

## CHAPTER IV

### FOREST LAND ALLOCATION AS ADOPTION OF DECENTRALIZATION IN FOREST MANAGEMENT

Chapter III presented the local context, which focused on basic information about the A Rang and A Ka villages, the Cơ Tu's livelihood activities, and indigenous knowledge and customary laws on land and forest management. This chapter concentrates on reviewing the evolution of forestry policy, analyzing the institutional landscape of the FLA in Thua Thien Hue province, and examining the roles, incentives, and capacities of social actors involved in the FLA process at various scales.

#### **4.1 Evolution of Forestry Policy in Vietnam: An Opportunity for Forest Decentralization**

In Vietnam, the role of the Forestry Sector is to protect the environment, including biodiversity conservation and water supply functions; reduce and prevent disasters, particularly from storm damage and major floods; provide forest products; and contribute to the national economy in general and improve life of the rural population. However, during the last 60 years, Vietnam has faced serious deforestation. Forest cover declined from 43 percent in 1943 to 23 percent in 1995, and increased to 33.2 percent in 1999 (MARD, 2001).

Along with the development of the country, the forestry policy has changed in accordance with objectives and strategies of forest management over time. This section provides an evolution of Vietnam's forestry policy from 1954 to present. Such an evolution could be divided into two main periods: (1) the period from 1954 to 1985; and (2) the period from 1986 to present.

#### **4.1.1 The Period from 1954 to 1985: Centralization in Forest Management**

From 1954 to 1975, the Northern Vietnamese government recognized forest resources as the most important foundation for national economic growth. Forestry policy concentrated on stepping up production of timber and was oriented towards serving agricultural and industrial production. Vietnam's government, in the period from the 1975 reunification to 1985, considered the forest as a source of raw materials. Its main value, therefore, is defined by commercial wood volume.

From 1954 to 1982, a state-run and cooperative economy played a decisive role in the national economy. In that period, the state recognized two major economic units: the SFE (state-run economy) and the cooperative (cooperative economy) units of forest exploitation and management. Forestland and forest is allocated to the SFE and the cooperatives, which in turn are contracted to individuals. In order to exercise allocating fallow land to cooperatives for forest business purposes, the Council of Ministers issued Decision No. 179/CP dated 12/11/1968 regarding reforestation, protection of forest, and the allocation of agricultural land and forest to cooperatives for management and exploitation. Most forestry production was under state control. As a result, the forest was over-exploited, due to production quotas that were set based on state demand rather than the productive capacity of the forest (MOF, 1991). Under the central management system, the state paid no attention to local people's participation in forest management and tended to neglect the role of the forest for local people's livelihoods, particularly ethnic minority groups who consider forest as not only providing material for their life, but also their homeland.

At the beginning of the 1980s, the state initiated reform of the agricultural and forestry economy. In the forestry sector, the Council of Ministers issued Decision No. 184/HDBT dated 06/11/1982 on increasing allocation of land and forest to collective units and people to plant forest. Although allocations were expanded to include households, the allocated area and duration is limited, and each household is allocated under 1 ha. Forestland allocation did not gain the expected results. There were five main reasons of failure: (1) The top-down process of implementation mainly attempted to reach quantitative targets. Follow-up and extension work was neglected;

(2) Forests and forestland were mainly located in remote mountainous areas inhabited by ethnic minority people whose concern was to secure food sufficiency leaving little time for forestry and wood production. Extensive tree planting was a novel concept for most of them; (3) Forest officers implementing the forestland allocation policy were often ignorant about local land use rules; (4) The lack of a suitable extension service and market information made farmers skeptical of tree planting; and (5) the budget for forestland allocation was not sufficient to implement the policy to its full extent (Nguyen and Vu, 1998; cited in Zingerli, 2001).

#### **4.1.2 The Period from 1986 to Present: Decentralization in Forest Management**

In the process of development, Vietnam has promulgated several policies to develop the forestry sector. Among them, the FLA is an important policy. It is a radical policy, which transfers the authority of state management of forest from the state to local levels (see table 4.1). The state hopes that devolving forest rights to communities, household groups, and individual households can contribute to poverty alleviation and sustainable forest management as well. The FLA, therefore, becomes a requisite for implementation of afforestation and social forestry projects. Such policy could meet the expectations of people and is one of the famous characteristics of Vietnam in the era of economic and social development renovation (Lung, 2003). The government assumed that the resultant FLA policy would have long-term tenure security, thus local people would be more willing to invest in conservation and production on their lands and forests (Dupar et al., 2002).

In the early 1980s, under the central planning economic system, Vietnam faced its most severe economic crisis. At the Sixth National Congress in December 1986, the Vietnamese Communist Party decided to adopt economic reform policy, popularly known as *Đổi Mới*, which gradually shifted the economy from a centrally-planned economy towards a market-oriented economic system. Such policy was also applied in the field of land and forest tenure. In the wake of renovation policy, land allocation to households and individuals became an urgent issue. Severe food insufficiency and the inefficient use of agricultural and forestland resources made the

process of decollectivisation inevitable (Ngo, 1995; Tran and Nguyen, 1995; Hy and Unger, 1998; cited in Zingerli, 2001).

Table 4.1 Main Legal Documents Related to Decentralization of Forest Management in Vietnam

Year	Legal Documents	Main Purposes
1991	Law on Forest Protection and Development (amended 2004)	Stipulating forest management, protection, development and utilization.
1993	Land Law (amended 1998, 2000, 2003)	Stipulating the land administration and land use system; the rights and obligations of the land users.
1994	Decree No. 02/CP on Forestland Allocation for Forestry purposes	Establishing the mechanism and rules for allocating forestland to organizations, households, and individuals for long-term use, serving forestry purposes.
1994	Decision No. 202/TTg on Contract for Forest Protection	Contracting for forest protection and reforestation. Involving local people in forest protection.
1995	Decree No. 01/CP on Contractual Allocation of State Enterprises' Land for Agricultural, Forestry and Fishery Production	Contracting land for use in agriculture, forestry, and fishery production in state forest enterprises or other state units.
1998	Decision No. 245/1999/QD-TTg on the Exercise of State Managerial Responsibility of Various Levels Concerning Forest and Forestland	Decentralizing state management of forest and forestland to various levels.
1999	Decree No. 163/1999/CP on Allocating and Leasing Forestland for Forestry Purposes	Establishing the mechanism and rules for allocating and leasing forestland to organizations, households, and individuals for stable and long-term use for forestry purposes.
2001	Decision 178/2001/QD-TTg on the Benefits and Obligations of Households and Individuals Allocated or Leased or Contracted Forestland and Forest	Encouraging local people's participation in forest protection and management and defining rights and responsibilities of households and individuals who are allocated, leased, and contracted forestland and forest.

At the end of the 1980s and the early 1990s, the government issued two laws significantly related to land and forest tenure: the 1987 Land Law (amended in 1993, 1998, 2000, and 2003) and the Law on Forest Protection and Development 1991 (amended 2004) (see table 4.1). The Land Law of 1993 (amended in 1998, 2000, and

2003) stipulated that land is the property of the entire people, uniformly managed by the state (Article 1). State allocates and leases land to organizations, households and individuals (land users) for stable and long-term use (The duration of land allocation for annual crops and aquaculture is 20 years; for perennial crops and forestland is 50 years). The Land Law of 1993 also grants land users five land-use rights, namely, the rights to transfer, exchange, lease, inherit, and mortgage, and the Land Law of 2003 adds more land-use rights: the rights to re-lease, offer land-use rights, guarantee, and contribute money by land-use rights. The land-use rights, however, do not include formal ownership of the land as such.

The Law on Forest Protection and Development has classified forests under three categories: special use forest (national park, natural conservation, historical area, etc.), protection forest (watershed, sandy, sea wave, etc.), and production forest. Such Law has stipulated that natural forests and forest plantations that are planted by state investments are state property. The production forest that was planted on allocated forestland by non-government investment is owned by invested organizations or households or individuals. However, they have the right to possess, use and determine trees, animals and property associated with such forests during the forest allocation or lease duration for afforestation according to the provisions of forest protection and development legislation and other relevant legal provisions.

Since 1994, Vietnam's Forestry Sector has undergone enormous changes. Authority to manage forests has been directly transferred from the state to households and individuals through forestland allocation and forest protection contracts. Decree No. 02/CP dated 15/01/1994 issued by the government regarding allocation of forestland to organizations, households and individuals for stable and long-term use for forestry purposes. In 1999, this decree was replaced by Decree No. 163/1999/ND-CP, which stipulates forestland allocation and leases to organizations, households and individuals for long-term and stable use for forestry purposes. These two decrees provided detailed guidance for allocating and leasing forestland and forests in accordance with the Law on Forest Protection and Development and the Land Law. Aside from the same rights and obligations of the two aforementioned laws, such decrees also stipulated some important exceptions, which are special-use forests and protection forests in very

critical and critical watershed areas that are not allocated, but are contracted for protection and plantation of forests only. In those cases, land users, therefore, cannot obtain the LUC. Meanwhile protection forests in less critical areas and production forests can be allocated to users who would receive the LUC. Additionally, these Decrees specify in detail, the requirements for application for FLA and for issuance of LUC. Responsibility of issuing the LUC lies with the local Department of Land Management (replaced by DNRE since 2004), while the responsible body for forestry management cooperates in the implementation of the necessary formalities. Households and individuals application forms for receiving and renting forestland without forest cover are confirmed by the CPC.

The contracting of forests for protection, regeneration and plantation is further regulated by Decision No 202/TTg of the Prime Minister, issued 02/05/1994 providing guidance on contracts for forest protection, natural forest regeneration and reforestation. Government Decree 01/CP dated 04/11/1995 is in regard to contract land, which has been allocated to state organizations for agricultural, forestry and fishery production. These regulations give state organizations the right to contract the land and forest, of which they hold a LUC for the households and other organizations for protection, regeneration and planting. The holders of the contract are entitled to receive payments but do not receive full land use rights. Decree 01 further prohibits the contract holder from building permanent structures on the land and from transferring the contract to another user in the case in which holders cannot fulfill the obligations that are stated in the contract. The contract holder, thus, has very limited land user rights in comparison to the rights granted to land users with allocated land.

The benefits of forestland and forest recipients are stipulated by Decision 178/2001/QD-TTg of the Prime Minister dated 12/01/2001, which defines the benefit rights and responsibilities of organizations, households and individuals who are allocated, leased and contracted forestland and forest for forest protection, regeneration and plantation. This decision aims to create an economic motivation to encourage the local people to actively participate in forest protection and development. It also enables people living in or near the forest to derive forest income sources, thus enhancing life security. Simultaneously, it makes clear the

responsibilities of those who have allocated, leased and contracted forestland and forest for forest protection and development. For forestland without forest cover, households and individuals are supported by a budget for forest plantation and maintenance based on the current regulations of the government including an allowance to use a maximum of 20 percent of bare land for agricultural and aquacultural production. Forest products use is specifically defined for each type of land in this decision. For forestland with forest cover, households and individuals also have different rights and responsibilities for each allocated forest.

In order to decentralize the state management of forest and forestland to various levels (provincial, district, and commune levels), the government issued Decision No. 245/1999/QĐ-TTg dated 21/12/1998, in 1999 regarding the exercise of state managerial responsibility of the various levels concerning forest and forestland. This decision aims to prevent destructive activities of forest resources, and to create conditions for organizations, households and individuals to actively participate in forest protection and development. According to Decision No. 245/1999/QĐ-TTg, decentralization of state management of forest and forestland is defined as follows: At provincial scale, DARD is the organization to help the PPC in implementing state management responsibilities on forest and forestland. The DFP takes charge of checking and inspection of forest protection implementation and management legislations. The DNRE helps the PPC to carry out the state management responsibilities on forestland. At the district scale, the NREO is in charge of helping DPC in carrying out the state management responsibilities on forestland. The FPU takes charge of checking, inspecting implementation of forest protection and management legislation. At the communal scale, unused forest and forestland area in each locality is allocated to the CPC for management and creation of the programs and plans to protect, develop and utilize. Thus, it can be recognized that Decision No. 245/1999/QĐ-TTg has treated decentralization of forest management as deconcentration.

Generally, Vietnam's forestry policy before the 1990s was mainly to step up production, particularly increasing the production of timber. This was based on state involvement in management, exploitation, processing and distribution of forest resources in order to achieve a surplus. Forest management in that period was

centralized. After the 1990s, the state initiated decentralization in forest management through implementation of FLA, with the aim of encouraging local people's participation in forest protection and management, as the state believed that local people would be more interested in forest protection and management if they had formal rights over forestland and forest. A large area of forest, however, belonged to state agencies (see table 4.2).

Table 4.2 Forest Management by Owners in Vietnam

No	Owners	Area (1000ha)	Percentage
1	State-owned business (SFEs and Companies)	3,578.4	32.8
2	Management board of protection forests	1,025.2	9.4
3	Management board of special-use forests	1,127.0	10.3
4	Joint venture	15.1	0.1
5	Armed forces	204.7	1.9
6	Households and communities	2,006.5	18.4
7	Unallocated	2,958.7	27.1
Total area of forest in Vietnam		10,915.6	100.0

Source: National Steering Committee of Forest Inventory, 2001

#### 4.2 Institutional Framework of the FLA at National/Central Scale

The FLA has taken place at various scales: national/central, provincial, district, communal and grassroots/village scales. Although the process of FLA has been increasingly decentralized to lower scales, the influences of institutions at the central scale, especially MARD is, in fact often quite decisive (MARD, 2001). This is because they are responsible for promulgating or helping central government to promulgate legal documents concerning the FLA policy. At the central scale, social actors have been involved in the promulgation of the FLA's legal framework. This section, therefore, presents the tasks and functions of two major social actors involved in FLA at the central level, the MNRE and the MARD. Other scales within the context of Thua Thien Hue province will be provided in the next section.

##### 4.2.1 The MNRE

The MNRE is the government agency responsible for state administration of land nationwide including: (1) promulgating legal documents on land use and

management, and organizing the implementation of their documents; (2) making maps (administrative, cadastral, current land use, and land use planning maps); (3) managing land allocation and lease, withdrawing land, and changes in land use purposes; and (4) examining, inspecting, and dealing with violations of land legislation, and so on. In addition, the MNRE has to coordinate the MARD in its exercising of state management over forest protection and development.

#### 4.2.2 The MARD

The MARD takes responsibility for exercising the state management over forest protection and development nationwide. Its main tasks concerning FLA are: (1) promulgating legal documents related to land use planning and land allocation, and organizing the implementation of their documents; (2) surveying, defining, and delimiting boundaries of all kinds of forest on the maps and in the field, detailed to the communal scale; (3) inventorying and monitoring changes in forest resources and forestland; allocating, leasing and withdrawing forests, changing forest use purposes; (4) compiling and managing dossiers on forest and forestland allocation and lease; and (5) recognizing ownership over production forests that are forest plantations, and forest use rights over allocated forest.

#### 4.3 Institutional Landscape of the FLA in Thua Thien Hue Province

During the last few decades, natural forests in Thua Thien Hue province have progressively degraded and current estimates of the poor forest are approximately 52.49% (see table 4.3).

Table 4.3 Categorization of Natural Forests by Quality in Thua Thien Hue Province.

Categories of Forest	Area (ha)	Percentage
Total area of natural forest	170,500	100.00
Rich forest (Average wood volume: 240 m <sup>3</sup> per ha)	37,400	21.94
Medium forest (Average wood volume: 170 m <sup>3</sup> per ha)	43,600	25.57
Poor forest (Average wood volume: 50 m <sup>3</sup> per ha)	89,500	52.49

Source: Minh and Hans, 2002

Why was the forest destroyed? Who destroyed the forest? Staff of local governments and government agencies believed that the forests were mainly destroyed by local people, due to various reasons such as living requirements, jobs, income generation, and so on. They generally believed that the local people's control over forest resources would lead to sustainable forest and forestland management if their long-term benefits were connected closely with forests. Land and forest tenure are ensured when land and forest is allocated to individual households, household groups or communities through issuing the LUC. Thua Thien Hue authority had, therefore, allocated forest and forestland to communities, households and individuals since 1995 with the aim of managing and protecting the forest better, and contributing to improvement of local people's livelihoods. According to Mr. Vo Van Du, former deputy director of the Thua Thien Hue DARD, local governments made every effort to accomplish the goals of the FLA policy as a part of a sustainable rural development process.

As mentioned in the above section, FLA has taken place at various scales with numerous social actors involved in this process, in which the People's Committees are the state's administrative organs at local scales. They have vested powers to decide measures for land use and management, forests and other natural resources in their localities, including the responsibility to prepare land use plans, to lead and oversee land allocation implementation, and to issue LUC as specified in the Land Law. The People's Committee at the provincial and district scale enjoy a high degree of autonomy and executive powers and oversee the work of the local branches (local government agencies) of the line ministries (central government agencies). The local government agencies take charge of not only helping the People's Committee at respective scales to regarding decisions of the FLA plan and the issuance of LUC as well, but also aid in carrying out FLA.

The institutional landscape of FLA in Thua Thien Hue province comprises both vertical and horizontal relations. The lower local government is managed by the upper scale according to strict principles, while the government agency is not only administratively managed by local government at the same level, but also professionally managed by another at the upper level. This section gives an overview

of the institutional landscape of FLA in Thua Thien Hue province, in which there are three administrative scales: provincial, district and commune. The overview of the institutional landscape of FLA is presented in figure 4.1.

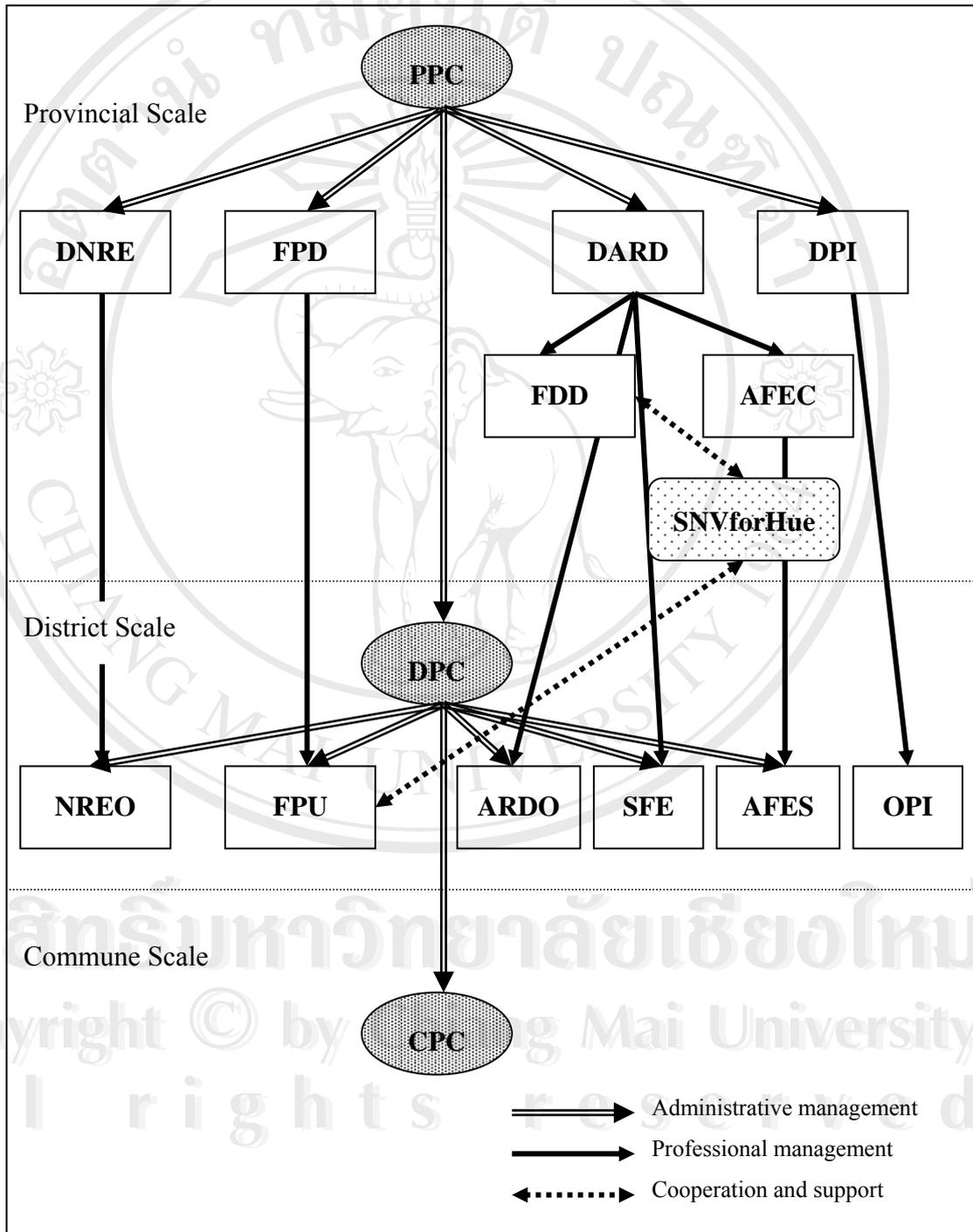


Figure 4.1 Institutional Landscape of the FLA in Thua Thien Hue Province

### 4.3.1 Provincial Scale

At the provincial scale, there are many social actors involved in the FLA process such as the PPC, DNRE, DARD (FDD), DPI, and FPD. Although the PPC is not directly involved, they still play an important role in FLA. The PPC regulates and coordinates the activities among different government agencies at the provincial scale. The DARD manages activities related to forestry, agricultural and water resources in Thua Thien Hue province. Under direction of the DARD, the FDD is in charge of the forestry sector of the whole province. The FDD, thus, is one of the important social actors in the FLA process. Although the FDD is the SNVforHue's primary beneficiary, they are not directly involved in the FLA process at the commune scale, because all its staff are based in the DARD office in Hue city. The DNRE is in charge of all procedures to issue LUC, land allocation, land use planning, and other administrative work in land management such as transferring land use rights, changing land use purposes, and so forth. In addition, the DNRE is delegated by the PPC to issue LUC according to jurisdiction. The DPI is in charge of helping the PPC distribute the budget and work plan to government agencies in order to carry out FLA for the whole province. The DPI, thus, is an important social actor involved in the FLA process in terms of a financial aspect. The SNVforHue is a unique NGO involved in the FLA policy in Thua Thien Hue province. They have provided finance and the participatory approach for carrying out the FLA process. In addition, the other government agencies such as the FPD and the AFEC did not closely cooperate with other social actors in the FLA process, although they would be in charge of some activities after FLA. For instance, the FDD takes charge of dealing with violations of the forest protection legislation, and the AFEC takes responsibility for providing services for households to develop their allocated forest.

### 4.3.2 District Scale

The DPC commonly regulates and coordinates activities among different government agencies at the district scale. In the FLA policy, the DPC is the body for land allocation and land use planning at commune and village scales, including the

issue of LUC. The NREO is in charge of land administration in the district, and is directly under the administrative management of the DPC and professional management of the DNRE. The NREO has the responsibility for issuing the LUC, and is delegated by the PPC to issue LUC according to jurisdiction. The FPU is managed by the FPD with the main task of dealing with violation of forest protection legislation for the whole district. However, the FPU has carried out most of the FLA activities at the commune and village scales. The FPU, therefore, is an important social actor involved in the FLA. The other government agencies are the ARDO, the AFES and the SFES, which did not closely cooperate with the FPU in the FLA process, although they are in charge of forest management activities after the forest is allocated to the households.

#### **4.3.3 Commune Scale**

At the commune level, the CPC is a sole social actor, which cooperates with government agencies in implementing the FLA program. However, several staff members are in charge of FLA related activities such as the land management officer, agricultural and forestry officer, women's association members, farmer's association members, and so on. In the FLA process, the staff from the CPC participated in their tasks without additional payment.

As with other areas in the country, FLA in Thua Thien Hue is carried out as administrative decentralization. This form of decentralization refers to the transfer of powers from a central government to its appointees at the local level. Typically in such arrangements, appointees are accountable only to themselves or to their superiors, not to their constituents (Dupar and et al., 2002). The FLA created administrative units from provincial to commune scale (see table 4.4), in which each administrative unit is strictly accountable to the unit above. The SCs at various levels (provincial and district) that are appointed by local governments to coordinate activities concerning FLA, the WG at district, and the LRC are established to implement FLA. The WG and the LRC are responsible for conducting surveys, preparing forestland use and allocation plan, allocating forestland in the field, and

completing administrative procedures. These two units report to the district SC, which in turn provides progress reports to the provincial SC.

Table 4.4 The Main Tasks of Administrative Units in the FLA Implementation

Unit	Member	Main responsibility
District SC	<ul style="list-style-type: none"> <li>- Chairman or Vice-chairman of DPC is the Chairman of the SC</li> <li>- Head of the NREO</li> <li>- Head of the FPU</li> <li>- Representative of the ARDO</li> <li>- Chairman of the CPC</li> </ul>	<ul style="list-style-type: none"> <li>- Guiding whole process</li> <li>- Deciding related issues</li> <li>- Approving the FLA plan</li> <li>- Issuing the LUC</li> </ul>
LRC	<ul style="list-style-type: none"> <li>- Chairman or Vice-chairman of CPC</li> <li>- Representatives of mass organizations such as Farmer's Association, Women's Association, and so on</li> <li>- Commune's cadastral officer</li> <li>- Village headmen</li> </ul>	<ul style="list-style-type: none"> <li>- Certifying the boundary among villages and households</li> <li>- Resolving problem in FLA</li> <li>- Synthesizing area designed for allocation.</li> <li>- Restoring land allocation profile</li> </ul>
WG	<ul style="list-style-type: none"> <li>- Representative of the LRC</li> <li>- Representative of the CPC</li> <li>- Commune's cadastral officer</li> <li>- Representative of NREO, ARDO, FPU...</li> <li>- Representative of mass organizations</li> <li>- Village headman; Representative of villages; etc.</li> </ul>	<ul style="list-style-type: none"> <li>- Implementing activities following the planned process</li> <li>- Surveying, evaluating land use demand of the community</li> <li>- Measuring and drawing maps</li> <li>- Preparing the FLA plan</li> <li>- Solving technical issues</li> <li>- Putting forward opinions to the LRC or the district SC</li> </ul>

Source: Field survey, 2004

Additionally, according to the Land Law of 2003, the PPC has the authority to allocate forest and forestland, and to issue LUC (Red Book) to organizations. The DPC has the authority to allocate forest and forestland, and to issue LUC to communities, household groups, households and individuals. On the other hand, the state allocates forest and forestland to communities, households and individuals for stable and long-term use for forestry purposes within 50 years. The forest or forestland recipients have rights, namely, the right to transfer, exchange, lease, inherit, mortgage, re-lease, offer land-use rights, guarantee, and contribute money by land-use rights. But at the same time, they must use forest and forestland with the right purposes that are stipulated by the FLA policy. Thus, the FLA policy could be considered as political decentralization in forest management.

#### 4.4 The FLA Implementation Process in Thuong Quang Commune

##### 4.4.1 The FLA Implementation Process

The process of FLA implementation in Thuong Quang commune, including LUP was originally based on the success of the SFDP of the GTZ in Son La province (Anh and Claudia, 2004). However, such a process has not seen the LUC (Red Book) as the final step/outcome, but insuring the LUC, the SNVforHue still facilitates allocated forest development (see figure 4.2). Based on the allocated forest plans, they organize training courses for forest recipients in forest development skills, which relate to their actual needs, and connect them with the market and credit providers as well.

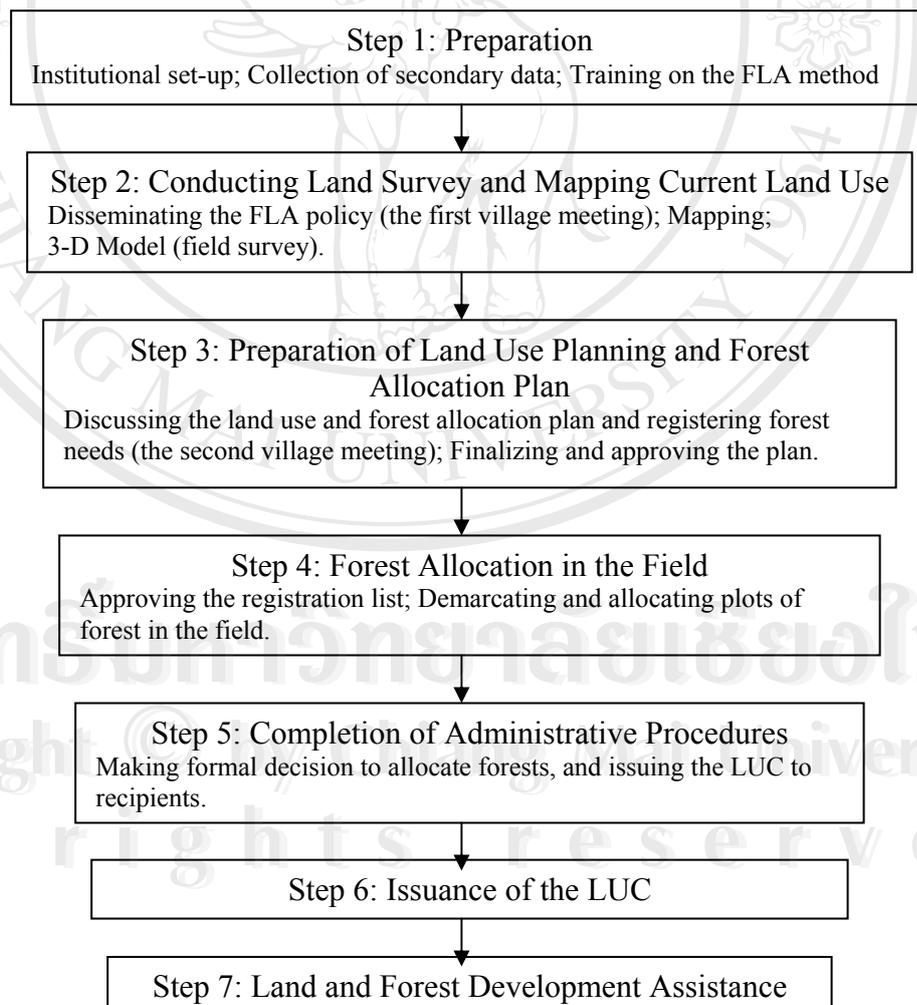


Figure 4.2 The Process of the FLA Implementation

In theory, the SNVforHue and Thua Thien Hue province's Forestry Sector was modified from the Son La province's FLA implementation process, which was applied in the context of Thua Thien Hue province. This process basically consists of seven main steps as follows:

#### Step 1: Preparation

This step has three core activities: (1) institutional set-up; (2) collection of baseline data and secondary data; and (3) training on the FLA methodology. In this step, the District SC, the LRC, and the WG are established. Members of the District SC consist of the Chairman or Vice-chairman of the DPC is the head of the District SC; the head of FPU, the head of the NREO, representatives of the OARD, the OPI, SFE, and the Chairman of the CPC. The District SC is responsible for advising the DPC about the development, implementation, and evaluation of the FLA process; approving the FLA process; recommending the appointment of the WG members so that the Chairman of the DPC makes a decision of the WG establishment; guiding and monitoring the FLA implementation for the whole district; coordinating activities related to the FLA among government agencies at the district scale; and issuing the LUC. The LRC, headed by the Chairman or Vice-chairman of the CPC, consists of representatives of the CPC, the mass organizations, the commune's cadastral officer, and village headmen. The LRC assists the CPC Chairman in carrying out the FLA in coordination with the WG, solves potential disputes and issues land use certificates. The LRC is also in charge of data collection for the FLA process. The WG, which is headed by the technical service provider chosen by the CPC, is responsible for the actual implementation of the FLA at the commune scale in coordination with the CPC. The WG includes representatives of the LRC, the CPC, mass organization, FPU, NREO, etc.; commune's cadastral officer; and village headmen. The CPC can choose any technical service provider among the government agencies. The selected technical service provider implements the FLA at commune scale on a contract basis with the CPC. The WG is involved in most of the steps of the FLA implementation and with many tasks that are presented in subsequent steps. In addition, secondary data such as types of maps and related documents are collected, and members of the WG and the LRC are provided training on the FLA methodology and planning skills at this step.

### Step 2: Conducting land survey and mapping current land use

A village meeting is organized to disseminate relevant legal documents related to land use and land allocation and to inform local farmers of the FLA implementation plan. The meeting is followed by household surveys to collect data on current and past land use patterns, socio-economic conditions and land use needs. After mapping exercises, local farmers join the WG and the LRC to develop the 3-D models used to visualize village boundaries, current land use types and available soil qualities and verify them in the field.

### Step 3: Preparation of land use plan and forest allocation plan

In the second village meeting, the 3-D model is used for discussing land use and land allocation plans, the outcomes of which are later combined with fieldwork results and visualized on maps. Interested farmers also register their forest use needs in the meeting. The plans are then finalized and approved during the third village meeting and in meetings with the district SC, the CPC, and the Commune People's Councils.

### Step 4: Forest allocation in the field

After the households/household group registration list is approved by the LRC, the WG and the LRC, accompanied by group heads and representatives of households, demarcate the actual plots to be allocated on the field. The list of households/household groups and their allocated plots is put on the wallboard of the CPC for 15 days and comments are synthesized for necessary modifications.

### Step 5: Completion of administrative procedures

After the FLA proposal is prepared by the WG and the CPC is approved by the District SC and the DPC, the latter will make a formal decision to allocate forest to households/household groups and issue the LUC (Red book).

### Step 6: Issuance of the LUC

The LUC is issued to the recipients by the Chairmen of the DPC. Meanwhile, the WG will prepare and put together an inventory of the plots allocated, cadastral files and other documents such as maps and plans, as archives for the CPC.

### Step 7: Land and forest development assistance

During this last step of the FLA process, the information collected during the survey is used by the CPC to develop a comprehensive land and forest development plan for the whole commune. The SNVforHue facilitates the linkages between recipients and the market. A workshop on land and forest development that brings together all social actors, potential service providers and investors such as the SFE, the AFEC/AFES, the AGRIBANK, and private businesses, is organized in the district. The SNVforHue also organizes training courses for farmers in land and forest development skills based on their actual needs and sends them on study tours to other projects' demonstration sites upon their request.



Figure 4.3 Allocating Forest in the Field

#### 4.4.2 The Local People's Participation in the FLA Implementation Process

Many social actors participated in forest decentralization. During the participatory process, they can learn how to share their needs and opinions, and to discover and acknowledge the diversity of opinions and backgrounds of all social actors involved in the process. For decentralization to succeed in the long run, the participation of social actors, particularly local people is crucial. It is useful to differentiate between different levels of participation in the FLA implementation process. According to IFAD, ANGO, and IIRR (2001), participation could be categorized into seven levels (see table 4.5)

Table 4.5 The Levels of Participation

Level of participation	Characteristics/Indicators
Level 1: Passive participation.	People participate by being told what is going to happen or has already happened. A unilateral announcement is made by the administration or project management without listening to people's responses. The information being shared belongs only to external professionals.
Level 2: Participation in information giving	People participate by answering questions posed by extractive researchers using questionnaires or similar approaches. People do not have an opportunity to influence proceedings, as the findings of the research are neither shared nor checked for accuracy.
Level 3: Participation by consultation	People participate by being consulted, and external people listen to views. These external professionals define both problems and solutions, and may modify these in light of people's responses. Such a consultative process does not concede any share in decision-making, and professionals are under no obligation to take on board people's views.
Level 4: Participation for material incentives	People participate by providing resources such as labour, in return for food, cash or other material incentives. Most on-farm research today falls into this category, which means farmers provide the fields for demonstration but are not involved in the experimentation or the process of learning. It is very common to see this called participation, as people have no stake in prolonging activities when the incentives end
Level 5: Functional participation	People participate by forming groups, which are externally initiated to meet predetermined objectives related to the project. Involvement of the community is not solicited at early stages of the project cycle but rather after major decisions have been made. These groups tend to be dependent on external indicators and facilitators, but may eventually become self-dependent.
Level 6: Interactive participation	People participate in joint analysis, which leads to action plans and the formation of new local institutions or the strengthening of existing ones. It tends to involve interdisciplinary methodologies that seek multiple perspectives and make use of systematic and structured learning processes. These groups take control over local decisions, and so people have a stake in maintaining structures or practices.
Level 7: Self-mobilization	People participate by taking initiatives to change a systems independent, external institutions. They develop contacts with external institutions for resources and technical advice they need, but retain control over how resources are used. Such self-initiated mobilization and collective action may or may not challenge existing inequitable distributions of wealth and power.

In Thuong Quang commune, local people's participation in previous projects is very often limited, but it is highly appreciated in the FLA implementation process. As the Chairman of Thuong Quang commune stated:

Many previous projects have been implemented in our commune, but none of them have highly encouraged local people's participation as this project. I, therefore, do hope that its impacts will be far-reaching and more sustainable.

Mr. Ho Van Rai, Chairman of Thuong Quang CPC

During the FLA implementation process, local people participated in step 2, step 3, step 4, and step 7 through activities such as the village meetings, planning the FLA implementation in the village, field survey (PRA), boundary identification, allocating and receiving the land and forest in the field, building the production plan after receiving land, and so on. Local people's participation was manifested under various levels such as passive participation, participation in information giving, participation by consultation, and functional participation. For example, in the first village meeting, the WG informed local people about state policies related to the FLA. In this case, local people passively accepted those policies. In the second village meeting, the villagers discussed about the form of receiving land and forest, and then registered their land and forest use needs with the WG's facilitation. The villagers wished the state to allocate forest to community, but the WG explained that they need to decide using the PPC, if they were to allocate forest to community and this takes more time to do as a legal procedure. The WG, therefore, advised villagers to receive forest by household groups, since in this case only the DPC needs to decide. Finally, villagers agreed although they were not satisfied. After the meeting, target groups have taken shape in the village. In this case, villagers participated in the FLA implementation through functional participation. In the last village meeting, villagers participated as consultants and they were given comments so that the WG could finalize the FLA plan. In addition, villagers have been also participated in the FLA implementation process through providing information when they were involved in conducting field surveys to collect data related to the FLA such as socio-economic conditions, current and past land and forest use patterns, land and forest use needs, and so forth.

The FLA implementation process increased both the voice of community and local elites through the village meetings and field surveys. The involved villagers

have made decisions for themselves in some issues. However, due to the lack of time, human and financial resources, villager's opinions were only collected during village meetings, where the voices of the marginalized social actors such as the poor and women were hardly heard (Anh and Claudia, 2004). Most of the final decisions were made by the village committee and the CPC. The village committee, generally, discussed important issues of the FLA such as the types of subjects to be allocated and the village's forest management regulation with the leaders of group, heads of the forest recipient group, and household representatives of each group, rather than in village meetings. Each group selects three to five villager representatives and these representatives are usually men.

#### **4.5 The Roles, Incentives and Capacities of Social Actors Involved in the FLA Process in Thuong Quang Commune**

Generally, the social actors involved in the FLA process can be divided into four major groups as follows: (1) local governments, (2) government agencies, (3) user groups, and (4) NGOs and private sectors. In the case of Thuong Quang commune, social actors who are involved in the FLA process are the PPC, DPC, and CPC as local governments; the FPU, NREO and Khe Tre SFE as government agencies; the household groups as user groups; and the SNVforHue as NGO. Why have social actors been involved in the FLA process? My study has answered this question by analyzing their roles, incentives and capacities.

##### **4.5.1 Roles of Social Actors**

The local governments involved in the forest decentralization in this context were not only bureaucratic arms of the central government such as the PPC, DPC and CPC, but also local government bodies including the Provincial SC, the District SC, the WG, and the LRC, because decentralization often occurs side by side with devolution of natural resource management (Meinzen-Dick and Knox, 2001). Although the People's Committees were not directly involved in the FLA implementation, they play an important role. The PPC has initiated natural forest

allocation to communities, household groups, and households. Formerly, the whole natural forest in Thuong Quang commune was owned by Khe Tre SFE. In order to implement the FLA, the PPC established the Provincial Steering Committee, and decided to withdraw parts of the natural forest under Khe Tre SFE management to re-allocate to villagers. The DPC's role was to decide which commune would be selected to carry out the FLA, and to establish the District SC, WG, and LRC. The CPC plays a central role in the whole FLA process in terms of resolution of problems that relate to the FLA implementation in their locality and conflicts with neighboring communes. The CPC also decides to choose a technical service provider, which helps it to implement FLA at the commune scale. Under the decentralization program, empowering local governments with authorities and responsibilities can narrow the information gap on what is most appropriate at the local scale and is better suited for collaboration with user groups (Meinzen-Dick and Knox, 2001). The evolution of the forestry policies has gradually shifted the forest management from a centralized system to decentralized system. The role of local governments, thus, has changed according to such policies. The local governments have more power in decision-making in comparison with the past. For instance, before the Land Law of 2003, the central government only permitted the DPC to allocate forestland and forest to households, household groups, and individuals. Presently, the DPC not only has authority to allocate to the aforementioned subjects, but also to allocate to communities. However, they also have more responsibility for forest protection and management. Because the user groups often need support from local government, particularly for enforcement of penalties against non-members who break the laws governing forest use and management.

Because forest decentralization implies a change in the role of government agencies from direct management of the forest resource to providing a legal framework and support services, the government agencies play a role as counselors, and help local governments promulgate the legal documents that are valid in their locality. They also are in charge of the FLA implementation. According to the legal framework, the government agencies of the forestry sector should be involved in the FLA process at various scales. However, in fact, the FPU is involved in the whole FLA process, the NREO is involved in some steps relating to the LUC issue. The FPU is a member of the DSC and head of

the WG, and also is chosen as a technical service provider. The FPU, therefore, plays a central role in the whole FLA implementation process. Additionally, they will monitor and control the activities of forest recipients. Meanwhile, the NREO does not perform an active role in the FLA process, although the FLA implementation is one of their main tasks. Concerning the forest recipients' activities over their forest, the role of the Khe Tre SFE has changed from direct management of forest into service providing agencies, although they are not involved in the FLA process.

User groups of the FLA in Thuong Quang commune is limited to household groups. Their role was changed from forest protectors by contract with Khe Tre SFE into forest owners. Since the FLA has given user groups a role in governance of allocated forest, they play a major role in making decisions, coordinating activities and dealing with problems concerning allocated forest areas. At the same time, the FLA increased the responsibilities for user groups. Such responsibilities might consist of responsibility for monitoring forest use, enforcing rules, providing operation and maintenance services, and even making new investments in the their forests (Meinzen-Dick and Knox, 2001). User groups, therefore, still need to be providing with some technical services, training, rule-enforcement, and dispute resolution by government agencies.

The SNVforHue is the sole NGO involved in the FLA as a donor. They have supported local governments and government agencies (hereafter called the “local authorities”) approach, and have provided finances to carry out FLA in Thuong Quang commune. The SNVforHue has significantly contributed to the participatory approaches to carrying out the FLA process by organizing several training courses on participatory approaches for the WG.

#### **4.5.2 Incentives of Social Actors**

There are many social actors involved in the FLA process, but their incentives are as different as chalk and cheese. Under the pressure of the demands of environmental protection and biodiversity conservation from national and international levels, the local governments strive to reduce deforestation by conducting FLA. They expect that the FLA policy could prevent deforestation, and

contribute to alleviating poverty. The FLA program in Thuong Quang commune has an aim of get more local people's participation in forest protection, at least in the allocated areas, because forest recipients must execute the official regulations in the LUC. In addition, local governments also want to reduce the cost of resource management, because the FLA can indirectly shift the burden of cost of forest management from the "local authorities" to user groups. In terms of political aspects, one of the reasons local governments are encouraged to be involved in the FLA program is political promotion. The leaders of local authorities, especially at the commune level, would like to gain a higher position when they execute the state policies well.

For the government agencies, the FPU is eager to be involved in the FLA process, because they get many benefits, although their main task is to deal with violations of forest protection and ensure the observance of forest protection and development legislation. The FPU is a government agency, whose budget comes from SNVforHue which improves their capacity building related to the FLA implementation. Moreover, the FPU would like to be involved in the FLA process because they can easily monitor and control the forest-recipients' activities later on. In contrast to the FPU, the NREO has inactively participated in the FLA process, because they did not get benefits from SNVforHue. The NREO has participated in the FLA process, due to their mandates assigned by the DPC. In addition, in the case of Thuong Quang commune, all allocated forest areas formerly belonged to the Khe Tre SFE. The NREO, therefore, was afraid to conduct FLA, because they do not want to create conflict between them and the Khe Tre SFE. The Khe Tre SFE is not directly involved, but they support the FLA process. They entirely agreed with the PPC's decision that withdrew parts of own their natural forest to allocate them to household groups, because those forest areas are poor and degraded forest, which cannot be exploited in the coming ten to fifteen years. In addition, the budgets for such forest area management from government continue to shrink. They, thus, would be faced with increasing constraints to manage the forests. It can be said that the FLA program has created an opportunity for the Khe Tre SFE to shift the cost of forest management toward the forest recipients, who would bear the cost of such forest areas.

The user groups could get both tangible and intangible benefits under the FLA policy. The motivation of the local people to be involved in the FLA policy is to have an official right to use the forest and forestland as well as the related benefits, and to will it to their children. The forest recipients are allowed to use 5-20% of allocated forestland for agricultural production to meet their needs of food for their short-term living requirements, and to collect NTFPs, which are the most important source of cash income for many poor people in remote areas. In addition, government agencies provided technical services and training programs relating to their interests. For instance, the SNVforHue has funded training courses on NTFPs plantation techniques, particularly on how to plant and nurture the more profitable NTFPs such as rattan, and conical hat leaves.

Two major objectives of SNVforHue in the first phase are (1) supporting the forest protection and management programs, and (2) strengthening the capacity of the forestry sector agencies, and local people for FLA implementation. According to Mr. Le Viet Tam, the SNVforHue's collaborative forest management advisor, the SNVforHue supported the "local authorities" in carrying out the FLA policy at first site of the project, because they expect to draw a lesson from the FLA implementation process to expand the project to some other provinces in the North Central region of Vietnam in the next phase. In addition, they would like to be dedicated to environmental preservation and poverty alleviation goals.

In the case of Thuong Quang commune, the "local authorities" are involved in the FLA with the aim to reduce the cost of forest management, while the motivation of user groups is mostly to get official rights of land and forest use. Even where the user groups are de facto managers of the forest, the formal arrangements between the user groups and the "local authorities" can increase the time and transaction costs that the user groups must bear (Meinzen-Dick and Knox, 2001).

#### **4.5.3. Capacities of Social Actors**

In terms of capacity, it is necessary to consider finances, knowledge and skill, and coordination among social actors. Concerning the financial aspect, the FLA in

Thuong Quang commune needs a vast budget to conduct the FLA, such as organizing workshops, training courses, implementing field surveys, supporting farmers after allocating forest, and so on. Since the district's annual budget is very limited, subsidies or contribution from the SNVforHue to the implementation of the FLA process is meaningful.

We would like to allocate natural forest to local people, particularly to those who live in remote areas, but Nam Dong is a poor mountainous district, and we do not have enough budgets to conduct the FLA. In 2003, the SNVforHue financed the district to allocate forest to local people. This support is significant in the district's cause of forest protection and management. In addition, it has also contributed to improve capacity for government staff as well as local people.

Vice-chairman of Nam Dong DPC

Since the user groups are ethnic minority groups, finance is a fundamental requirement for their long-term sustainability. If the user groups cannot raise enough cash and labor for their life, they will not invest in allocated forest management. Therefore, initial investment from the government or NGOs will encourage the local people to receive forest. However, heavy dependency on such external resources will undermine the autonomy and decision-making ability of the user groups, and the incentives to use the funds efficiently.

Knowledge and skills of social actors include both technical and management aspects. The NREO normally has about five staff members, most of whom have limited forestry professional skills and knowledge. They currently concentrate on residential land and agricultural land allocation, because they get significant support from the DNRE. In terms of FLA, the NREO are lacking in knowledge and experience of forest inventory, allocating forest in the field. They, therefore, were invited to be involved in some of the steps related to the LUC issue with their main task. On the contrary, the FPU is involved in the FLA as the chief implementer. Because they have about twenty full-time staff, and most of whom are forestry engineers and forestry technicians, and have much professional experience and capacities in terms of forest inventory, and implementing FLA. However, being forest rangers, who have been accustomed to top-down approaches, it was the first time that the FPU staff members worked closely with farmers by applying the participatory approaches.

My organization was chosen as the technical service provider in the FLA implementation process. We, therefore, have gained considerable knowledge, skills, and professional practice as well as finances. My staff has provided many training courses, such as training courses on land use planning and land allocation skills, facilitation skills, and community development skills, as well as many other study tours and cross-visits to other projects in the country by the SNVforHue. Through household surveys, village meetings, and FLA exercises in the field, they learned how to listen to local people and understood their needs and wishes better. I now recognize significant changes in my staff members' attitude towards work, to local people including women, and in the way they organize their work.

Head of the FPU Nam Dong

For user groups, indigenous forest knowledge is certainly important, but they lack knowledge of state policies regarding forest management, as well as scientific knowledge and information. Therefore, training and extension services are often play a critical role in strengthening the capacity of user groups. Where the FLA program improves local people's capacities, there may be stronger incentives to receive forest. The cases of A Rang and A Ka villages are good examples. It is very difficult to conduct the FLA in A Ka village. Only 11 percent households received forest, because they did not understand the FLA policy.

I do not want to receive forest under the FLA project, because I do not clearly understand what benefits I would get. I received 50,000 VND/ha/year when I contracted with Khe Tre SFE for the forest protection and management.

Mr. Ho Van Lau, non-recipient in A Ka village

Contrary to the A Ka village, where the FLA project seems to be unsuccessful, villagers in A Rang village have supported such project. Eighty eight percent of households received forest, because they were clear about the FLA policy.

During the first village meeting, the WG disseminated to villagers the Land Law of 2003 and other legal documents related to FLA policy, and further explained it later on if anybody asked questions. Therefore, we gradually understand the forest recipient's rights and responsibilities in forest management. As a result, a large number of households in the village voluntarily participated in the FLA process and registered for receiving forest.

Mr. Ho Van Dan, Head of forest recipient group 1, A Rang village

Coordinative ability is one of the important factors that could result in potential success of the FLA policy. In the context of Vietnam, the PPC and the DPC are social actors that play a key role in coordinating the FLA process. The Nam Dong DPC lacks experience in FLA process coordination. Therefore, they could not coordinate collaboration of government agencies to carry out FLA. The DPC has assigned the FPU

to conduct the whole FLA process, while only assigned the NREO to conduct some work related to administrative procedures and LUC issue. Legally, the NREO plays a key role in the FLA implementation process, including the LUC issue. The DPC, hence, must assign them to conduct the whole FLA process with assistance of other government agencies. Even the ARDO, who takes charge of state managerial responsibility for forest and forestland at the district scale, was not given the task to carry out the FLA process. In addition, the Khe Tre SFE was also not invited to be involved in the FLA process, although the forest which will be allocated to household groups, formerly belonged to them.

I always wonder why district authority did not invite us to participate in the FLA process in Thuong Quang commune, although we know forest areas that will be allocated to villagers more than anyone. Why did not they express their opinion when the FPU staff carried out some work such as designing forest compartments and blocks to allocate households before the provincial government withdraws part of our forests.

Head of Forest Protection and Management Division, Khe Tre SFE

Because of the lack of experience in the coordination, the progress of FLA was not smooth. Therefore, the process of FLA implementation in Thuong Quang commune is not yet completed. It has just finished step 4 and is progressing towards step 5. The forest recipients have not been issued the LUC so far. It could be said that if there was good coordination at the beginning, government agencies will closely collaborate to conduct the FLA. As a result, the implementation of the FLA would be very easy and fast, including the process of issuing the LUC.

#### 4.6 Summary

This chapter considers the FLA as a form of forest decentralization. It began by reviewing the evolution of Forestry Policy in Vietnam from 1954 up to now. This evolution consists of two major periods. The first period, from 1954 to 1985 is considered as centralization in forest management. The second period, from 1986 to present is considered as decentralization in forest management. The next section presents the institutional landscape of FLA, which focuses on the provincial, district, and commune scales in the context of Thu Thien Hue province. The FLA created new administrative units, which are the SC at provincial and district scales, the LUC at

commune scale, and the WG at district scale. Each unit is upwardly accountable to the superordinate. In addition, the recipients have many basic rights at the same time that they would use forestland and forest with the right purposes stipulated by the FLA policy. Therefore, it could be said that FLA has taken place under the administrative and political decentralization. The FLA implementation process in Thuong Quang basically encompasses seven main steps, and has encouraged local people's participation more than the other projects.

The social actors involved in the FLA process can be divided into four groups: (1) the local governments (the PPC, DPC and CPC), (2) the government agencies (the FPU, the NREO, and the Khe Tre SFE), (3) the user groups (household groups), and (4) NGOs (SNVforHue). Social actors are involved in the FLA policy with different roles, incentives, and capacities.

For local governments, the PPC's role is to initiate natural forest allocation to community, household groups. They decided to allocate natural forest under the management of the Khe Tre SFE to household groups. The DPC's role is to coordinate the FLA process by establishing District SC, the WG and the LRC. The CPC plays a central role in the whole process and chooses a technical service provider that helps it to implement the FLA at the commune level.

For government agencies, the FPU is chosen as a technical service provider. Although a mandate of the FPU is to deal with violations of forest protection and ensure the observance of forest protection and development legislation, they are involved in the FLA process, because they receive a budget from SNVforHue and can easily monitor and control the activities of forest-recipients later on. Apart from the closer relations with SNVforHue and Thuong Quang CPC, the FPU has much professional experience and capacities in terms of forest inventory, and the FLA implementation. In addition, the FPU has around twenty full-time staff, and most of them are forestry engineers and forestry technicians. The NREO is in charge of land administration in the district and issues the LUC. Although land allocation is one of the main tasks of the NREO, they do not perform an active role in the FLA process. The NREO has inactively participated in the FLA, because they do not get benefits from SNVforHue, and lack knowledge and experience of forest and forestland allocation,

while very few members have forestry expertise. They participated in the FLA process due to their mandates assigned by the DPC.

User groups of FLA in Thuong Quang commune are limited to only the household groups. Allocating forest to household groups is decided by villagers with the facilitation of the FPU and CPC. Nevertheless, villagers' opinions were collected only during village meetings, where the voice of the marginalized groups such as the poor and women were hardly heard. The motivation for the local people to be involved in FLA is to have an official right to use the forest and forestland as well as the related benefits, and to transfer it to their children. The forest recipients are allowed to collect NTFPs and to use 5-20% of allocated forestland for agricultural production to meet the needs of food (short-term living requirement). In addition, they have been provided technical services and training programs by government agencies.

The SNVforHue is the only NGO involved the FLA. They have supported the "local authorities" and villagers approach and finances to implement FLA. They are involved in the FLA policy with the aim of strengthening the capacity of the forestry sector agencies, local governments and local people in FLA implementation.