to be absorbed and considered by national policy decision-makers could be identified during this mission.

This fact might further explain that no considerable CF policy development could be observed in the last few years, despite field implementation reaching its peak with large scale timber utilisation and benefit sharing pilots in three Central Highlands provinces.

Priority actions towards decentralisation of the forest administration

- i) Clear assignment of personnel in the Department of Forestry under MARD with detailed tasks and outputs stipulated as part of the regular job description
- ii) Strong commitment and immediate action from the government towards administrative decentralisation at district and commune level
- iii) Elaboration of a strategic action plan towards a national CF related forestry administrative reform

II. Policy Development

Community forestry, or the privatisation of the forestry sector in Vietnam has entered into legislation in terms of a general recognition and is providing an extreme supportive orientation towards the involvement of local people in economic natural forest development. Two procedures under CF are stipulated in national technical guidelines, namely FLA and FPDR and are backed by detailed and feasible provincial guidelines with ongoing large scale implementation.

Ongoing revision of the national legislation regarding benefit sharing arrangements since 2001 has caused a major setback for FLA but at the same time has pushed independent provincial initiatives to develop and test simplified arrangements as contribution to the ongoing policy revision.

Provincial pilots on adjusted benefit sharing regulations as applied in three provinces in the Central Highlands have proven feasible and underlined the potential contribution of CF towards livelihood improvement of forest dependent people. The integrated procedures on i) forest management planning, ii) silvicultural interventions and iii) benefit sharing procedures for subsistence use and commercial timber sale are providing an excellent and sufficient basis for a comprehensive policy analysis. In anticipation of a national policy frame, Dak Lak and Quang Binh province are hoped to approve CF provincial guidelines by end of the year which would provide an outstanding contribution to forest development in Vietnam.

Policy development is further driven by a national initiative under the TFF-CF pilot program which embarked on guidelines for a national policy frame. A total of 12 guidelines have been developed and reached legal approval

by MARD, however with a clear limitation of the scope of application to the defined project region only. CF guidelines under the KfW6 have further been approved by the Management Board for Forestry Projects under MARD in 2008.

Piloting has continued as a major focus during last years which numerous guidelines produced and detailed lessons learnt obtained and documented. Despite the large amount of guidelines and reports produced, no synthesised national analysis in view of a harmonisation of procedures has yet been conducted at a technical and strategic level to derive at clear instructions for forging a national CF frame.

Current forest policies remain rather centralised with often overly complex and detailed regulations hampering real application in the field. Partly overlapping or even conflicting regulations and mandates of different Ministries are further complicating the policy field.

Priority actions towards a national CF-related policy reform

- i) Clear commitment articulated from MARD leadership to steer and drive the process towards a national CF policy reform
- ii) Initiation of a comprehensive policy reform aiming at the elaboration of a general policy frame at national level and detailed technical guidelines at provincial level in line with national decentralisation efforts
- iii) Re-activation of existing FSSP regional working groups with clear tasks and responsibilities assigned under effective leadership
- iv) Coordination of ODA support in view of financial and technical support to be provided during the process

III. Technical Issues

Forest management applied by communities has to be based on the local demand and capacities available at grassroots level and shows distinct differences compared to management commonly applied by large concessions.

Silvicultural interventions have to accommodate the diversified needs of local communities in terms of timber, firewood, NTFP etc. and at the same time have to safeguard ecological functions of the forests following the line of thoughts of “Forest protection through sustainable utilisation”.

Consequently, conventional silvicultural and planning procedures as applied for state forest enterprises had to be simplified to ensure economic viable options for forest utilization that can be independently followed-up by local communities.

Simplified procedures for planning, management and reporting are solely using stem number per diameter class as only quantitative unit. Procedures have proven feasible within capacities of local administration and local people alike and at the same time ensure forest protection and development.

Proposed forest utilisation in form of selective harvest leads to an improved forest structure, not to a degradation of forest resources as commonly seen under large-scale concession management.

Silvicultural guidelines are further based on modern concepts of Reduced Impact Logging procedures (RIL) and international work safety standards.

Despite very positive field results, the scientific justification of applied harvesting benchmarks remains an area of intensive discussion with conservative sections inside the forestry administration still require volume estimates for CF management plan elaboration, which would significantly increase efforts and required capacities at field level.

Due to lack of scientific research data on growth and yield in Vietnam a scientific prove would require decades of field research and would cause an unacceptable delay of CF implementation.

Technical guidelines as designed under the TFF-CF pilot program still remain indecisive with too complex procedures requesting planning details in form of stem number and volume figures.

Existing legal guidelines, as designed for large scale state forest enterprise management, are not supportive to new CF procedures and would require additional sections to be applied under smallholder management. Cumbersome procedures for harvest application and reporting are furthermore not yet providing sufficient incentives for local communities to end unregulated forest utilisation as previously applied.

Priority actions towards a technical best practise for CF

- i) Analysis and consolidation of technical field experiences
- ii) Harmonisation of technical details in view of a common best practise for Vietnam with regard to forest management planning and applied silvicultural interventions
- iii) Facilitate elaboration of comprehensive provincial technical guidelines for CF

IV. Human Resource

Commune and village level have proven fully capable to conduct decentralised forest management and fund management, thus confirming the suitability of decentralisation efforts by the government.

Villagers have proven a very effective protection force (active patrolling inside the forest *prevents* forest violation instead of administration mainly dealing with the *treatment* of already conducted violation cases outside the forest).

However, sufficient technical capacities in new CF procedures cannot be assumed but require comprehensive on-the-job capacity building encouraged by adjusted mandates and responsibilities after a comprehensive administrative reform.

Weak law enforcement of the administration remains a major challenge to the effectiveness of CF schemes. Only if effective forest protection can be ensured, sustainable management can be initiated.

Priority actions towards a human resource development

- i) Capacity building measures for local authorities to ensure that administrative and technical support is effectively provided to local communities in CF related procedures (*to be based on adjusted job description after administrative reform*)
- ii) Improved communication and interaction between local protection force and communities to be enforced by provincial Department of Forest Protection

V. Cost and Finance

The feasibility of a nation-wide application mainly depends on possibilities to integrate CF schemes into national/provincial budget lines and programs.

Preliminary cost norms as estimated by the mission are based on capacity building measures, forest land allocation procedures and CF planning procedures for a five-year period for a scenario where 1.000ha of forest are allocated to an entire community.

Required financing is estimated to be within comparable budget limits as currently applied under national 661 program schemes on forest protection contracts. CF is therefore considered feasible to be applied under future national forest programs.

Follow-up measures mainly depend on the productivity of natural forest resources at the time of allocation. In case where productive forest resources are handed over, economic viability can immediately be ensured through sustainable timber utilisation and trade with no additional financial support required.

Under scenarios where degraded resources are handed over, initial external funding is required until resources have recovered to a productive stage. New financing mechanisms (REDD/PES) are currently piloted in Vietnam and are potential options for a sustainable financing in the future.

Natural forest resources are facing severe and ongoing degradation due to unregulated utilisation and ultimately conversion into agricultural production sites. Any further delay of a nationwide up-scaling of CF will therefore dramatically increase the need for external funding and cannot be justified at the current stage of comprehensive methodology development.

Priority actions towards a new financing options for a CF roll-out

- i) Speed-up development of a national policy frame and implementation strategy as precondition for a nation-wide roll out of CF
- ii) Pilot options of new financing mechanisms as economic incentives for forest protection provided under scenarios where depleted forest resources have been handed over to local population
- iii) Integrate CF schemes under the UN REDD program

8 RECOMMENDATIONS

Intensive CF piloting has yielded substantial results and precisely indicated encountered challenges and limitations regarding the current legal policy frame. From a methodological point of view no major adjustments are required at this stage that would justify additional field piloting for the sake of testing technical or administrative details of the main CF conceptual procedures (see Annex 8).

A major strategic shift is therefore indicated from previous field-based piloting towards a strategic analysis of lessons learnt and the identification of best practises for Vietnam to be embedded into a supportive national and provincial policy frame within an effective administrative system.

As outcome of the mission analysis (see chapter 7) three priority working areas have been identified and are discussed in the following chapters under:

- I. Policy Development and Administrative Reform***
- II. Silvicultural and Forest Management Techniques***
- III. Finance and Human Resource Development***

8.1 Policy Development and Administrative Reform

Interventions are intended to embark on required reforms in the forestry administration system aiming at a supportive national policy frame for CF as precondition for a comprehensive development of technical implementation guidelines at provincial level based on which a provincial roll-out of CF can effectively be executed. This would imply a capacious policy reform reaching over a number of legal Decisions and Circulars related to CF (see Annex 6) which can only be achieved based on a strong and unambiguous commitment from inside DoF under MARD.

Policy adjustments would mainly require i) a clarification of the legal status of communities, ii) adjustments under legal timber harvesting regulations, iii) simplified benefit sharing arrangements between communities and the state and iv) reduction of natural resource tax levels for communities who apply selective, regulated logging based on approved management plans as contribution to environmental landscape protection and as clear incentive for legal forest utilisation.

ODA support under such a process would be limited to a demand-driven advisory support and could be effectively provided through the ongoing

GTZ Forest Program¹⁹ and through a network of ODA projects at respective provincial level.

Timing is considered very suitable with a completion of the ongoing restructuring of MARD to be expected by end of this year. Under the envisioned structure the entire forest protection force would be placed under a General Department of Forestry thus allowing for a shift from a previous law enforcement based mandate towards a more technical extension oriented mandate to guide local population in regulated and sustainable forest management after completed forest allocation schemes.

Priority actions under Policy development

The initiation for a shift from methodology development towards policy reform would require a formal proposal formulated by the leadership of DoF under MARD to advise the Vice-Minister to initiate the process of a comprehensive CF policy reform in view of a decentralisation of responsibilities and mandates to lower levels following the principle of subsidiarity²⁰. A formal proposal would furthermore signalise a whole-hearted commitment of DoF towards the urgently needed comprehensive national policy frame for CF, based on which ODA funding schemes could be customised to provide required financing of the process.

A clear assignment of personnel in the Department of Forestry under MARD responsible for steering regional/provincial efforts and ultimately responsible for the drafting of envisioned policy decisions. The role and mandate of this personnel would best be assigned with detailed tasks and outputs attached to the regular job description. A comprehensive policy reform would ideally be steered by a small group of key decision-makers inside DoF. Focus should be given to policy makers which are holding active positions within MARD and do not embark on the establishment of external working groups consisting of technical consultants with only limited political influence. This remains as a crucial challenge as at present no personnel inside DoF is officially assigned responsible for CF and might be only possible after a termination of the current restructuring inside MARD.

CF approaches are expected to vary to some extent depending on the respective natural and socio-economic conditions of a specific region. Regional specifications are thus forming crucial corner posts to be recognised in a national policy frame which however cannot be defined by central level alone. Such regional characteristics are to be defined by provincial representatives which could be engaged in temporary task forces at regional or only at individual provincial level in case coordination efforts at a regional level are not expected feasible. Task teams could be set-up by re-activating existing regional network structures under the FSSP, which would have the additional benefits of a defined source of financing and already existing structures. Surveys would be limited to regions which are expected to become focal points for CF implementation, namely Northwest, North central, Central coast, and Central Highlands (see Figure 1 below).

¹⁹ Program component 3 on forest policy aiming at a supportive forest policy reform towards the sustainable management and utilisation of forest resources.

²⁰ Principle of subsidiarity is an organizing principle that matters ought to be handled by the smallest, lowest or least centralized competent authority. It is intended to ensure that decisions are taken as closely as possible to the citizen and that constant checks are made as to whether action at community level is justified in the light of the possibilities available at national, regional or local level.

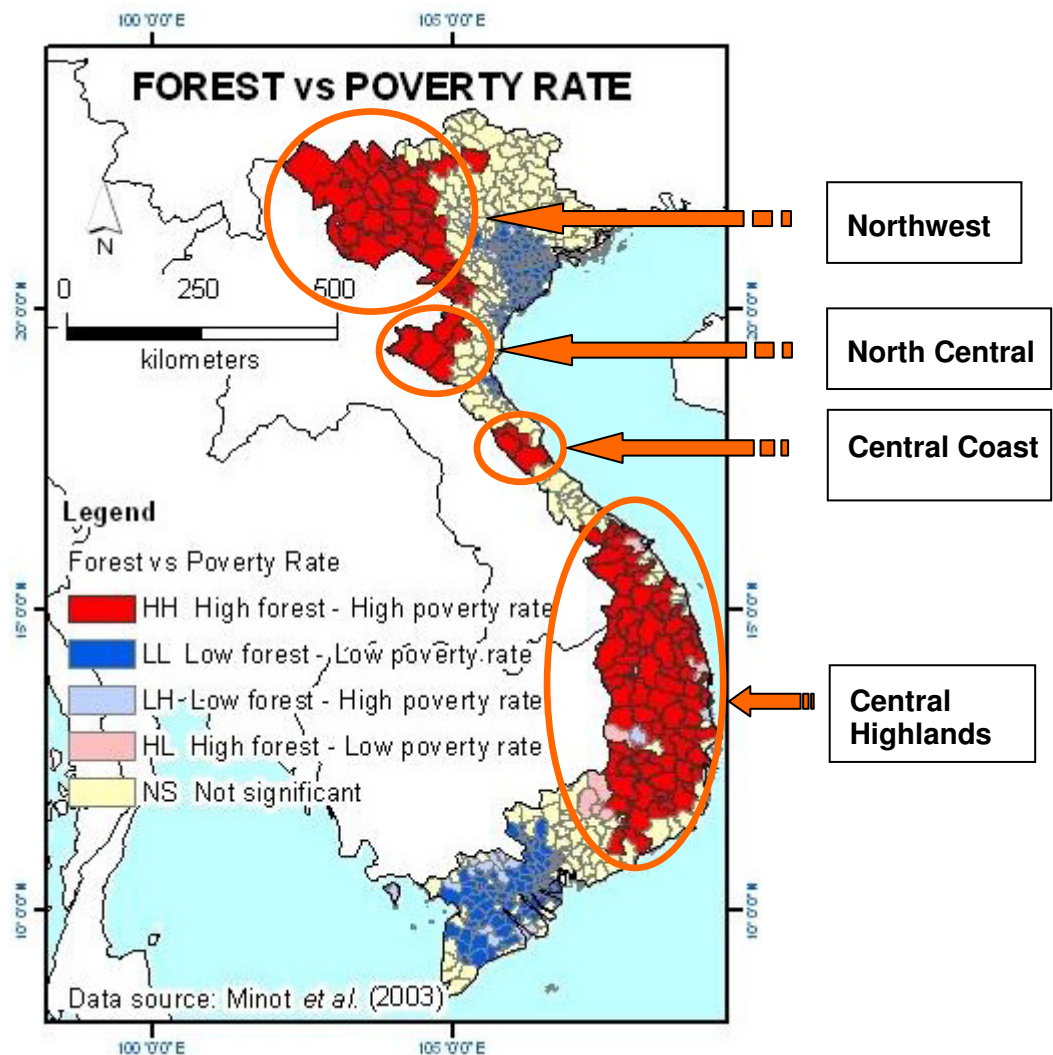


Figure 1: Proposed focal regions for CF application in Vietnam based on forest coverage and poverty rates

Focal regions comprise of areas combining high rates of natural forest coverage with a high poverty level. Temporary regional task teams are formed under respective DARD and DoNRE which based on a standardised survey are to define main procedures/criteria for CF procedures applicable for their respective region. Survey formats/questionnaires are to be developed by a temporary national advisor group to ensure comparable and standardised survey results to ease a comprehensive analysis at national level.

A comprehensive and standardised outcome can only be expected under effective guidance and leadership of the whole process and would require a general facilitator, providing guidance and support to all regions, and being held responsible for data aggregation and submission to Central level.

National level efforts are foreseen to embark on an analysis of regional/provincial survey outcomes based on which a general policy frame for CF is defined detailing only minimum requirements or compulsory

safeguards/criteria to be followed when defining specific technical guidelines by the respective provinces.

National policies need to be kept general enough to allow for a site-specific adjustment at provincial level. This explicitly implies that decision-making power at lower levels are substantially strengthened through this process which, despite clear national instructions on decentralisation, have not yet been embarked upon and is understood as the major challenge during facilitation of the entire policy process. The national policy frame would stipulate unambiguous measures towards decentralisation, with detailed instructions limited to aspects that have revealed consistent for all four regions.

Provincial policy development in Vietnam is often anticipating development at national level and is encouraged as significant contribution to national policy development thus emphasising the crucial need for effective and continuous bi-directional communication channels between national and provincial level.

Once a national framework is defined, provincial/regional efforts will focus on the elaboration of technical guidelines adjusted to the specific local context for CF, but in strict compliance with the national CF policy frame. Based upon request, province authorities are supported by national institutes or ODA projects during elaboration of guidelines and administrative reform of CF related authorities at lower levels. Of outmost importance is to articulate an unambiguous mandate to local authorities in supporting CF procedures.

The 2nd task of provincial authorities is to define the scale of application (based on forest land use planning results collected from district authorities) with attached budget plans for implementation which are detailing provincial financial contribution and external budget requirements.

Detailed budget plans will allow for targeted financing through new financing mechanisms under national (UN REDD program) or provincial (PES) programs.

Implementation would initially embark on capacity building of local authorities in target areas. Areas with only scattered and small-scale implementation could rely on external service providers to limit costs for capacity building measures. A sufficient pool of qualified trainers need to be developed at relevant Institutions, Universities, NGOs or even by private service providers.

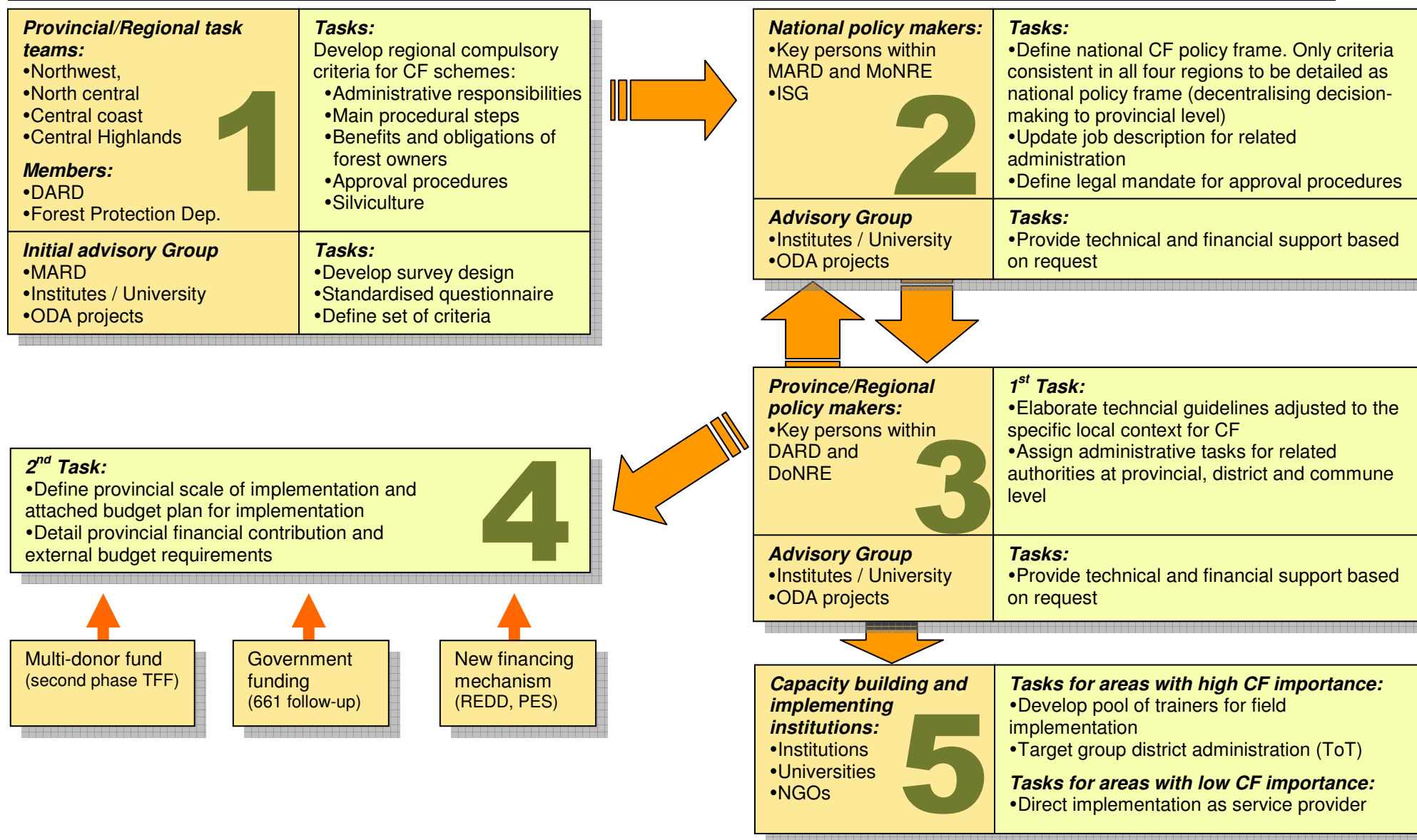


Figure 2: Proposed Matrix for a Comprehensive CF-related Forest Policy Development

8.2 Silvicultural and Forest Management Techniques

Under the second intervention area, a holistic analysis and consolidation of available technical field experiences is envisioned towards a harmonisation of procedures as currently applied under main ODA projects and the TFF-CF pilot program.

The overall objective is to timely provide practicable and simple guidance to local forest users who have been handed over natural forest resources for sustainable long-term management and protection.

The technical focus is placed on interventions under natural forest management regarding participatory forest inventory, forest management plan development, identification of sustainable timber off-take levels, harvesting and thinning techniques as well as basic timber processing.

Due to ongoing nation-wide forest allocation in Vietnam an urgent demand is obvious and does not allow for the development of scientific proven concepts that would require decades of research. In this context a scientific sound basis has to be substituted by empirical knowledge, secondary data and rough safeguards for sustainability. This in particular relates to the Sustainable Forest Model (SFM) concept as detailed in Official letter 787/CV-LNCD²¹ and which is currently applied with different levels of complexity under ongoing projects.

Adjustments under silvicultural harvesting procedures are mainly related to GoV Decision 40/2005/QD-BNN, stipulating regulations for forest product harvesting. Due to the reference to existing legislation, results under this issue therefore relate to policy development under the first intervention area and are ultimately to be considered during the policy reform process.

Forest management plan elaboration is stipulated in great detail in Circular 05/2008/TT-BNN, however only at provincial, district and commune level. Village level forest management planning is not yet integrated into the legislative system in Vietnam due to the fact that village level is no recognised administrative body.

Developed guidelines are to be designed as a general national framework allowing for and encouraging further specifications and adjustments to be applied for a specific provincial context by a team of provincial technicians under DARD.

Due to the technical subject matter forestry scientists and field-based technicians are to be engaged in a task force which would comprise of experts under i) the Forest Science Institute Vietnam, ii) the Tay Nguyen University in Dak Lak due its long standing involvement in CF development in Vietnam, iii) the Forest Inventory and Planning Institute, and in view of the crucial legal recognition of developed guidelines, iv) experts under the Forest Management and Silvicultural Division under DoF, MARD.

²¹ Project guideline under TFF-CF pilot program with the scope of application limited to the project region

8.3 Financing Mechanisms and Human Resource Development

The third intervention area is embarking on two crucial preconditions for an envisioned nation-wide application of community forestry.

Firstly, under scenarios where only degraded forest resources have been handed over no tangible benefits from forest utilisation can be expected in the short-term, but on the contrary continuous labour inputs for forest patrolling and protection measures are required which can often not be provided by the poor. In this situation external financing as compensation for protection activities is required for an initial period until forest resources have recovered towards a productive forest status which can offer sufficient tangible incentives for the local population to apply sustainable forest management.

Secondly, required capacities at district, commune and village level to comply with new CF procedures cannot always be assumed but need to be developed through comprehensive capacity building and coaching during the establishment phase of CF village schemes. Capacity building relies on a qualified trainer pool and ultimately on sufficient finance for implementation which is not yet defined in any national forest program in Vietnam.

In the context of international efforts on climate change mitigations and adaptations, reduced deforestation and forest degradation has gained increased attention and has resulted in the design of the UN REDD programme. The UN REDD program is scheduled for an initial phase from March 2009 to 2010 which forms the basis for the design of subsequent implementation phases with attached budget per phase. Vietnam is one out of three pioneer countries in Southeast Asia where REDD financing mechanisms are to be piloted.

The first phase is among others embarking on a review of national policies to formulate and integrate relevant policies for REDD implementation. Coordination with and integration of the CF related policy reform (see chapter 8.1) is therefore of crucial importance to ensure that CF is entering into the national climate policy framework. Cooperation would provide synergistic benefits for both sides and would ensure that CF procedures are screened towards their compatibility under REDD financing schemes.

The UN REDD program furthermore embarks on the development of a performance-based, transparent benefit sharing mechanism. Local indigenous people are explicitly stipulated as major factor for success of the UN REDD program and are providing the direct link between CF and new financing schemes under REDD. Their direct involvement is envisioned under schemes of participatory Carbon-stock monitoring.

Accurate baseline surveys of the forest resource base are crucial preconditions to apply carbon credit financing. Forest inventories as conducted under forest allocation schemes following Circular 38/2007/TT-BNN are at present the most accurate and reliable data available in Vietnam and are limited to project supported CF village pilots. Large scale implementation under Circular 38 is expected under the ADB FLITCH program and would provide a coverage of 60 communes in the Central Highlands region.

Despite being designed as a programmatic nation-wide approach, initial piloting will only inherit existing field pilots and could effectively sustain existing CF pilot results as a basis for testing new financing mechanisms under scenarios where depleted forest resources have been handed over to the local population.

A further key area of the program aims at strengthening technical and managerial capacities of government agencies at local levels. Involving relevant agencies and field staff in the piloting process will furthermore provide valuable data on workload, involved costs and required capacity building when considering up-scaling of the concept outside the pilot communes. Direct involvement also ensures that capacity building will focus straight on relevant agencies at district and commune level rather than limiting these efforts on training of mediating staff from projects or training institutions.

Benefits from integrating CF into REDD piloting are therefore understood as being twofold with:

Expected short-term benefits of i) increased capacities at local levels to support sustainable forest management, ii) improved database made available for effective forest development and utilisation and iii) increased awareness on forest and CF related procedures by the local administration and local population in participating pilot sites.

Expected long-term benefits are depending on the successful progression towards the third or implementation phase of the program with a programmatic implementation of REDD financing schemes in Vietnam. REDD is furthermore intended to be integrated into Component 1 of the National Forestry Development Strategy and could by this ensure that CF will be considered during subsequent five-year forestry action plans with attached national budget sources.

Additional initiatives under new financing mechanisms are currently applied in the frame of Payment for Environmental Services (PES) schemes, which however are at present limited to pilots in the two provinces of Son La and Lam Dong only.

REDD initiatives are currently coordinated by DoF under MARD and the national program coordinator has articulated a strong interest in targeting existing CF village schemes as pilot objects for testing participatory approaches under REDD financing. Communication and coordination between CF-related projects and the UN REDD program are expected to be unproblematic and will progress through direct personal contact.

Coordination on aspects under the national policy review and capacity building measures could effectively facilitated through the FSSP REDD working group which is currently initiated under the Forest Sector Support Program.

A coordinated German contribution could be effectively steered through the ongoing GTZ Forest Programs Component 3 and through a network of technical and financial cooperation projects at respective provincial level.

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ANNEX 1: TERMS OF REFERENCE

Short-term Assignment: Study on „State of the Art of Community Forestry in Vietnam”

Rationale

In the past, forest utilisation rights were strictly limited to state bodies and natural forest resources solely managed and protected by State Forest Enterprises. Access rights of local people were limited to a minimum with a strong emphasise on forest protection measures alone.

However, it was gradually recognized that involvement of local people in forest protection and management can effectively contribute to forest development and livelihood improvement in Vietnam and natural forest resources are increasingly allocated to individual households, groups of households or entire villages under their direct management.

In order to support this process and to guide local forest users in sustainable forest management, various ODA projects have developed and tested Community Forestry schemes over the last decade. As from 2004, the current Forest Law provides the legal basis for the allocation of forests to groups of households and to entire communities. However, despite a national legal recognition of Community Forestry in Vietnam and intensive field testing, implementation is mainly driven by a number of ODA projects without a common national/province/regional approaches and implementation strategy being defined yet.

This study is designed to i) provide a comprehensive overview of the conceptual development of CFM in Vietnam, both in chronological and regional terms, ii) to detail the current status quo of CFM development in Vietnam, to iii) analyse the challenges and opportunities for CFM under the current legal forest policy frame in Vietnam and its regions, and to iv) to provide clear recommendations for the way ahead.

The recommendations in view of large-scale implementation and institutionalisation of CFM in Vietnam will address Vietnamese decisions makers on the national and decentralized levels with respect to legal, administrative and technical framework conditions of national forest strategies/programs. Further recommendations will address donor organizations with emphasis on a common strategy for further ODA project support to facilitate required preconditions for the institutionalisation of a common CFM approach.

Organisation

The mission will consist of a team of two international and two national consultants and will comprise field excursions to relevant CFM pilot sites and intensive discussions with policy-decision makers and forest line departments/organisations at various administrative levels from projects supported by GTZ and KfW, ADB, TFF, and possibly others (e.g. Helvetas).

Tasks

The mission will embark on the following general tasks which are specified in more detail in the draft mission itinerary attached:

1. Review and comment on the chronological development of CFM approaches in Vietnam with special focus on the contribution of the German technical and financial cooperation towards a nation-wide CFM approach:	Expert days	
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- Collect and review available ODA project reports/guidelines related to CFM methodology development and implementation results, covering all relevant projects supported by GTZ and KfW, ADB, TFF and possibly others.
- Conduct field excursions to selected CFM pilot sites implemented under current projects to assess lessons learnt and recommendations for large-scale implementation from the perspective of local forest users and involved local administration. ("best practice", "implementation results" and other project-specific information in Annexes).
- Review available documentation from the National Working Group on Community Forest Management (NWG-CFM) and the TFF Community Forest Management Pilot Program.
- Review main similarities and differences of CFM concepts and project implementation approaches towards a common standard for a nation-wide application in Vietnam (main report).
- Assess required financial inputs (legal procedures, equipment, capacity building, labour) for implementation of CFM schemes under existing administrative structures in view of a national CFM approach.

2. Analyse recent national forest policies in view of large-scale implementation and institutionalisation of CFM in Vietnam:	Expert days Internat. nat. 3 3	
<ul style="list-style-type: none"> ➤ Analyse main strategic planning/programs of the Vietnamese forest sector (Vietnam Forestry Development Strategy 2006-2020, Forest Sector 5-year Action plan 2006-2010, 5 Million Hectare Reforestation Project) towards a strategic national orientation for smallholder/community forest management in Vietnam. ➤ Review the current legal forest policy frame with regard to administrative, organisational and technical procedures stipulating CFM. ➤ Analyse the potential of current forest policy to provide a legal platform for a nation-wide application of CFM in Vietnam. ➤ Conduct meetings with forest policy decision-makers on discussion on a strategic outlook of CFM development in Vietnam. 		
3. Analyse current limitations and required preconditions for institutionalising and nation-wide application of CFM in Vietnam:	Expert days Internat. nat. 10 5	
<ul style="list-style-type: none"> ➤ Limitations regarding legal policy frame (benefit sharing/taxation procedures, harvesting and timber sale procedures,...) ➤ Limitations regarding current mandate, capacities and work force of respective line departments/organisations to provide effective extension services, supervision, monitoring and enforcement of CFM implementation ➤ Limitations regarding status of forest and land resources available for CFM schemes ➤ Highlight crucial preconditions/safeguards and potential project contribution towards a supportive environment for a nation-wide application of CFM in Vietnam 		
4. Formulate conclusions from the above analytical steps and provide recommendations for the way ahead, addressing policy-decision makers and ODA organizations	Expert days Internat. nat. 7 3	

Outputs / Deliverables

- Document main mission findings of above detailed aspects in a comprehensive report written in English language (proposed max. of 30 pages plus detailed Annexes), to be translated into Vietnamese

Time Frame: - 1 person months of international consultancy
- 14 person days of national consultancy

Proposed Period: - 23rd May - 21st June 2009
- draft report (English) by end of June 2009

ANNEX 2: MISSION ITINERARY

Period: 23/05/2009 – 21/06/2009












































































Date	Location	Task	Respons.	Persons met
23.05-25.05	Hanoi	Develop work plan; Collect and review available ODA project reports/guidelines related to CFM methodology development and implementation results, covering all relevant projects supported by GTZ and KfW, ADB, TFF and possibly others.	Wode	--
26.05	MARD	Working with representative from DOF; discussion on strategic orientation of MARD towards CFM in Vietnam	Wode	Pham Mang Cuong Forest Management Division DoF Bui Chinh Nghia Head of Division of Forest Management under DOF Nguyen Huu Thien Deputy Head of Forest Development Division DoF LE Thi Thua TFF CFM pilot program Vu Van Me TFF CFM pilot program
27.05-28.05	Hanoi	Analyse Vietnamese forest sector programs towards a strategic national orientation for smallholder/community forest management in Vietnam.		
29.05	Hanoi to BMT	Report writing; travel to Buon Ma Thuot	Wode	--
30.05	BMT	Chronological development of CFM in Vietnam	Wode	--
31.05	Buon Ma Thuot town; Private residence Bao Huy	Bao Huy: <ul style="list-style-type: none"> Brief chronological development of CFM approaches in Dak Lak (main focus on forest allocation pilots); Brief implementation results of JICA CFM project in Kontum 	Bao Huy, Wode	--

		<p>province.</p> <ul style="list-style-type: none"> • Brief implementation results GTZ RDDL in Ea H'Leo and Krong Brong district. • Brief summary on the provincial community forestry consultant working group Dak Lak evaluation of effectiveness and impact • Assess required financial inputs (legal procedures, equipment, capacity building, labour) for implementation of CFM schemes under existing administrative structures in view of a national CFM approach. <p>Wode:</p> <ul style="list-style-type: none"> • Brief chronological development of CFM under GTZ SFDP with special focus of methodology development; • Brief sequence and achievements of National CFM working group; • Impact of KfW 6 CFM pilots and methodology development; • Case study ADB FSP with a focus on an initial trial on commune forest management planning; • Brief achievements of SMNR-CV with focus on institutionalising of new CFM concept in form of provincial guidelines; special situation of forest allocation history in Quang Binh as typical situation for forest allocation results in Vietnam 		
01.06	Buon Ma Thuot town; RDDL project office 17 Le Duan, BMT	Evaluation of lessons learnt from Ea H'Leo and Krong Bong benefit sharing pilot	Bao Huy, Wode	Do Ngoc Sy RDDL Assistant Team Leader Phan Van Quynh CFM expert

	town			Trinh Van Quynh Junior CFM expert
02.06	Krong Bong district	Field visit to Krong Bong benefit sharing trial; Assess lessons learnt and recommendations for implementation of CFM from the perspective of local forest users and involved local administration.	Wode	Community; Village Forest Management Board members; Local authority
03.06	BMT	Meeting with ACTA, preparation for final workshop in Hanoi, analysis of field results	Wode	
04.06	Buon Ma Thuot town; Travel to Hanoi	Analyse current limitations and required preconditions for institutionalising and nation-wide application of CFM in Vietnam	Bao Huy, Wode	
05.06	Hanoi	Participation in workshop Workshop on "Policies and real status of community-based forest management in Vietnam"	Wode	
06.06	Hanoi	Analyse the potential of current forest policy to provide a legal platform for a nation-wide application of CFM in Vietnam.	Wode	
07.06	Hanoi	Review main similarities and differences of CFM concepts and project implementation approaches towards a common standard for a nation-wide application in Vietnam	Wode	
08.06	Hanoi	Meeting at KfW7 project office; discussion on planned CFM concept of the project Meeting with Nguyen The Chien National Coordinator KfW1 Quick Win Afforestation Measures in Vietnam	Wode	Steven Hunt, CTA KfW7 Nguyen The Chien KfW1 Quick Win
09.06	Hanoi	Meeting at MARD on opportunities to integrate CF schemes into UN REDD programme in Vietnam	Wode	Pham Mang Cuong Forest Management Division DoF Steven Hunt, CTA KfW7
10.06	Hanoi	Meeting with Martin Burian GFA consultant on CDM Analyse current limitations and required preconditions for institutionalising and nation-wide application of CFM in Vietnam	Wode	Martin Burian ENVENT GFA CDM consultant
11.06- 15.06	Hanoi	Reporting; Formulate outlook for strategic orientation of ODA support under CFM	Wode	
16.06- 17.06	Hanoi	Reporting; Preparation for presentation at MARD (18.06)	Bao Huy, Wode	

18.06	Hanoi; MARD meeting room Bao Huy: Evening travel to BMT	Presentation of preliminary missions findings to key persons from MARD and selected ODA projects	Bao Huy, Wode	National representatives: Pham Mang Cuong Dinh Duc Thuan Nguyen Thi Tuong Van Le Thi Thua Vu Van Me Nguyen Van Hop ODA representatives: Steven Hunt Hans-Juergen Wiemer Jürgen Hess Jens Kallabinski Christian Aschenbach Helmut Dotzauer Tomas Jonsson
19.06	Hanoi	De-briefing meeting with Hans-Juergen Wiemer	Wode	Hans-Juergen Wiemer CTA GTZ-SMNR-CV
19.06-21.06	Hanoi	Final reporting and editing	Wode	

ANNEX 3A: IMPLEMENTATION PROGRESS OF SELECTED CF-RELATED PROJECTS IN VIETNAM

Project name	Project period		COMMUNITY FORESTRY IMPLEMENTATION STEPS											
			FPDR		LUP FLA		LURC			FMP	Village/ commune MB	Market Information System	Timber utilisation	Sale and Benefit sharing
	C 56	C 70	Prior C. 38	Post C. 38	Indiv.	Groups	Village							
SFDP GTZ	1993	2004												
SFSP	1994	2002												
SMRP	1995	2002												
FSP ADB	1996	2003												
IFSP	1996	2002												
SMNR-CV	2004	2010												
RDDL GTZ	2003	2010												
OXFAM	2007	2011												
ETSP	2003	2007												
JICA Kontum	2005	2008												
KfW6	2004	2013												
KfW1 Quickwin	2007	2010												
CF pilot program TFF	2006	2009												
PPFP TFF	2007	2011												
FLITCH ADB	2008	2014												
EPMNR	2008	2010												

FPDR Forest Protection and Development Regulations developed according to Circular 56/1999/TT-BNN-KL or Circular 70/2007/TT-BNN-KL

LUP FLA Participatory Land use Planning & Forest Allocation (only considering allocation of existing natural forest to individuals, groups of households and communities)

LURC Land Use Right Certificate Indiv.=LURC issued to individuals Groups= LURC issued to groups of households Village= LURC issued to entire community

FMP Community Forest Management Plans developed and approved by district authority for a period of 5-years and based on a participatory forest inventory

MB Community Forestry Management Board at village or commune level


Prior C. 38 Forest allocation completed without detailed forest inventory prior to issuance of Circular 38/2007/TT-BNN

Post C. 38 Forest allocation completed following forest inventory procedures as stipulated in Circular 38/2007/TT-BNN

 Implementation completed

 Implementation planned within project period

 Guideline approved at provincial level

 Approval of project guideline by either Ministry of Agriculture and Rural Development or Management Board for Forestry Projects
Scope of application limited to project sites

ANNEX 4: MATRIX ON ESTABLISHMENT OF CFM PILOT SCHEMES IN 2003-2004

Procedural Steps in Establishment of CFM Pilot Schemes		Supporting Action for Completion of Guidelines and Procedures				Involved Parties	
No.	Task	No.	Task	Location	Timing	Leading	Supporting
0	Formalized CFM Application by Communes	1.	Preparation of an example of a CFM permit request	Hanoi	6/2003	MARD DFD (Ms. Van)	SFDP Song Da ADB FSP ETSP Helvetas
-	Name of commune, participating villages, forest land area	2.	Agreement with involved province and district PPCs on CFM pilot schemes	Son La, Hoa Binh, Gia Lai, Dak Lak, Thanh Hoa	7/2003	MARD NWG CFM DARDs province level	SFDP Song Da KfW 3 ADB FSP ETSP Helvetas RDDL Dak Lak
-	People, institutions that were involved in formulating the application	3.	Presentations to MARD senior level and FSSP; mobilization of additional funds to NWG CFM for CFM pilot schemes, if necessary	Hanoi	III-IV/ 2003	MARD NWG CFM MARD Management Board for Forestry Projects	SFDP Song Da ADB FSP
-	Minutes of Meeting of respective meetings in participating village(s)						
-	Request to grant CFM permit and provide the necessary supporting systems						
1	Clarification of forest land allocation	1.	Review and simplification of forest classification criteria and guidelines for production and protection forests in view of integrated silviculture systems in CFM	Hanoi (based on existing materials from SFDP Song Da, KfW and ADB FSP)	6/2003	MARD DFD	SFDP Song Da KfW 3 ADB FSP ETSP Helvetas
a	Overview over forest land (ha) and ownership categories - Unallocated forest land to be allocated to CFM system - Forest land already allocated to households to be included in CFM system - Forest land allocated to organisations to be included in CFM system	2.	Clarification of legal aspects of forest land allocation to village communities	Hanoi	6/2003	MARD Policy Departm. (Mr. Phuong)	SFDP Song Da ADB FSP
b	Clarification of arrangements with households/organisations that agree to include their forest land in the CFM system						
c	Preparation of proposal for forest land allocation to villages communities/group of households that will participate in the CFM system						
2	Inventory of forest resources including classification of forest land (protection, production, special use)	1.	Preparation of draft guidelines for Participatory Forest Resource Inventory	Hanoi	7/2003	MARD DFD (Dr. Quan)	SFDP Song Da ADB FSP ETSP Helvetas
		2.	Test of inventory guidelines in selected CFM pilot schemes	Son La, Hoa Binh, Gia Lai, Dak Lak, Thanh Hoa	8-10/ 2003	MARD NWG CFM	SFDP Song Da ADB FSP Helvetas ETSP
		3.	Review of field tests and preparation of final guidelines	Hanoi	11/2003	NWG CFM core group	VIFA
3	Preparation of forest development and utilization planning base	1.	Preparation of draft guidelines for Participatory Forest Management Planning	Hanoi	7/2003	MARD DFD (Ms. Van)	SFDP Song Da KfW 3 ADB FSP
a	Long term forest development and utilization vision (50 years)	2.	Preparation of draft harvesting regulations for main forest types as guideline for province governments to issue respective regulations	Hanoi	9/2003	MARD DFD (Dr. Quan)	
b	Five-year forest management and investment plan						
c	Yearly Working and Harvesting Plan						
d	Economic feasibility						
e	Benefit sharing arrangements	3.	Preparation of draft guidelines for benefit sharing	Hanoi	9/2003	MARD Policy Departm. (Mr. Phuong)	

ANNEX 4: MATRIX ON ESTABLISHMENT OF CFM PILOT SCHEMES IN 2003-2004

		4.	Test of planning, harvesting and benefit sharing guidelines in selected CFM pilot schemes	Son La, Hoa Binh, Gia Lai, Dak Lak, Thanh Hoa	10/2003 - 9/2004	MARD NWG CFM	SFDP Song Da ADB FSP
		5.	Review of field tests and preparation of final guidelines	Hanoi	10-11/ 2004	NWG CFM core group	Helvetas ETSP RDDDL Dak Lak
4	Establishment of community-based controlling and reporting systems	1.	Preparation of draft guidelines for financial management and reporting at village/commune level	Hanoi	9/2003	MARD PD (Mr.Phuong) MoF ??	SFDP Song Da ADB FSP
		2.	Test of accounting and financial reporting guidelines in selected CFM pilot schemes	Son La, Hoa Binh, Gia Lai, Dak Lak, Thanh Hoa	10/2003- 9/2004		SFDP Song Da ADB FSP
		3.	Review of field tests and preparation of final guidelines	Hanoi	10-11/ 2004	NWG CFM core group	Helvetas ETSP RDDDL Dak Lak
5	Implementation of training / coaching measures	1.	Preparation of training and extension materials and approaches for CFM development	Hanoi, based on pilot schemes in Son La, Hoa Binh, Gia Lai, Dak Lak, Thanh Hoa	7-11/ 2004	NWG CFM core group	SFDP Song Da KiW 3 ADB FSP Helvetas ETSP RDDDL Dak Lak
a	Inventory methods				Adjust to workplan Helvetas		
b	Forest development and management planning	2.	Development of curricula for training of trainers		10-11/ 2004		
c	Economic feasibility and benefit sharing arrangements	3.	Determination of contents and costs for standard training courses eligible for financing out of government programmes				
d	Harvesting and Processing						
e	Community organizations development						
6	Implementation of yearly work and harvesting plans	1.	Ongoing guidance and support of CFM pilot schemes in selected locations, regular exchange of information among pilot schemes via NWG CFM	Hanoi, based on pilot schemes in Son La, Hoa Binh, Gia Lai, Dak Lak, Thanh Hoa	10/2003 onwards	NWG CFM core group	SFDP Song Da ADB FSP Helvetas ETSP RDDDL Dak Lak
a	Reforestation/Afforestation						
b	Tending						
c	Harvesting						
7	Evaluation of performance during establishment phase	1.	Preparation of draft guidelines for inspection and evaluation of CFM schemes by District administration	Hanoi	03/2004	MARD DFD + PD NWG CFM core group	SFDP Song Da ADB FSP
		2.	Test of inspection and evaluation guidelines in selected CFM pilot schemes	Son La, Hoa Binh, Gia Lai, Dak Lak, Thanh Hoa	07-09/ 2004		Helvetas ETSP RDDDL Dak Lak
		3.	Review of field tests and preparation of final guidelines	Hanoi	10-11/ 2004	NWG CFM core group	

ANNEX 5: MATRIX OF COORDINATING MECHANISM AMONG INVOLVED PARTIES DURING THE MANAGEMENT OF VILLAGE COMMUNITY FORESTRY (2004)

Organizations		Make planning for forest protection and forest development of the village community forest	Forest and forest land allocation to village community	Development of plan for community forest protection and development	Forms for community forest management
Village		Management board for village community forest to develop with participation of villagers	<ul style="list-style-type: none"> - Make an application for forest with the plan for forest management attached - Request commune PC to review and submit to district 	Management board for village community forest to develop with participation of villagers	<ul style="list-style-type: none"> - Establish community forest management board - Management board selects its community forest management practice. - Establish teams and groups for forest protection
Commune		Review and approve the project	Review and submit to district PC for approval	Review and approve the plan for community forest protection and development	Guideline for establishment of forest management board
District	People's Committee	Give guidance and instruct villages to develop the project for community forest protection and development	Review and decide the allocation of forest and forest land to villages	Assist communities in development and implementation forest protection and development plan	Give guidance to commune PC to organize community forest management practices.
	Dep. for Agr. & Rural Dev.	Provide advice to district PC	Appraise document and submit to district PC to approval	Consult communities in development of plan for community forest protection and development	
	Forest protection	In coordination with district DARD to instruct villagers.	In coordination with district DARD to appraise document for forest and forest land allocation to communities	In coordination with district DARD to consult communities in development of plan for community forest protection and development	Consult communities in development of community forest management practices
Province	People's Committee	Issue the document regarding the development of planning for community forest protection and development	Issue the document regarding forest and forest land allocation to communities	Issue policies for communities to implement their forest protection and development plans	Issue document regarding the development of regulations on village forest protection
	Dep. for Agr. & Rural Dev.	Provide consultations to the provincial PC for issuing guiding document for development of project for community forest protection and development	Provide consultations to the provincial PC for issuing guiding document on forest and forest land allocation	Provide consultations to the provincial PC to develop policies supporting communities to implement their forest protection and development plans	
	Dep. for Natural Res. & Env.	Coordinate with DARD in consulting provincial PC	Coordinate with DARD to consult provincial PC in FLA		

	Forest protection	Coordinate with DARD in consulting provincial PC	Coordinate with DARD to consult provincial PC in forest and forest land allocation	Coordinate with DARD develop policies supporting communities to implement their forest protection and development plans	Give guidance to district forest protection in order to help village in development of forest protection regulations
Other organizations		Provide consultations to village communities to develop the project	Assist communities in receiving forest and forest land	Assist communities to implement their forest protection and development plan	

Organizations		Development of regulations on community forest protection	Fund credit for investment	Procedures for main harvesting of forest products from community forests	Procedures for harvesting housing timber from community forests
Village		<ul style="list-style-type: none"> - Community forest management board to develop with participation of village communities - Request commune PC to review and submit to district 	Make application for getting loan with a plan for forest protection and development attached	Village forest management board to develop a set of document for timber harvesting.	<p>Household makes application with certification by the head of village, then sends to commune PC for consideration.</p> <p>Forest management board checks and supervises harvesting activities when the household is allowed to harvest.</p>
Commune		Review and submit to district for approval	Certify that there is no conflict on community forest	Check and request DARD to approve.	Control harvesting activities
District	People's Committee	Review and approve	Agree on the policy on credit for communities	Regulate on harvesting forest products from community forests.	Regulate on harvesting forest products from community forests
	Dep. for Agr. & Rural Dev.	Assist commune PC to give guidance to villages	Instruct village to apply for loan to invest in to forest protection and development	Give instructions for harvesting activities.	Give instructions for harvesting activities.
	Forest protection			Control harvesting activities.	Check harvesting activities in coordination with commune PC.
Province	People's Committee	Issue document regarding the development of regulations on village forest protection	Agree on the policy on credit for villages to invest in community forest protection and development	Issue regulations on harvesting forest products from community forests.	Issue regulations on harvesting forest products from community forests.
	Dep. for Agr. & Rural Dev.			Review and issue license	
	Forest protection	Give guidance to district forest protection in order to help village in development of forest protection regulations		Give guidance to district forest protection to control harvesting activities in community forests.	Give guidance to district forest protection to control harvesting activities in community forests.
Other organizations			Appraise, review and release funds for loan	Support communities in consumption of their products	

Organizations		Capacity Building	Establishment of funds for village forest protection and development	Monitoring and evaluation
Village		Propose the needs for capacity building	Village forest management board develops regulations on management and using of this fund with the participation of villagers, appoints a person to monitor transactions of this fund, periodically reports on the fund	Forest management board itself carries out M&E activities with participation of communities.
Commune		Prepare plan for capacity building or human resource development	Control and supervise this fund	
District	People's Committee		Agree on the establishment of forest protection and development funds by communities	Give guidance on M&E of community forest management
	Dep. for Agr. & Rural Dev.	Prepare the contents for the training courses or training program	Instruct villages to establish this fund	Coordinate with district forest protection to review the implementation of village forest protection and development plan
	Forest protection			District forest protection to check the implementation of village forest protection and development plan
Province	PC		Agree on the establishment of forest protection and development funds by villages	Develop criteria and targets for M&E of community forests
	DARD		Give guidance to district DARD to instruct communities to establish the fund	Consult PC in development of criteria and targets for M&E of community forests
	Forest Protection			Coordinate with DARD to consult PC in development of criteria and targets for M&E of community forests
Other organizations		Provide expertise, training materials or funds	Provide financial supports for the funds	Consult communities in M&E

ANNEX 6: COMMUNITY FORESTRY POLICY FRAME

OPPORTUNITIES - CHALLENGES - RECOMMENDATIONS

CF process	Related legal document	Opportunity	Challenge	Recommendations
Forest Protection and Development Regulations	<p>-Circular 70/2007/TT-BNN on guidance for implementing organizations on the formulation of Village Forest Protection and Development Regulations</p> <p>-Decree 159/2007/ND-CP on administrative punishment regarding forest management, protection and forest product management</p>	<p>-Strengthen the cooperation between</p> <p>-Forest protection units and local communities;</p> <p>Increased awareness and patrolling by community members</p> <p>-Strong basis for forest protection enforcement</p>	<p>-Village is no recognised administrative unit and is not allowed to apply financial punishment, however without sanctions enforcement is not feasible;</p> <p>-Stipulated punishment often too high to be implemented by communities</p>	<p>-Communities require mandate to request compensation from forest violators (whether in terms of finance or in terms of social labour)</p> <p>-Communities require legal status to apply punishment as stated in Decree 159</p>
Land use Planning & Forest Allocation	<p>-Land Law</p> <p>-Forest Law 29/2004/QH11</p> <p>-Decree 163/1999/ND-CP on forest land allocation, lease and lending to organizations, households and individuals for sustainable and long-term use</p> <p>-Decree 181/2003/ND-CP on the implementation of the 2003 Land Law</p> <p>-Inter-Ministerial Circular 193/2008/TTLT-BNN-BTN&MT providing guidance on forest allocation, leasing in association with forestry land allocation and leasing</p>	<p>-Legal frame to allocate forest to entire communities, groups of households and individuals</p> <p>-Decree 181 on implementation of the Land law stipulates local community to be allocated protection forest land with all rights and obligations as assigned to households and individuals.</p>	<p>-Overlap between MARD and MoNRE criteria for forest land classification and mapping</p> <p>-Unclear responsibilities for field implementation</p> <p>-Communities are not allowed to convert, mortgage, transfer or lease land use rights</p>	<p>-Clarify responsibilities and procedures at all involved levels,</p> <p>-Simplify reporting and data management at lower levels</p> <p>-Development of standardised land management database combining land and forest resources</p> <p>-Red book should include a forest status map of the allocated area</p> <p>-Limit allocation of existing natural forests to individual households</p>

CF process	Related legal document	Opportunity	Challenge	Recommendations
Forest Allocation in Central Highlands	<p>-Decision 304/2005/QĐ-TTg on forest land allocation and leasing to ethnic minority households and communities in the Central Highlands.</p> <p>-Official document 623/2006/LN-SDR guideline on forest allocation and forest protection contract for Central Highlands</p>	Clear focus on forest allocation to local ethnic minorities targeting FLA towards pro-poor	<p>-Only allocate poor forests to poor individual households with negative implications for natural forest management and poverty reduction</p> <p>-Local communities entitled to make full use of forest products, however process and harvest volume unclear</p> <p>-Food subsidies not sustainable, increases dependency</p> <p>-Do not consider customary land use rights</p> <p>-Lack of understanding of benefits and obligation by allottees</p>	<p>-Clear technical procedures for identification of harvest levels</p> <p>-Allocation of improved forest resources to provide immediate benefits</p> <p>-Widen scope to group of households and communities</p> <p>-Provide forestry extension service instead of food subsidise</p>
Forest Inventory under FLA	<p>-Circular 38/2007/TT-BNN on guidance on processes and procedures of forest allocation, lease and reallocation to organizations, households, individuals and communities</p> <p>- Decision 112 /2008/QĐ-BNN About promulgation of Technical Economic Norms for Forest allocation, Forest Rent, Issue of Land Use Rights Permit for Forestry Purposes combined with Preparation of Dossier for Forest Management</p>	<p>-Clear technical instruction and opportunities to involve private service providers;</p> <p>-Provision of detailed planning base for forest management;</p> <p>-Stipulates participatory process</p>	<p>-So far only limited expertise available to conduct forest inventory;</p> <p>-Lack of scientific data for volume calculations;</p> <p>-High cost norms (extreme high sample intensity) stipulated without known budget source;</p> <p>-Conflicting information regarding proposed sample intensity between two legal documents</p>	<p>-Clear budget lines to be identified;</p> <p>-Standardised procedures for identification of sample intensity (reduced intensity based on forest heterogeneity);</p> <p>-Adjusted procedures in view of obtaining additional information for forest management planning at the same time</p>

CF process	Related legal document	Opportunity	Challenge	Recommendations
Forest Management Plan	Decision 186/2006/QD-TTg promulgating the regulation on forest management	-Communities have to provide forest management plans to be approved at district level -Subsistence use only to be approved at commune level	-No clear format or guidance on the plan development process -Stipulate minimum harvest diameter which is against local demand	-Approval of plans to be limited to district approval; -CF harvesting quota to be integrated into provincial harvesting plans
	Decision 245/1998/QD-TTg on the implementation of state management responsibility on forest and forest land at all levels	DPC is authorised to formulate and approve land use planning as well as plan on forest management, protection, development and forest utilization before submitting to PPC.	Harvest design on natural forest to be approved at provincial level; not feasible for local people	
	Circular 05/2008/TT-BNN	Could provide the legal basis for village level planning procedures	Only stipulates plan procedures and templates down to commune level	
Forest Product Utilisation	Decision 40/2005/QD-BNN on regulations for forest product harvesting	-Communities are described as legal body for forest utilisation -Subsistence use tolerated by authority	-Regulations designed for major harvesting operations under forest companies only; not applicable for communities -Timber exploitation procedures require involvement of administration up to MARD -No details on commercial use, state prefer to pay compensation, e.g. 661 instead to allow commercial utilisation.	-Separate regulations for CF management required allowing selective low intensity cutting in all diameter classes -No limitations regarding harvest cycle -Until CF harvesting quotas will not be integrated into five-year and annual provincial forest development planning cumbersome bureaucratic permits will block any provision of

CF process	Related legal document	Opportunity	Challenge	Recommendations
			<ul style="list-style-type: none"> -Unfeasible regulations force communities to return to previous unregulated timber extraction schemes. -Complicated timber approval procedures can only be effective in an environment with effective and strict enforcement and demonstrated exclusion of outsiders from the resource base, which at present cannot be ensured in Vietnam. 	direct incentive for local people from regulated timber harvest
Benefit Sharing	Joint Circular 80/2003/TTLT/BNN-BTC guiding the implementation of Decision 178/2001/QD-TTg on the benefits and obligations of households and individuals assigned, leased or contracted forest and forestry land	<ul style="list-style-type: none"> -Options for legal commercial timber utilisation for local people as tangible incentives for sustainable forest management 	<ul style="list-style-type: none"> -Communities are not explicitly mentioned in both legal documents -Regulations are too complicated and not applied in the field -Unclear administrative procedures for timber exploitation 	-Provincial level regulations to be developed by respective DARD with simplified procedures, e.g. as successfully piloted in Dak Lak province
Natural Resource Tax	Decree 05/2009/ND-CP , dated 19 th of January stipulating natural resource tax.	The decree details that individuals who exploit natural forest products on a subsistence basis, including bamboo and firewood, will be exempted from taxation.	<ul style="list-style-type: none"> -Designed for the context of state forest enterprise which receives direct budget from the state. -Communities do not receive financial support. -Following the new Decree, taxes for timber rose to 30% for group III 	<ul style="list-style-type: none"> -Apply adjusted regulations for private entities with reduced tax levels (communities do not receive any state budget for forest protection and management) -Reduced tax should be applied for local

CF process	Related legal document	Opportunity	Challenge	Recommendations
			and IV and to 25% for group V to VIII respectively. Such high rates are further discouraging regulated timber utilisation in an environment with rather weak protection and law enforcement in the field.	communities who apply selective logging as contribution to environmental protection.
Cross-cutting	Decree 29/CP , dated 1998 on Regulation on enforcement of democracy at commune level	Decentralisation enables administrative support to CF	Still no major achievements in the field visible	Initiate forest administration reform by applying principle of subsidiarity
	Decision 245/1998/QĐ-TTg on executing state obligations at different levels of forest and forest land			
	Civil Law 2005	Common ownership concept of community recognised. Communities have ownership rights over properties and assets formulated upon traditional practices; assets contributed by community members, which are jointly used and managed under agreed principles that support for benefits of the community.		
	Decree 161/2005/ND-CP detailing and guiding the implementation of a number of	Stipulating that local level has to be consulted in policy making and to	Implementation faces several shortcomings with still limited bottom-up	

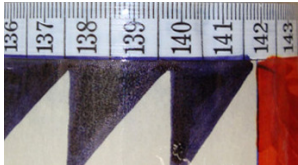
CF process	Related legal document	Opportunity	Challenge	Recommendations
	<p>articles of the Law on Promulgation of Legal Documents and the Law</p> <p>Decision 158/2008/QĐ-TTĐ on approval of the National Target Program to respond to climate change</p>	further provide feedback on policy impact.	<p>procedures established</p> <p>Community participation not stipulated in the decision</p>	

ANNEX 7: APPROVED PROJECT GUIDELINES UNDER THE TFF FUNDED COMMUNITY FORESTRY PILOT PROGRAM

Format/No.	Date of issuance	Title
MARD Decision No. 1461/QĐ-BNN-HTQT	05/06/2006	Decision on approving project "Community forestry pilot program 2006-2007".
DoF Decision No. 550/QĐ-QLR	08/05/2007	Guidelines for development of village community forest protection and development convention
DoF Document No. 754/CV-LNCD	31/05/2007	Guideline of silviculture techniques applied for community forestry
MARD Decision No. 106/2006/QĐ-BNN	27/11/2006	On the Promulgation of the Guidelines on Management of Village Community Forest
DoF Document No. 815/CV-LNCD	12/06/2007	Guidelines for establishment of the optimum forest model for community natural timber forests
MARD Guideline No. 2324/BNN-LN	21/08/2007	Guidelines for technical norms and procedures of community forest harvest
DoF Document No. 1326/CV-LNCD	07/09/2007	Guidelines for community forest management planning
DoF Document No. 1327/CV-LNCD	07/09/2007	Guidelines for community forest investigation
DoF Document No. 123/NBB/CLN	15/01/2008	Guidance on pilot establishment, management and utilization of community forest protection and development fund
DoF Office Memorandum No. 1703/CV-DALNCD	14/11/2007	M&E guidelines for implementation of village community forest management plan
DoF Decision No. 434 /QĐ-QLR	11/04/2007	Promulgating the Guideline on formulation of commune-level forest protection and development planning and Guideline on forest allocation combined with forest land allocation to village community
DoF No. 141/CV-DALNCD	05/02/2008	Amending and supplementing guideline on Participatory Community Forest Inventory
DoF No. 787/CV-LNCD	23/06/2008	Piloting application of tree numbers according to suspected diameter for preparation of CFM plan
Amendment 1155 DC-LNCD	22/08/2008	On adjustments to Official letter 787/ CV-LNCD
CF Handbook	2007	Aggregated version of all official documents related to community forest management

ANNEX 8: COMPARISON BETWEEN THE SUSTAINABLE FOREST MODEL APPROACH APPLIED UNDER ODA AND TFF CF PILOT PROGRAM

Criteria	Proposed ODA concept	Official letter 787/ CV - LNCD TFF CFM pilot program
Units applied in forest management plans	Stem number per diameter class	Volume estimate per diameter class and stem number per diameter class applied simultaneously
Units applied for describing SFM	Volume, basal area, stem number per diameter class, diameter class number and width	Volume, basal area, stem number per diameter class, diameter class number and width
Database used for SFM elaboration	Derived from forest inventory; if available following Circular 38/2007/TT-BNN	Following field research conducted by Xuan Mai University consultant team
Number of diameter classes	A national standard of seven diameter classes proposed; currently 4 (GTZ RDDDL) and 7 (KfW6) diameter classes applied	Varying diameter classes for each status Status II = 5, 6, 7, 8 classes Status III = 11, 12, 14, 15, 16, 17 classes Mixed bamboo forest = 6, 7, 8, 9 classes
Number of available models per forest area	One pilot SFM developed for each implementation site; applicable for all similar forests in the respective area/province	A total 195 SFMs developed for the project region with each province described by: <u>3 Groups</u> Mixed bamboo forest II status Mixed bamboo forest III status (diameter class width 4 cm) Mixed bamboo forest III status (diameter class width 8 cm) <u>3 Sub-classes</u> Soil mountain (rich, medium, poor) Rocky mountain (rich, medium, poor)
Characteristics of each model	Volume of SFM applied to best match with real forest structured of a well-developed forest	Volume of SFM defined as standard benchmark and described for three stages (rich, medium, poor). Minimum difference between two stages ranges from only 2m ³ to maximum 21m ³ .
Volume per SFM	Volume range ≥130m ³ to comply with national Decision 40 on timber harvest	Volume range from 39m ³ - 230m ³ with 39m ³ expected to be by far too low to ensure the development of a sustainable forest structure
Measure tape design	4 or 7 colour diameter classes with attached girth scale Only one design for whole Vietnam proposed	20 diameter colour classes (each colour separated into 4 or 8cm class) Front side girth scale Back side diameter scale Only one design for whole project region
Range of diameter classes	8cm to >45cm Allocated forest resources are normally of medium or poor status	6cm to >78cm 6cm diameter classes are not demanded by local people and are therefore not considered

	with only minor number of trees above 45cm	relevant for forest management
Availability of measure tape	Handmade; constructed from local tailor measure tapes	Diameter tapes with front and back side not available in Vietnam and can therefore not be provided by local authorities after project termination
Design of adjusted measure tapes		<p>Front side </p>

ANNEX 9: COMMON PROCEDURES APPLIED UNDER COMMUNITY FORESTRY IN VIETNAM



1. CFM CONCEPT

The proposed Community Forest Management concept mainly follows the matrix on establishment of CBFM pilot schemes as developed by the National Working Group on Community Forestry Management in May 2003 and draws on experience gained through various projects in Vietnam (GTZ-SFDP, GTZ-RDDL, ETSP Helvetas, ADB-FSP, FFI Forest Garden Project, TFF CF pilot program and various KfW projects).

The concept considers (i) approved long-term land use rights after forest land allocation, (ii) participatory resource assessment for informed and detailed forest management planning and (iii) development of managerial and silvicultural capacities at grass roots level, and (iv) legal access to marketing and sale of forest products as crucial conditions for sustainable Community Forest Management. The underlying concept follows the thought of “forest protection via sustainable management” ensuring long-term environmental functions of forests and at the same time providing a clear contribution to poverty reduction for local communities.

The system envisions communities as main decision-makers and beneficiaries to whom forest land is allocated, while commune administration provides services in coordination and controlling of resource planning and utilization. District level authorities are main bodies for approval of forest development and utilization plans and administration of justice in cases where conflicts on forest resources can not be solved within the community.

• 1 & 2. Forest Land Use Planning and Land Allocation (LUPLA)

Before any informed natural forest management can be initiated, information about the total forest area, ownership, function and spatial distribution of forest types have to be revealed and legally recognised. This process is facilitated through participatory village land use planning and the final issuance of land tenure certificates (Red Book Certificates) to ensure crucial long-term security as incentive to invest labour and finance in forest management, utilisation and protection on a sustainable basis. Land tenure certificates are issued for a minimum duration of 50 years by district authorities.

Involvement of the local population during the planning process can be reached by use of traditional techniques like 3D-models made from local available material or by the use of plotted and ortho-rectified photomaps as an accurate, economical and non-literate tool to engage farmers in discussions on natural resource use, planning and management. In this process villagers identify and delineate forest blocks under a common system of management and forest function classification on transparencies laid over the existing mapping information, which will be digitalised to produce accurate land use maps. Use of a Global Positioning System (GPS) receiver complements data collection and allows instant verification of the developed village forest land use map at the site. Apart from higher spatial accuracy of the developed map, the involvement of local stakeholders allows a rapid identification of social, economic and environmental problems to be taken into consideration in the following planning process. Furthermore, stakeholders will create a sense of ownership and deeper understanding about the developed mapping information and will gain confidence in the use of maps for their future forest management.

Forest Resource Assessment

As stipulated in Circular 38/2007/TT-BNN, a detailed forest inventory is required to derive at volume estimates for each forest status and forest block to be compiled in a final summary table form.

In addition to the volume estimates for forest allocation, forest inventory is furthermore providing data for the development of Village Forest Management Plans.

Consequently, data collection for CF planning is integrated into administrative procedures with accompanied cost norms and covered under FLA procedures.

Full participation of local people during the inventory will (i) support stakeholders to gain confidence in the techniques which will enable them to independently carry out future resource assessments (ii) reduce the workload of the involved agencies like Forest Protection Units and (ii) establish mutual trust and exchange of information between Forest Protection staff and local stakeholder.

- **3. Elaboration of Sustainable Forest Model**

In community forestry, simple but reliable indicators for sustainable utilisation levels are needed which can a) satisfy the varied demand of the local forest user in terms of forest products and at the same time b) ensure sustainability of the forest resource.

In view of simplicity and practicability of participatory approaches in CF no volume figures are applied, instead the number of trees per diameter class is used as only unit for all planning procedures, implementation and controlling.

Stem number per diameter is a very transparent and accountable unit which can be easily measured by local people and field staff and allows a very precise description of planned silvicultural interventions which cannot be achieved by use of general volume figures only.

Harvest amounts are quantified by comparing actual stem numbers as obtained during a forest inventory with stem numbers defined as representing the structure of a well-developed, productive forest under sustainable management, the so-called sustainable forest model (SFM).

A SFM provides an effective monitoring tool within the capacities of both, local field staff and local forest users which helps to improve transparency, accountability and improving villagers confidence in dealing with government agencies e.g. for timber harvesting application. Without clear benchmarks an approval for harvesting operations will be very difficult to achieve for local communities and will leave them vulnerable for indirect taxes.

- **4. Set-up of Village Forest Management Board**

Natural forests under CF management have to be understood as a common resource base from which individual households satisfy their own demand for various forest products. Consequently, these forest users have to be coordinated by a Village Forest Management Board (VFMB) in order to avoid a depletion of the forest resource base.

The VFMB has to follow rules and regulations as developed by the community, clearly defining authorities and responsibilities of all involved stakeholders at various organisational /administrative levels. After the regulations have been developed and agreed upon by the entire community the board members will be elected by a majority vote from community members and the VFMB starts its operation.

VFMB regulations have to be approved at commune level. However, due to the fact that village level is not recognised as an administrative unit in Vietnam, the VFMB cannot be considered as a legal body. Therefore, responsibilities and authorities of the VFMB are limited to the village area and their community members only.

- **5. Forest Protection and Development Regulations**

Following the results of forest allocation, increased rights and obligations are transferred to local people to protect and sustainably manage forests within their village boundaries. Consequently, a legal framework or community-based forest law has to be developed to regulate and enforce access rights and restrictions of a public resource base like a village forest. As stipulated in Circular 70/2007/TT-BNN, so-called village level Forest Protection and Development Regulations (FPDR) have to be put in place to provide the legal environment for communities to enforce their land-use rights over their allocated forest resources.

In this process, community members develop site specific village FPDRs which can be enforced by themselves and are socially accepted.

During the elaboration of FPDRs villagers jointly discuss their regulations containing detailed information about (a) areas grouped according to specific purposes, (b) benefits from resource utilisation and compensations, (c) hunting and grazing regulations and (d) fire prevention. Village forest protection groups are further set-up among community members to ensure compliance with the agreed regulations.

Once the village FPDRs have been developed and agreed upon by all community members, the regulations are submitted by the VFMB to commune authorities, and forwarded to district authorities for legal approval.

In order to assure that the regulations adequately address the problems and needs of local communities, a participatory approach is applied. The full involvement of local forest users in the development and enforcement of the FPDRs further facilitates a strong rapport of trust and exchange of information between forestry protection field staff and local communities.

- **6. Village Forest Management Plans (VFMPs)**

Based on the data acquired during forest zoning (LUPLA) and forest inventory, VFMPs are elaborated during meetings at village level. The planning requires careful thought about what is intended or has to be expected and involves the co-ordination of all activities to achieve the desired long-term management objectives.

In contrast to conventional management plans off-take levels are defined by number of trees for each diameter class as practicable criteria for implementation and monitoring within the capacity of farmers and supportive commune and district staff. VFMPs are elaborated for a period of 5 years to provide the medium-term stability that is needed to guide consistent implementation of sustainable forest management activities as prescribed in the plan. The completed plans have to be approved at district level before annual work plans (AWP) based on it can be implemented. AWP require no further approval as all activities are derived from the approved five-year plan but have to be submitted to commune and district level for their timely information. After 5 years the planning cycle starts again with a new participatory forest inventory.

VFMPs provide clear benefits for villagers as well as supporting staff. On the one hand, administrative procedures e.g. application for timber harvesting can be approved on the basis of reliable quantitative information about the condition of forest resources and monitoring can be based on the fulfilment of the annual work plan as prepared by the community. On the other hand, villagers will gain more confidence in dealing with government agencies when applying for harvest operations due to transparent and accountable planning data developed by themselves.

- **7. Capacity building in natural forest management**

As communities are the main decision-makers in forest utilisation, capacities in silvicultural management have to be developed at grass-roots level rather than limiting these efforts to intermediating staff. However, in order to develop a sufficient trainer pool for further up-scaling of the developed methodologies a comprehensive Training of Trainer (ToT) system has to be set-up for respective forest line agencies. Technical options for the active involvement of local forest users are available from numerous projects in Vietnam including detailed regulations on harvesting procedures following international standards of reduced impact logging (RIL) and work safety regulations.

- **8. Benefit sharing, Marketing & Trade**

Incentives for sustainable forest management can only be provided in the long-run if tangible revenues are made available through the utilisation and sale of forest products. Therefore, communities have to be provided with legal access to local timber markets and relevant and updated market information to maximise their economical benefits from sustainable forest utilisation under the current legal framework and with special focus on compliance with procedures on benefit sharing arrangements in the context of CF.

Effective marketing and timber sale further requires organisational structures at village and commune level which can take over responsibilities in marketing, contracting of potential timber consumers and management of the village forest management fund.

The national legal frame for benefit sharing of forest utilisation is defined by Decision 178. However, due to its limited practicability provincial benefit sharing pilots have successfully tested simplified procedures as technical proposal to arrive at a practicable legal concept for benefit sharing in the future.

Source: Partly based on material from the KfW6 and GTZ RDDDL project.

ANNEX 10: OVERVIEW OF DEVELOPED ODA PROJECT GUIDELINES WHICH CONTRIBUTED TO A COMMON APPROACH AS APPLIED UNDER THE TFF CF PILOT PROGRAM

Topic	Developed by	Notes
Forest Protection and Development Regulations		
Village Forest Protection and Development Regulations	SFDP GTZ Trainer Guide version May 00 M. Miagostovich 42 pages	Developed based on GoV Circular 56/1999/ TT/BNN-KL, March 30 th , 1999 providing a guideline on developing forest protection and development regulations in local communities
Forest Protection and Development Regulations	RDDL GTZ Implementation guideline version Oct 06 47 pages	Participatory guideline based on SFDP methodology following based on GoV Circular 56/1999/ TT/BNN-KL
Development of Village Forest Protection and Development Regulations in Quang Binh Province	SMNR-CV GTZ Manual M. Meijboom and B. Wode version March 06 62 pages	First manual based on the adjusted policy frame of Circular 70/2007/TT-BNN with attached monitoring system for forest protection Approved as provincial guideline in March 2008 by DARD Quang Binh
Forest Protection and Development Regulations	KfW6 Implementation guideline B. Wode version Apr 06 47 pages	Based on material from SMNR-CV following the adjusted policy frame of Circular 70/2007/TT-BNN, however without attached monitoring system
Participatory Land use Planning Forest Land Allocation		
Land use Planning and Land allocation methodology	SFDP GTZ TOT - Manual version July 99 H. Christ and Pham Quoc Tuan 27 pages	Participatory guideline on land use planning and land allocation by application 3D land use models Approved as provincial guideline in March 1999 based on Decision 532/QHSD-UB approved in Son La province and June 1999 following Decision 520/QD-UB of Dien Bien province
Guideline for Participatory Forest land allocation	Provincial guideline Dak Lak Techncial support provided by RDDL GTZ Bao Huy, Nguyen Thanh Liem version Jan 05 52 pages	Improved guideline based on SFDP approach with rough forest resource assessment procedures prior to issuance of Circular 38/2007/TT-BNN Approved by DARD Dak Lak in January 2005
Participatory Land Use Planning and Forest Land Allocation	Provincial guideline Quang Binh Technical support SMNR-CV GTZ M. Meijboom, B. Wode and Nguyen Van Hop	First manual based on the recent policy development under Circular 38 38/2007/TT-BNN stipulating a detailed forest inventory as compulsory element of FLA Approved as provincial guideline in

Topic	Developed by	Notes
	version Dec 07 85 pages	December 2008
Guidelines on Participatory forest and land allocation methods	Provincial guideline Dak Nong Technical support by ETSP Provincial working group on forest allocation and Tay Nguyen University version Oct 06 62 pages	
Guidelines on Participatory forest and land allocation methods	Department of Forestry under MARD	
Community Forest Management Planning		
Community Forest Management Planning	SFDP GTZ Session Materials P. Branney version May 03 43 pages	Development of the CFM planning based on stem number per diameter classes
Community Forest Management Planning	RDDL GTZ Implementation guideline P. Roth, Bao Huy, Nguyen Thanh Liem version Oct 06 64 pages	Participatory guideline based on SFDP methodology; separated from FLA procedures
Community-Based Forest Management in Quang Binh Province	SMNR-CV GTZ Manual M. Meijboom, B. Wode, Vu Van Manh and Nguyen Van Hop version Dec 08 60 pages	Detailed manual based on the CFM planning concept by SFDP and incorporating new inventory concept under Circular 38/TT-BNN
Community Forest Management Planning	ETSP Helvetas Facilitator's Field Guide P. Roth version Oct 06 69 pages	Following the CFM concept as developed by SFDP and RDDL prior to the issuance of Circular 38/TT-BNN
KfW 6 Project Guideline on Community Forest Management	KfW6 Project Implementation Manual version Feb 08	Approved by the Management Board for Forestry Projects following Decision 179-QD-DALN-KfW6, dated 15 th Feb 2008
Combined Forest Inventory for: •Forest Allocation •Village Forest Management Planning	KfW6 Implementation guideline B. Wode version Aug 07 20 pages	First manual describing inventory procedures following Circular 38/TT-BNN; has been applied for the first pilot in Vietnam following the new policy frame

Topic	Developed by	Notes
Village Forest Management Planning	KfW6 Implementation guideline B. Wode version Aug 06 20 pages	Adjusted guideline based on the SFDP concept and material from RDDL GTZ
Commune Forest Management Planning Part 1	ADB FSP Training manual B. Wode version Sept 04 40 pages	First manual describing the CFM concept from SFDP at the level of an entire commune; piloted in Gia Lai, Ia Rmok commune
Commune Forest Management Planning Part 2	ADB FSP Training manual B. Wode version Sept 04 42 pages	See above
Technical Guideline for Community Forestry Management	QuickWin Afforestation Measures - KfW 3 phase III Le Quoc Huy version June 08 28 pages	Training manual developed based on the CFM concept as applied under the KfW6
CFM technical guideline	ETSP Helvetas Technical guideline P. Roth version Oct 06 74 pages	Provides a general overview over the entire CFM planning process
Silvicultural guidelines		
Silviculture Guidelines for Community Forest Management in the Song Da watershed	SFDP GTZ Technical Guideline P. Branney and B. Wode version May 03 19 pages	First description and development of Sustainable Forest Model concept
Harvesting regulations	ADB FSP Technical guideline B. Wode version Sept 04 10 pages	First manual on simplified harvesting regulations to be applied for local communities
Silviculture and harvesting guideline	RDDL GTZ Technical guideline Bao Huy and B. Wode version Oct 06 26 pages	Partly developed based on harvesting regulations developed under the ADB FSP
Technical guidelines on Community Forest Management (CFM)	ETSP Helvetas Guidelines for simple silvicultural practices in	Comprises the definition for the most important terms related to Community Forest Management

Topic	Developed by	Notes
	community forests in Vietnam P. Roth and Bao Huy version Oct 06 36 pages	
Sustainable Forest Model Concept and Development	GTZ RDDL Technical guideline version Oct 06 B. Wode and Bao Huy 12 pages	Refinement and detailed description of the SFM concept as developed by SFDP and based on material from the ADB FSP
Harvesting guideline	KfW6 Implementation guideline B. Wode version Nov 06 19 pages	Developed based on harvesting regulations developed under the ADB FSP and RDDL GTZ
Benefit sharing guidelines		
Benefit Sharing Mechanism for Timber and Fire Wood Technical and Administrative Procedures for CFM in Dak Lak Province	RDDL GTZ Implementation guideline S. Appeltofft, Bao Huy, Philipp Roth version Oct 06 15 pages	Developed by RDDL GTZ and applied during benefit sharing pilots in 2006 and 2009
Administrative and technical procedures for benefit sharing arrangements in CFM	KfW6 Implementation guideline B. Wode version Sept 06 11 pages	Technical guideline based on experiences from benefit sharing pilots in Dak Lak province supported by RDDL GTZ
CFM Training of Trainer manuals		
ToT Manual for Community Forestry	SFDP GTZ Reference material for ToT trainers B. Wode, Bui Le Inh, and K. Kirchmann version Nov 04 132 pages	First ToT manual covering all aspects involved in CFM development following the concept as developed by SFDP
ToT Manual for LUP/FLA Module 1	RDDL GTZ Reference material for ToT trainers P. Roth and Bao Huy version Oct 06 103 pages	Detailed description of the LUP/FLA process as ToT material
ToT Manual for CFM Module 1	RDDL GTZ Reference material for ToT trainers P. Roth and Bao Huy	Developed by RDDL with input from the ToT CFM package developed by SFDP

Topic	Developed by	Notes
	version Oct 06 62 pages	
ToT Manual for CFM Module 2	RDDL GTZ Reference material for ToT trainers P. Roth and Bao Huy version Oct 06 48 pages	See above
Community Forest Management (CFM) Glossary	Helvetas ETSP P. Roth and Bao Huy version Oct 06 10 pages	Comprises the definition for the most important terms related to Community Forest Management
ToT Manual for Community Forest Management	ETSP Helvetas Reference material for ToT trainers P. Roth and Bao Huy version Oct 06 179 pages	Provides a comprehensive training package for training of trainers based on ToT CFM concept as developed by RDDL

ANNEX 11: COST NORM FOR CF IMPLEMENTATION AT VILLAGE LEVEL

A) ToT training for implementing technicians/administration (12 trainees participating)

	Activity	Description	Duration of training module	Personell		Location	Travel [7000VND/km]	Accommodation	Equipment	Stationary
				Trainer	Trainee					
ToT module	LUPLA	Training of technicians in main procedures required for participatory LUPLA implementation in line with Circular 38	5	10	60	Indoor/ outdoor	5.880.000	6.000.000	GPS units, compass and PC to be provided by district offices	5.000.000
	CF and regulations	Training of technicians in main procedures required for CF implementation following current CF concept applied by ODA projects in Vietnam	5	10	60	Indoor/ outdoor	5.880.000	6.000.000	GPS units, compass and PC to be provided by district offices	5.000.000
	Silviculture	Training of technicians in main procedures for silvicultural management under CF schemes	3	6	36	Indoor/ outdoor	5.880.000	3.600.000	Equipment to be provided by forest protection unit	2.000.000
Total labour cost				26.000.000		Cost standard Trainer/day				400.000 VND
Additional cost				45.240.000		Cost standard Trainee/day				100.000 VND
Grand Total				71.240.000						

B) Cost norm for establishment of CF village pilots [calculation basis 1000ha existing forest per village]

	Activity	Description	Labour expense for 1000 ha forest land [days/team]	Personell		Location	Travel	Accommodation	Equipment	Stationary
				Technician	Forest owner					
Preparation	District planning meeting	Based on existing land use plan for the district and commune, potential CF sites are pre-selected	1	14	0	Indoor	0	0	0	100.000
	Collect existing mapping database and legal documents	Three types of forest result map, forest status map, socio-economic plans, provincial LUPLA guideline	2	4	0	Indoor	0	0	0	500.000
Participatory LUP FLA	1st village meeting	Introduction of LUPLA and CF objectives; benefits and obligations of participating in CF	0,5	1	50	Indoor	420.000	0	0	100.000
	Participatory forest zoning	Based on existing mapping information forest blocks are identified and delineated on a sketch map (based on quality, forest type, status)	1	2	10	Indoor	0	0	0	150.000
	Identify long-term forest objective	During participatory meeting with allottees long-term management objectives developed and documented	0,5	1	5	Indoor	420.000	0	0	100.000
	GPS ground-truthing of forest zoning results	Define outer boundaries of similar forest vegetation and permanently mark boundary	10	10	20	Outdoor	0	400.000	GPS provided by FPU	0
	Digital map production	Data entry of GPS data and development of polygons for area measurement	2	2	0	Indoor	0	50.000	0	0
	Inventory design	Development of digital grid net and identification of sample plot location	0,5	0,5	0	Indoor	0	0	0	0
	Forest inventory 1,5% sample intensity	Following Circular 38 with adjusted participatory forest inventory with an average progress of 5 sample plots/ day/team	60	60	120	Outdoor	420.000	2.900.000	GPS provided by FPU	200.000
	Data analysis, volume calculation	Data analysis 1000ha with 10 distinct forest blocks	4	4	0	Indoor	0	0	Computer provided by district	0
	2nd village meeting	Discussion of form of forest allocation (group of households, community)	0,5	1	50	Indoor	420.000	0	0	100.000
	Prepare legal documents for forest allocation	Legal documents, digital map production, decision of forest allocation to local people	5	10	2	Indoor	420.000	0	0	1.000.000
Management, utilisation, benefit sharing	Issuance of land use certificate	Issuance of 50 year land use right certificate to entire community/group of households	7	14	2	Indoor	0	0	0	0
	Boundary demarcation	Forest owners permanently demarcate boundaries in the field under guidance of CPC	7	7	35	Outdoor	420.000	250.000	0	15.000.000
	Elaboration of five-year forest management plan	Training course on forest inventory data analysis and elaboration of five-year forest management plan to be approved at district level	2	4	20	Indoor	420.000	50.000	0	100.000
	Development of Forest Protection and Development regulations	Training course on development of forest protection and development regulations following Circular 70/2007/TT-BNN	1,5	3	15	Indoor	420.000	50.000	0	100.000
	Benefit sharing regulations	Training on procedures for benefit sharing under self-consumption and commercial timber sale	1	1	10	Indoor	0	0	0	100.000
	Set-up of Village Forest Management Board	Training on elaboration of village forest management board regulations and election of board members	0,5	1	5	Indoor	0	0	0	100.000
	Market information system (MIS)	Collecting information of timber trading and processing industry in a district and aggregating data into a simple database	3	3	0	Outdoor	630.000	0	0	100.000
	Silvicultural training (thinning, tree selection, logging)	Training on silvicultural interventions for thinning, underplanting and selective cutting	5	10	35	Indoor	420.000	150.000	Equipment provided by FPU	100.000
	Elaboration of annual forest management plan	Annual forest management plans do not require district level approval but are to be acknowledged at commune level only	1	2	3	Indoor	420.000			100.000
Total labour cost				57.663.333		Cost standard Technician/day				200.000 VND
Additional cost				26.630.000		Cost standard Forest receiver/day				70.000 VND
Grand Total				84.293.333						

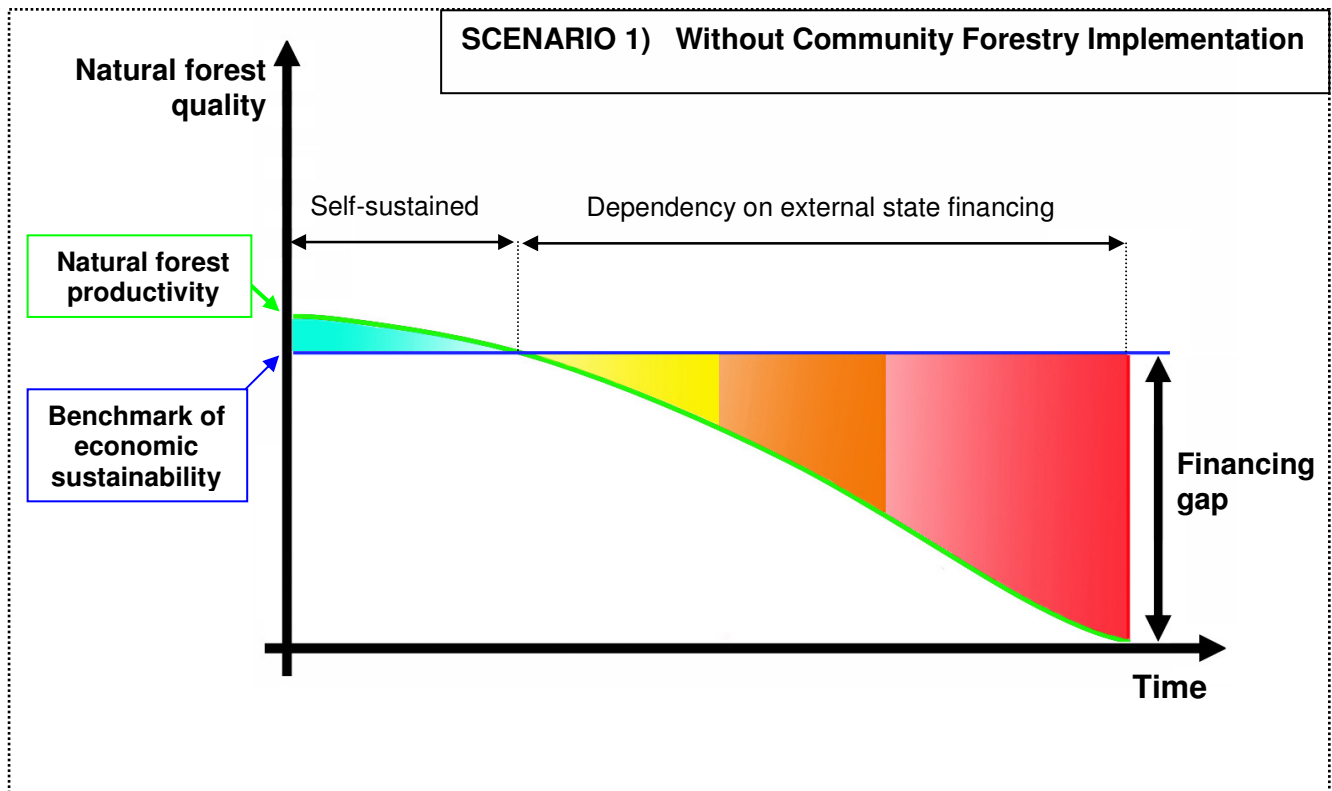
C) Operational cost after CFM establishment

	Activity	Description	Labour expense for 1000 ha forest land [days/team]	Personell		Location	Travel	Accomodation	Equipment	Stationary
				Technician	Forest owner					
Implementation	Bi-annual village meetings with participation of Forest Protection ranger	Village meeting on promulgation of new policy frame, forest protection awareness, logistical support during plan implementation	1	2	50	Indoor	420.000	0	0	100.000
	Silvicultural interventions	technical assistance during implementation from agro-forestry extension centers, Forest protection force	2	2	10	Outdoor	420.000	50.000	Equipment provided by FPU	100.000
Evaluation	Annual evaluation of CFM performance	Internal and external evaluation of annual CFM performance and annual plan preparation for subsequent year	2	4	20	Indoor	420.000	100.000	0	100.000
Total labour cost				7.200.000	Cost standard Technician/day					200.000 VND
Total additional cost				1.710.000	Cost standard Forest receiver/day					70.000 VND
Grand Total				8.910.000						

Local administration considered at district and commune level only

Five year Grand Total	200.083.333 VND	8.003 Euro
Annual Grand Total per village	40.016.667 VND	1.601 Euro

ANNEX 12: ECONOMIC CONSEQUENCES DUE TO A DELAYED CF ROLL-OUT IN VIETNAM

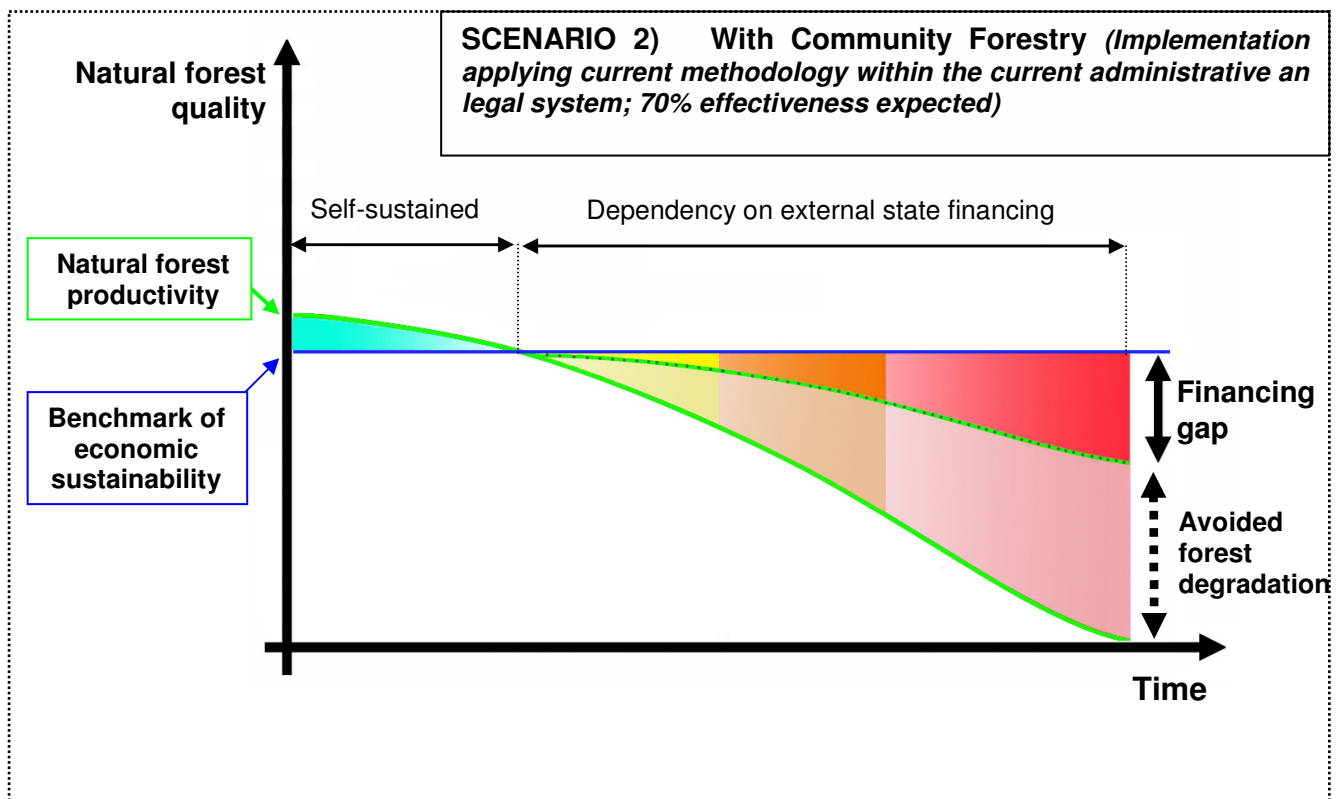


Explanation scenario 1:

Current forest resources in Vietnam are under severe pressure from unregulated forest management and a continuous degradation is observed in the field. Degraded forest resources do not provide sufficient incentives for local people to conduct effective forest protection but rely on external financing similar to currently applied forest protection contracts under the national 661 program.

Continued degradation will therefore lead to increased external (state) financing required to provide effective protection measures until resources have been re-established into productive forest resources, which can provide sufficient tangible benefits from sustainable forest utilisation.

The benchmark for economic sustainability is defined as the level of forest productivity required to apply economic viable and sustainable forest utilisation. In a best case scenario all forest resources allocated to local people would comprise of a forest productivity above this benchmark. This would reduce the need for external financing of forest protection measures to zero.



Explanation scenario 2:

In the current situation of CF development in Vietnam, a common procedure for CF has been developed, however rather scientific discussions on minor details still remain and hamper a large scale implementation.

However, as discussed above any further delay is increasing the financial gap towards sustainability as observed at present.

Assuming that a preliminary CF methodology when applied in the field would only reveal to be 70% effective, due to numerous reasons, the implementation would still lead to an improved forest development (dotted green line) compared to a situation without any intervention (bottom line). The use of a preliminary methodology, that might not yet be 100% scientifically proven, is therefore under any circumstances leading to a reduced financing gap and improved forest resource base compared to a scenario without any intervention.

ANNEX 13: PROCEDURES FOR TIMBER HARVEST PILOT APPLICATION FROM NATURAL FORESTS AS EXPERIENCED IN KONTUM AND QUANG NGAI PROVINCE

1. Any timber exploitation has to be based on the approved five-year forest management plan and annual work plans.
2. Harvesting operations have to be discussed during a plenary village meeting based on the approved five-year forest management plan and annual work plan.
3. Based on the annual work plan and field checks, forest blocks are defined for selective timber extraction and a harvesting plan developed.
4. The community has to define the purpose of timber harvest, either commercial or self-consumption based on a village agreement to be reached during a plenary village meeting.
5. The Village Forest Management Board is responsible for the organisation of the meeting and the community is defining their demand for timber for self-consumption and sale.
6. Tree selection and harvesting operations have to strictly follow the technical procedures as detailed in silvicultural project guidelines
7. Provincial DARD authorises DPC to establish a working group on CF harvesting procedures
8. A Community Forest Management working group is to be established by provincial decision including the following members with attached functions:
 - District Forest Protection Unit to instruct and guide local forest user during tree selection and marking for harvesting
 - District office of Natural Resources and Environment to confirm legality and accuracy of provided mapping information.
 - Provincial Project Management Unit to steer and supervise implementation and to provide technical support on request
 - District Project Management Unit to provide technical support during field implementation
 - Commune Forestry Extension worker to support forest users on technical measures during field implementation
9. The harvest plan defines tasks assigned for all harvest related activities such as tree marking, climber cutting, felling, cleaning, clearing and preparation of trails for transportation, skidding, maintenance, timing, responsibilities and financing.
10. The Village Forest Management Board sends application for timber harvest to the Commune People Committee which forwards the application to District People Committee for endorsement.
11. Timber harvest documents consists of:
 - Application for timber harvest

- Hardcopy of forest land allocation certificate issue by District People Committee
- Approved five year community forest management plan for the forest blocks that are proposed for harvesting plus relevant annexes (Forest Protection and Development regulations, Village Forest Management Board...)
- Annual forest management plan

12. District People Committee forwards endorsed timber harvest application to Provincial Department for Agriculture and Rural Development.

13. After timber harvest application is endorsed DARD is forwarding complete files to Provincial People Committee for final approval as stipulated in GoV Decision 178/2001/QD-TTg.

14. After an approval has been issued by PPC, DARD instructs district CF working group to facilitate the community to elaborate their harvesting design according to the approved harvest amount.

15. For initial trial harvest service providers, after authorisation from DARD, are supporting the local community in elaborating their harvest design. For subsequent harvesting, district forest protection staff support community in elaborating harvest design upon request.

16. Tree marking is applied by use of a hammer seal to be obtained from Provincial Sub-Department of Forestry and tree characteristics documented in a tree list. Hammer seal applied at breast height and below the felling scarf.

17. Tree marking results are documented in the Minutes of on-field agreement.

18. Community is supported by CF working group to develop required files for harvesting design to be submitted to district level for endorsement. Harvest design files comprise:

- Tree list
- Minutes of on-field agreement
- Harvesting design map defining logging sites, skidding roads and log yard location.

19. CF working group prepares detailed regulation on harvest supervision and monitoring.

20. Benefit sharing mechanisms as stipulated in benefit sharing guideline of the project is attached to the harvesting design files and submitted to DARD for revision and submission to PPC for approval.

21. In case a provincial logging ban for natural forest has been issued by the Ministry of Agriculture and Rural Development a special permission from the Ministry is required for application for timber harvest as stipulated in Decision 40/2005/QD-BNN. DARD is responsible for submitting relevant documents to MARD for approval.

22. After MARD approval, PPC authorises DPC to issue legal decision on timber harvesting permit from natural forest.
23. All harvesting operations are carried out in form of selective cutting, strictly following the silvicultural guideline, no clear cut is allowed under any circumstances.
24. In case no sufficient road network for skidding operations is available, the felled trees will be directly processed at the logging site into smaller dimensions suitable for manual transport or animal skidding.
25. The community is responsible for cleaning the harvesting remains from the logging site and collects firewood from crown material following the silvicultural guidelines and supervised by the VFMB.
26. District Forest Protection unit, District office of economy, district office for planning and CPC are responsible for instructing on proceedings and supervision of timber harvest.
27. In case a timber harvest permit has been issued under a provincial logging ban as approved by MARD, the DARD is responsible for closing the harvested forest again as stipulated in Decision 40/2005/QD-BNN.

Source: Extract from the Project Implementation Manual prepared by the KfW6

ANNEX 14: IMPLEMENTATION RESULTS OF BENEFIT SHARING PILOTS IN SIX VILLAGES (2006 – 2009)

Village	Commune	District	Province	Logging area [ha]	Total number of trees harvested	Average stem number logged [per ha]	Harvested volume [m³]	Year of logging and sale	Total revenue [VND]
Vi Ch Ring	Hiếu	Kon Plong	Kon Tum	88	558	6	980	2009	1.839.000.000*
Đê Tar	Kon Chiêng	Mang Yang	Gia Lai	Not yet logged	--	--	--	--	--
Ta Ly	Ea Sol	Ea H'Leo	Dak Lak	105	495	5	368	2006	616.000.000
Buôn Tul	Yang Mao	Krông Bông	Dak Lak	104	401	4	950	2008 - 09	2.107.630.300*
Bu Nơr	Quảng Tâm	Tuy Đức	Dăk Nong	88	486	6	476	2007 - 08	688.122.000
s.a.	s.a.	s.a.	s.a.	100	600	6	585	2008 - 09	846.390.060
Mê Ra Bu Đưng	Dăk Rtih	Dăk RLấp	Dak Nong	201	510	3	500	2008	722.528.100
Truong Le	Hanh Tin Dong	Nghia Hanh	Quang Ngai	20	65 planned	--	--	--	--
Total				686	3.050	5 average	3.860		6.819.670.460 VND ~ 272.800 €

*ongoing implementation with cost partly or solely preliminary estimates

Village	Province	Year of logging	Total revenue before tax and production costs	Harvesting cost	Natural resource tax paid by community	Commune levy paid by community	Community benefit sharing (đ)		
							Total revenues	Village fund	Revenues for individual households
Vi Ch Ring	Kon Tum	2009	1.839	522	361	96	860	631	299
Đê Tar	Gia Lai	--	--	--	--	--	--	--	--
Ta Ly	Dak Lak	2006	616	88	131	62	335	283	52
Buôn Tul	Dak Lak	2008 - 2009	2.108	594	619	89	805	537	268
Bu Nơr	Dăk Nơng	2007 - 2008	688	141	103	42	381	37	338
s.a.	s.a.	2008 - 2009	846	174	127	52	469	45	416
Mê Ra, Bu Đưng	Dak Nơng	2008	723	149	108	44	400	39	355
Truong Le	Quang Ngai	2009	--	--	--	--	--	--	--
Total VND			6.820	1.668	1.450	386	3.250	1.572	1.729
Total Euro			272.800	66.720	58.000	15.440	130.000	62.880	69.160

Unit '1.000.000 VND

Source: Bao Huy 2009. Workshop paper presented on 5th of June 2009 during the workshop on "Policies and real status of community-based forest management in Vietnam" organised by IUCN and DoF, Hanoi.

ANNEX 15: ANALYSIS REGARDING THE APPLICATION OF THREE FORMS OF FOREST ALLOCATION

Form of allocation	Indicator			
	Equity	Protection	Planning, Investment, Implementation	Monitoring and Evaluation
Household	<ul style="list-style-type: none"> •Close to impossible to ensure equality in terms of areas and quality of forests 	<ul style="list-style-type: none"> •Clear responsibility and high motivation of individual forest owner •High workload for protection •Difficult to enforce protection especially if plot is far from settlement area 	<ul style="list-style-type: none"> •Easy to reach agreement during planning and implementation; self determined of their products •Impossible to develop plans and harvest permits for each individual household •Does not require any form of benefit sharing among members •No need to balance individual household demand 	<ul style="list-style-type: none"> •High workload for administration (many individual applications) •Clear contact person to assign responsibilities and to deal with violations
User group	<ul style="list-style-type: none"> •Increased feasibility of ensuring equality in terms of area and quality of forests 	<ul style="list-style-type: none"> •Clear responsibilities; easy to motivate small number of group members •Division of labour results in reduced workload •Mutual support among group members (friendship or kinship relations) 	<ul style="list-style-type: none"> •Easier to jointly apply for harvest permits; better access to loans •Requires more negotiation during planning and benefit sharing 	<ul style="list-style-type: none"> •Increased time effectiveness during monitoring •Requires higher inputs in terms of bookkeeping and fund management
Village	<ul style="list-style-type: none"> •Ensured equity of forest resources as it does not require division of resources 	<ul style="list-style-type: none"> •Effective division of labour; strong support in fighting against forest violators from outside the community •Difficult to motivate individual village members as individual members do not feel responsible •Requires compensation/salary for protection force •Requires higher level of organisation 	<ul style="list-style-type: none"> •Most effective application for management plan and harvest permit at village level •Effective support during timber harvest and skidding; mobilisation of entire village force •Requires good regulations on benefit sharing •Requires strong social cohesion inside the village to ensure fair benefit sharing •Risk of powerful households dominating decision-making towards biased benefit sharing 	<ul style="list-style-type: none"> •Time effective monitoring for administration •Difficult to identify responsible persons for a specific activity conducted in the forest •Requires transparent bookkeeping and reporting to ensure accountability •Large fund amount increased risk of misuse by village board members

ANNEX 16: SOCIOLOGICAL SCENARIOS AND THEIR IMPLICATIONS FOR CF DEVELOPMENT

	Perception towards forest	Social cohesion	Forest utilisation	Benefit sharing	Implications for CFM
Local ethnic minorities with traditional village structures and long settlement history in the area	<ul style="list-style-type: none"> Regarded as spiritual and environmental part of the village (village and ethnic group name often named after special landscape features) Multiple-use forest management with religious, economic and ecological services As part of integrated fallow-period of shifting cultivation period prior to fixed settlement policies 	<ul style="list-style-type: none"> Village as a whole considered as “core family” with close relations and benefit sharing agreements Social well-being defined by status of the entire village 	<ul style="list-style-type: none"> Regarded as property of the entire community with traditional user rights Customary regulations enforced by traditional village organisations/village elder No individual ownership over forest resources recognised Forest resource play important role in subsistence economy 	<ul style="list-style-type: none"> Traditional laws regulate the use of forest resources among village members based on the subsistence demand of each households Social network to support poor members 	<p>Forest allocation to entire community is appropriate respecting customary laws and user rights</p> <ul style="list-style-type: none"> Strong social cohesion ensures equity of benefits among village members and common responsibility for sustainable resource use
Kinh majority with longer settlement history	<ul style="list-style-type: none"> Officially regarded as State property with no legally recognised user rights for the local population De facto regarded as source for forest products for self-consumption and commercial sale No village regulations steer forest utilisation: 'first come - first served' 	<ul style="list-style-type: none"> Household level considered as social core unit with more loose attachment to other village members Social-wellbeing defined for each individual household 	<ul style="list-style-type: none"> Spontaneous claims over forest resources by more powerful individuals Private forest ownership mainly limited to afforestation sites Forest resources have only minor role in subsistence economy Unregulated timber sale forms key income of only a small part of the community No customary laws are regulating resource use 	<ul style="list-style-type: none"> No benefit sharing regulations among community members: 'who works will benefit' 	<p>Forest allocation to group of households best reflects cooperation patterns in the village.</p> <ul style="list-style-type: none"> No customary law available to regulate benefit sharing among entire community Sharing of responsibilities among trusted individuals

Immigrated groups (ethnic minorities/ Kinh majority) in new settlement areas	<ul style="list-style-type: none"> ▪No traditional ties with the surrounding forest resources ▪Forest mainly perceived as not yet utilised agricultural land 	<ul style="list-style-type: none"> ▪No social coherence within the settlement ▪People originating from different locations and belonging to different ethnic groups 	<ul style="list-style-type: none"> ▪Forest conversion most dominant due to insufficient land resources for agricultural production ▪No indigenous knowledge of local forest resources 	<ul style="list-style-type: none"> ▪No benefit sharing regulations among community members: 'who works will benefit' 	Forest allocation limited to groups of same ethnicity or to individual households to ensure that individuals can be held responsible for forest protection
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ANNEX 17: DETAILED CONCLUSIONS FROM THE CF PILOTING PHASE (1995-2009)

ELEMENT	ACHIEVEMENT	OUTSTANDING ISSUES	PRIORITY ACTIONS
Institutional Responsibilities	<ul style="list-style-type: none"> •Pro-active piloting by committed provinces has significantly contributed to national policy development and has highlighted the suitability of and necessity for decentralised policy development to ensure feasibility, practicability and relevance of developed regulations in the specific local context. 	<ul style="list-style-type: none"> •No personnel inside MARD nor DARD assigned with a clear mandate and responsibility for CF development at present. Consequently, no entry point for lessons learnt from the field to be absorbed and considered during national policy development. •Lack of strategic agenda for development of a national CF policy frame within current planning period. 	<ul style="list-style-type: none"> •Clear assignment of CF responsibilities inside MARD •Embark on elaboration of strategic action plan for national CF administrative reform
	<ul style="list-style-type: none"> •Pilot results revealed the current administrative system as fully feasible to conduct and supervise CF schemes in terms of time requirements and technical as well as intellectual capacities encountered at district and commune level •Following the matrix of coordination mechanism under CF schemes from the 3rd national CF workshop, responsibilities for entire CF procedures were clearly assigned to existing administrative structures which can be used as basis for a national revision of job-descriptions of the local administration involved in CF. •Commune level confirmed as key organisation to facilitate decentralised decision-making in line with national orientations as stipulated in Decree 29/1998/ND-CP 	<ul style="list-style-type: none"> •No specialised personnel available in department/ office/ sections in the current administrative system in order to support local authorities and local people during elaboration and implementation of CF schemes. •Current job description of local administration often not compatible with required responsibilities as proposed under new CF schemes. •Responsibilities and support from local administration greatly depends on the commitment of involved personnel with large room for interpretation of existing regulations, leaving communities vulnerable of indirect taxes. •Current approval procedures remain too cumbersome to be independently completed by local communities without direct project support and monitoring. 	<ul style="list-style-type: none"> •Realise decentralisation as stipulated in national legislation •Increased legal mandate for reporting and approval procedures to be granted at lowest suitable level

•Decentralised fund management at commune/village level confirmed options for direct and demand driven funding schemes by the government.

•Increased involvement of local people in active forest management leads to reduced workload and expenses for forest protection staff and to improved forest monitoring.

•Village level organisational development confirmed grassroots capacities and functions as important coordination body between the people and the administration.

•Options for allocation to local communities stipulated in national legislation with ongoing implementation

•Cooperation between forest protection force and local population still rather weak due to lack of mutual trust with lack of legal backing during village-based forest protection activities (limited availability, weak enforcement of administrative punishment)

•Village level is no recognised administrative unit in Vietnam which complicates the enforcement of forest protection regulations as they are not entitled to apply administrative punishment.

•Forest allocation mainly focus on allocation to individual households with negative implications for monitoring and management of fragmented plots

•Issuance of land use certificate often considered final step without providing crucial follow-up support to new forest owners on sustainable forest management

•Implementation mainly target oriented with insufficient quality control and often lack of involvement of local people in decision-making

•Allocated state budget not corresponding with required field work for accurate mapping and resource assessment. Participation often dropped first in view of economising procedures (especially during LUPLA procedures)

•Clarify rights of communities to enforce village FPDR by applying financial compensation against forest violators

•Clarify coordination between forest protection force and communities in joint forest protection

•Forest allocation schemes to be evaluated regarding quality and compliance with Circular 38 instead of solely target oriented fulfilment.

•CF procedures to be stipulated as compulsory follow-up procedures of forest allocation to ensure sustainable forest development

Policy Development

ELEMENT	ACHIEVEMENT	OUTSTANDING ISSUES	PRIORITY ACTIONS
	<ul style="list-style-type: none"> •National strategy provides an extreme supportive orientation towards privatisation of forestry and the involvement of the local population into economic forest development. •Field implementation results are sufficient to develop sound time and cost norms as basis for institutionalising of CF procedures. •Comprehensive and sufficient project guidelines have been developed, detailing a consistent national procedure for CF implementation as basis for a national policy frame to be developed by MARD. •Provincial pilots on adjusted benefit sharing regulations as applied in three provinces in the Central highlands have proven feasible with active participation of the local population, providing options towards sustainable forest development and livelihood improvement of forest dependent population. 	<ul style="list-style-type: none"> •CF orientation under the forest strategy lacks detailed implementation guidelines or action plans attached to it; National guidelines often describe detailed requirements for data collection, analysis etc. however without an attached budget for implementation (e.g. Decree 112/2008/QD-BNN on cost norms for FLA implementation). •Frequent policy changes have resulted in reduced trust of the local population in the long-term security of land use rights which in return limits the motivation of the local population to invest finance and labour into long-term forest development. •Complex and frequently changing government policy and regulations limit a widespread understanding and implementation of legislation related to forest allocation and management. •Central level shows a tendency to over regulate national forest policy frame resulting in overly complex and infeasible guidelines which hampers field implementation as experienced under Decision 178 on benefit sharing regulations. •Current policy frame (e.g. timber auctioning) limits the free access to commercial timber market for local people. •Villagers cannot avoid collusion among large timber companies 	<ul style="list-style-type: none"> •Clear commitment articulated from MARD leadership to steer and drive the process towards a national CF policy reform •Initiate the process of a comprehensive policy reform •Re-activate existing FSSP regional working groups with clear tasks and responsibilities attached •Coordinate ODA support in view of financial and technical support to be provided during the process
	<ul style="list-style-type: none"> •Field piloting has resulted in provincial policy development towards CF, however efforts remain fragmented to some methodologies in selected provinces only. 	<ul style="list-style-type: none"> •Field implementation mainly relies on the active provincial commitment, regardless a supportive national framework stipulated in the forest strategy, thus discouraging CF introduction in some provinces at present. 	<ul style="list-style-type: none"> •Elaboration of Provincial technical guidelines under the national policy frame

•Working groups proved an effective forum for policy development provided effective leadership and clear strategic and operational orientation is available.

•At present, CF related working groups at all levels reveal a lack of strategic orientation and remain mostly dormant or even defunct.

•Re-activate working groups for clear tasks

•Provincial pilots on adjusted benefit sharing regulations as applied in four provinces in the Central highlands have proven feasible with active participation of the local population, providing options towards sustainable forest development and livelihood improvement of forest dependent population.

•TFF CFM pilot program did not result in any national policy development and a second phase has been proposed until 2013 to embark on institutionalising of developed procedures which would delay national CF policy development for a further 4 year period.

•Benefit sharing models rely on strong project monitoring to push for an approval of timber harvest applications.

•Current policy frame (e.g. timber auctioning) limits the free access to commercial timber market for local people.

•Pilot outcomes only partly integrated into current administrative system with some procedures remaining outside current administrative procedures under pilot permits only.

•Follow-up benefit sharing pilots to develop clear and feasible guideline

ELEMENT	ACHIEVEMENT	OUTSTANDING ISSUES	PRIORITY ACTIONS
Technical Issues	<ul style="list-style-type: none"> •Sufficient field experiences gained from over 15 CF related projects operating in Vietnam. •Very comprehensive documentation available in form of technical guidelines and training material. •Technical concept for CF has proven feasible and within capacities of local administration and local people alike. •Proposed forest utilisation in form of selective harvest leads to an improved forest structure, not to a degradation of forest resources as commonly seen under large-scale concession management. No distinction between thinning and harvesting required under this model. •Silvicultural guidelines are based on Reduced Impact Logging procedures and work safety standards. •Technical procedures for LUPLA and FPDR already integrated into administrative system. 	<ul style="list-style-type: none"> •Procedures for legal harvesting options remain too cumbersome to provide clear incentives for local population to stop unregulated forest utilisation as previously applied. •Legal technical guidelines are designed for forest company management and adjusted guidelines for CF remain to be developed. •Conservative sections inside the forestry administration still require volume estimates for CF management plan elaboration, which would significantly increase efforts and required capacities at field level. •Due to lack of scientific research data on growth and yield in Vietnam a scientific justification of the approach is very difficult. A scientific prove would require decades of field research and would cause an unacceptable delay of CF implementation. •TFF CF pilot program does not stipulate procedures for commercial timber harvest by communities. •Some guidelines from TFF CF pilot program remain too complex, despite simplified concepts successfully tested under several ODA projects. 	<ul style="list-style-type: none"> •Analyse and consolidate technical field experiences •Harmonisation of technical details in view of a common best practise for Vietnam under smallholder natural forest management planning and applied silvicultural interventions •Develop provincial technical guidelines for CF

ELEMENT	ACHIEVEMENT	OUTSTANDING ISSUES	PRIORITY ACTIONS
Human Resource	<ul style="list-style-type: none"> •Farmers capacity sufficient to follow-up CF management under only limited guidance from local authorities. •Current labour force at local administration sufficient to facilitate CF implementation. No requirements for additional personnel. •Commune and village level has sufficient capacities for decentralised fund management after being exposed to basic capacity building 	<ul style="list-style-type: none"> •Capacities of local administration in new CF procedures is still limited and require a comprehensive capacity building program and an update of the current job description. •No standard procedures for bookkeeping and fund management at commune and village level available. •Communities would require legal administrative status for improved fund management. 	<ul style="list-style-type: none"> •Capacity building measures for local authorities to provide guidance to local communities in CF related procedures (<i>to be based on adjusted job description after administrative reform</i>)
	<ul style="list-style-type: none"> •Villagers have proven a very effective protection force (active patrolling inside the forest <i>prevents</i> forest violation instead of administration mainly dealing with the <i>treatment</i> of already conducted violation cases). 	<ul style="list-style-type: none"> •Administration still does not fully trust in villagers capacity to independently manage natural forest resources. •Weak law enforcement by administration remains a major challenge to the effectiveness of CFM schemes. Only if forest resources can be effectively protected, sustainable management can be initiated. •In Vietnam a general low awareness for forestry related legislation is observed. 	<ul style="list-style-type: none"> •Improve communication and interaction between local protection force and communities

ELEMENT	ACHIEVEMENT	OUTSTANDING ISSUES	PRIORITY ACTIONS
Cost and Finance	<ul style="list-style-type: none"> Establishment costs for CF schemes are estimated to be within comparable budget limits as currently applied under national 661 program schemes on forest protection contracts. CF is therefore considered feasible to be applied under future national forest programs. In case productive forest resources are handed over to local population, CF has a significant contribution to i) livelihood improvement as seen under four major benefit sharing pilots completed in the Central highlands and ii) can ensure economic sustainability from forest utilisation rights without relying on external funding. New financing mechanism are promising options for a sustainable financing of CF schemes in the future (REDD/PES). 	<ul style="list-style-type: none"> Communities are mainly handed over degraded forest resources and consequently rely on external funding during the initial phase of forest protection until sustainable benefits from timber utilisation can be expected. Further delays in a national policy frame for CF up-scaling dramatically increase the need for external funding due to ongoing forest resource degradation observed in the field. CF procedures need to be institutionalised as national procedures before CF can be eligible for large-scale implementation of new financing mechanisms (REDD). 	<ul style="list-style-type: none"> Speed up development of a national policy frame and implementation strategy as precondition for a nation-wide roll out of CF Test options of new financing mechanisms as incentives provided under scenarios where depleted forest resources have been handed over to local population Integrate CF schemes under the UN REDD program
	<ul style="list-style-type: none"> Integration of Circular 38 procedures for forest allocation into CF planning procedures is significantly reducing costs for plan elaboration and at the same time ensure participation of forest receivers. 		

ELEMENT	ACHIEVEMENT	OUTSTANDING ISSUES	PRIORITY ACTIONS
Cross-cutting issues	<ul style="list-style-type: none"> •CF is effectively incorporating customary village regulations and indigenous knowledge on forest utilisation. CF is best implemented in traditional villages with strong social coherence. 	<ul style="list-style-type: none"> •Due to complex reporting and approval procedures communities remain highly vulnerable for indirect taxes. 	