

THE PRIME MINISTER

**Decision No. 66/2011/QĐ-TTg of
December 9, 2011, amending and
supplementing a number of articles of
Decision No. 147/2007/QĐ-TTg of
September 10, 2007, on a number of
policies for development of production
forests during 2007-2015**

THE PRIME MINISTER

*Pursuant to the December 25, 2001 Law on
Organization of the Government;*

Pursuant to the December 23, 2004 Law on Forest Protection and Development;

Pursuant to the Prime Minister's Decision No 18/2007/QĐ-TTg of February 5, 2007, approving the strategy for Vietnam's forestry development to 2020;

At the proposal of the Minister of Planning and Investment,

DECIDES:

Article 1. To amend and supplement a number of articles of the Prime Minister's Decision No. 147/2007/QĐ-TTg of September 10, 2007, on a number of policies for development of production forests during 2007-2015, as follows:

1. To amend and supplement Article 5 on investment support for forestation and forest extension as follows:

a/ Point a, Clause 1:

"a/ A support of VND 4.5 million/ha, for planting big timber trees (to be exploited after 10 years) or indigenous trees; and VND 3 million/ha, for planting small timber trees, bamboos and *Dendrocalamus membranaceus* Munro (*luong*) (to be exploited before 10 years)."

b/ To annul Clause 2.

c/ Clause 3:

"3. Forest-planting organizations, households, individuals and communities other

than those specified in Clause 1 of this Article may receive seedling or forest extension support at a maximum VND 2.25 million/ha; or VND 2.25 million/1,500 scattered trees (equivalent to one hectare of planted forest), if they plant scattered trees. Specific support levels shall be based on seedling prices annually announced by provincial-level People's Committees."

d/ Clause 5:

"5. Forest extension support: VND 300,000/ha in 4 years (1 year for planting and 3 years for tending), for forestation in communes with extreme difficulties (under the Prime Minister's Decision No. 164/2006/QĐ-TTg of July 11, 2006, approving the list of communes with extreme difficulties); and VND 150,000/ha in 4 years, for forestation in other communes."

e/ Clause 6:

"6. A lump-sum support of VND 150,000/ha, for surveys and designing and conclusion of forestation contracts; VND 45,000/ha, for appraisal and approval of projects to support production forest planting; VND 100,000/ha, for grant of certificates of sustainable forests; and VND 300,000/ha, for assignment, grant of land use right certificates and contracted allocation of land for forestation to households and individuals and VND 150,000/ha, to organizations and communities.

The support levels specified in Clauses 5 and 6 of this Article shall be provided in addition to the total investment support for planting production forests specified in Clauses 1 and 3 of this Article."

2. To amend Clause 2, Article 7 on investment support for planting and management of breeding forests and nurseries as follows:

"2. Breeding forests and nurseries managed by economic sectors must be under planning approved by competent authorities and are entitled to investment support for construction of initial physical foundations under projects approved by competent authorities. The maximum levels of state budget support for bio-forestry tasks, infrastructure construction and equipment are specifically as follows:

a/ VND 52.5 million/ha, for newly developed nurseries;

b/ VND 37.5 million/ha, for newly developed breeding forests;

c/ VND 15 million/ha, for regenerated breeding forests;

d/ In addition to the above supports, a support of VND 150,000/ha/year shall be given to pay management expenses for breeding forests and nurseries for no more than 5 years."

3. To amend Clause 4, Article 8 on investment support for building high-quality seedling centers as follows:

"4. The maximum level of state budget support is VND 2.25 billion for a seedling center."

4. To amend Clause 5, Article 9 on investment support for nurseries as follows:

"5. Support levels: VND 300 million on

average for building a new nursery; new nurseries built in border communes may receive support at the level corresponding to the projects' approved capital; and VND 75 million at most, for an improved or upgraded nursery."

5. To amend Article 10 on investment support for forestry roads as follows:

a/ Point b, Clause 1:

"b/ The investment support level is VND 30 million/km, including VND 25 million/km for construction of items of a firebreak, and the remainder, for maintenance throughout the whole forestation cycle."

b/ Clause 2:

"2. Forestry roads: Projects to plant consolidated raw-material forests of 500 ha or more in regions without auto-accessible roads for transportation of products in rainy seasons may receive investment support for forestry roads concurrently used for daily life activities and forest fire control (referred to as forestry roads) at VND 450 million/km. The management of investment in and construction of forestry roads after 2013 shall comply with current regulations."

6. To amend and supplement Article 11 on support for transportation of processed products in the northwestern region as follows:

a/ Clause 1:

"1. Plants processing timber from planted forests and *Dendrocalamus membranaceus* Munro (into artificial boards or blocks) in

northwestern provinces (under Politburo Resolution No. 37-NQ/TW of July 1, 2004, on orientations for socio-economic development and maintenance of defense and security in northern midland and mountainous regions to 2010) may receive state support for investment and product transportation in the first five years after they start production. The support level is VND 1,500/ton/km (one thousand, five hundred Vietnam dong)."

b/ Clause 2:

"2. Forms of support:

- Post-investment support: Transportation costs shall be calculated based on the distance from a plant to Hanoi, the major consumption center, by the shortest motorway, and based on the plant's actual capacity.

- Investment support: To support MDF (medium density fireboard) plants with an annual capacity of 30,000 m³ or higher in northwestern provinces at the levels provided in the Prime Minister's Decision No. 60/2010/QĐ-TTg of September 30, 2010, promulgating principles, criteria and norms for allocation of state budget funds for development investment during 2011-2015."

c/ Point b, Clause 3 on the order of support, take-over test, payment and settlement:

"b/ Initially, 70% of the transportation cost support shall be provided, the remainder shall be subtracted from the plant's annual payable tax amount. A separate entry of budget support provided directly to the plant shall be made annually. The total capacity of plants entitled

to transportation support will be 150,000 tons at most for each province. A province which has a pulp mill with a capacity of over 50,000 tons will not receive support. Investment support shall be provided right at the beginning of construction of a plant."

d/ Clause 4:

"4. Conditions to receive support:

- The State shall provide support only for plants manufacturing artificial boards and particle boards or artificial boards and MDFs to make full use of raw materials or plants manufacturing boards and blocks from *Dendrocalamus membranaceus* Munro. For 20 years, such a plant must not be relocated from its registered production area.

- The plant is built with an actual capacity of at least 10,000 m³/year and with 100% of brand-new equipment or used equipment manufactured in developed countries after 2000.

- The concerned enterprise has planted production forests available for harvest, ensuring supply of raw materials for the plant to operate at least 50% of its designed capacity or the locality in which the plant is located has a raw material area for supply for the plant to operate at 100% of its designed capacity (the planted forest production as a basis for calculation of support for a plant is 100m³/ha).

- The enterprise is a non-state one. If it is a state enterprise, only equitized wood processing establishments with no more than 50% of state capital may receive the support."

7. To amend Clause 3, Article 12 on funding sources for investment support as follows:

“3. The total investment for implementation of this Decision during 2011-2015 is around VND 50 trillion, of which around VND 39.2 trillion will be raised from various economic sectors, and around VND 10.8 trillion from the state budget (VND 8 trillion from the central budget and VND 2.8 trillion from local budgets).”

Article 2. This Decision takes effect on February 1, 2012.

Article 3. Ministers, heads of ministerial-level agencies, heads of government-attached agencies and chairpersons of provincial-level People's Committees shall implement this Decision.

Prime Minister

NGUYEN TAN DUNG