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DECISION BY THE CHAIRMAN OF THE COUNCIL OF MINISTERS

on policies for the use of bare land, denuded hills, forests, alluvial flats, and water bodies.

THE CHAIRMAN OF THE COUNCIL OF MINISTERS,

Based on the Law on the Organisation of the Council of Ministers, dated 4 July 1981; In order to ensure that the activities listed below are carried out in the coming 10-15 year period,

- greening of the major part of the degraded hills,
- protection of forests and the environment,
- utilisation of bare land in hilly areas, of coastal alluvial flats, and of water bodies for production of goods and supply of industrial raw materials,
- fulfilling the programme for fixed cultivation and sedentarisation,
- combining economic and social activities,
- stabilising and gradually improving the material as well as the spiritual life of people in new economic zones and of people belonging to ethnic minorities, and
- creating incomes to the State and consolidating the national security;

HAS MADE THE FOLLOWING DECISION GUIDELINES

Article 1.

In accordance with the strategy for socio-economic development to the year 2000, all levels and sectors are to mobilise their labour force and intellectual capacity. Funds from all economic components are to be used in projects for the use of bare land, degraded hills, forests, coastal alluvial flats, and water bodies. Provinces with bare land and degraded hills are to establish projects in order to use the land. Provinces without bare land and degraded hills formulate projects enabling people in their provinces to participate in projects outside the province.

Article 2.

The establishment of projects must be made in accordance with the availability of funds of the people and the State.

Projects in border areas and for fixed cultivation and sedentarisation have a key position. Projects with quick return of funds are given priority. Existing state farms and forest enterprises, including those of the army, constitute the main components. Where such institutions do not exist, new projects covering a commune or a village should be established. Projects in forestry, industrial crop production, and animal husbandry have to form an appropriate production structure, closely combining forestry with agriculture and services. They should also promote efficient production of goods and a close linkage between processing industries and the domestic as well as the international market. Primary food crops should be combined with supplementary ones, long-rotation crops with short-rotation ones. The area of national forest reserves and of protection and watershed forests is to be enlarged. It should be clearly defined in which forest exploitation is prohibited and in which ones exploitation is permitted for logs, fuelwood, or other forest products.

Article 3.

Individual households are the production units, state enterprises or collective economic units are the basis. The economic returns of the homegardens (V.A.C., thus including fish cultivation and rearing of domestic animals) should be increased. A close relationship should be established between individual households and communities as well as with state and collective economic components in the local level. The production capacity of the households should be increased and it should be ensured that the benefits accrue to them. At the same time, they should fulfil their duties to the State and the collective. Economic development should be combined with social welfare, national defence and security, and with the creation of a new countryside.

Article 4.

Villages with fixed cultivation and sedentarisation are to consolidate their achievements while new project for fixed cultivation and sedentarisation based on a village are to be formulated. The farming practices of people living from shifting cultivation will have to be converted into fixed cultivation, forestry activities, cultivation of food crops, and creation of a varied homegarden economy, so as to develop a commodity economy.

Article 5.

In the formulation and implementation of production projects, advanced technical methods should be applied. They should also be combined with processing industry, marketing and environmental protection.

II. POLICY

a) Policy for allocation of land and forests

Article 6.

Projects are to be established for afforestation in different kinds of forest (protective forests, special-use forests, and production forests) on bare hills and on coastal sands, and for protection, enrichment, natural and artificial regeneration of forests (including protection of rich forests). Each individual household (including settled households) is allocated a defined area for reforestation, protection, enrichment, and regeneration. The size of the areas allocated depends on the land available, the labour and the living conditions of each household as well as on the investment ability of the State and the availability of funds and labour force of the economic components and individual households.

The normal size of a project will be 5,000 to 10,000 hectares, depending on its characteristics. This corresponds to the area of a commune or a village in mountainous areas.

In this way, a basic unit would be formed, suited to the capacity for investment by the State and the people for purposes of administration, socio-economic development, and for national security and defence.

Projects in areas of resin-yielding pine (*Pinus merkusii*) which give both wood and an industrial raw material should be no larger than 3,500 hectares. Each individual household is allocated or hires an area of suitable size with regard to its capacity in terms of labour force and funds for planting, management, protection, tending, and preparation for harvesting.

Besides the allocated or hired area and depending on land and labour available, each household is allocated an extra arable area for cultivation of cash crops (short or long term ones) and food crops. This area should be no larger than 5,000 m² for homegarden and an additional area for pasture.

Article 7.

For cash crop projects, for example in rubber, mulberry, coffee, tea, sugar cane, cotton, fruit trees and short-term cash crop, the scope of the projects will depend on the population of the new village. Each household is allocated an area appropriate to its labour force and the funds available for long-term use. Of this area, up to 3,000 m² may be used as a garden.

In the next few years, these projects should be based on existing state service enterprises in agriculture and forestry. In accordance with guidelines given for such enterprises, they will supply inputs to and purchase outputs from farmers. Where there is much land available, additional projects could be established but due preparation must be made for them.

Article 8.

For projects specialised in animal husbandry, the commune provides a suitable framework. Each household is allocated an area for cultivation of fodder crops or for pasture. Simultaneously, each household is allocated an area for long-term use such as for planting both short and long term industrial crops, high-yielding food crops, or homegarden (V.A.C.) activities.

Article 9.

Projects concerning alluvial flats plains and water bodies for the purpose of production of marine products should be about 700 hectares in extent and correspond to a commune in population. Each household is allocated an area for production of shrimps, crabs, algae, and about 700 m² for garden. The State makes investments in infrastructure and is repaid over a suitable time period by the people using the facilities. Construction of other facilities in the project area and the cultivation of the water itself are to be carried out by the households themselves, using their own funds or loans obtained from a bank. Investments in projects in coastal alluvial flats or for water bodies covering less than 700 hectares are to be made by local authorities or by individual households.

b) Investment policy

Article 10.

State funds for investment within the programme for use of bare land and degraded hills are of the following kinds:

- Funds from the State budget (for investment in reforestation, forest protection, fixed cultivation and sedentarisation, and establishment of new economic zones);
- Payments of the natural resource tax from forestry activities;

- Bank loans;

- International cooperation. In this case, strong emphasis is laid upon funds mobilised from the private sector.

About 60% of the funds obtained from the State budget are to be used for the following purposes:

- creation of infrastructure,

- scientific and technical facilities,

- public welfare,

- afforestation of protection forest land and special-use forest land,

- national seed stands,

- support during the first six months to people who move to a new area for reclamation of land.

These funds are paid directly to the projects and need not be repaid. The remaining 40% are lent to individual households without interest. Repayment of those loans is to begin when the projects start yielding products. Repayment is then to be scheduled in accordance with the production cycle of the plants or animals involved.

The entire amount of natural resource tax is to be used for reforestation.

Households going to a new economic zone have the right to transfer the land-use rights for cultivated land and for homesteads in their place of origin, so as to obtain additional funds for their new settlement.

Communes which have people going to new economic zones are to support those leaving with material and labour.

In new economic zones, projects are not obliged to follow the general policy of retaining 10% of the funds allocated.

Ministries in charge of project management may use 5-6% of the total project fund for agricultural extension and transfer of technology and management skills.

Article 11.

The State strongly encourages state enterprises, share companies, other companies and individual households, including joint ventures between companies and individuals in the country and foreign units to invest in cultivation and animal husbandry in new economic zones. These economic organisations will get the right to use bare land and degraded hills, coastal alluvial flats, and water bodies.

The areas allocated will depend on the land available and the investment capability of each enterprise (in various forms such as plantations, farms, etc., including joint ventures).

III. IMPLEMENTATION

Article 12.

From now until the year 2000, the State annually spends an appropriate fund for reforestation of bare land and denuded hills. In 1993, both initial activities and planning for

1994 will be carried out. The State Planning Committee is to make a proposal for investment level for this programme without delay and submit it for approval to the Council of Ministers and the National Assembly by the end of 1992.

Article 13.

The Ministry of Labour, Disabled Soldiers, and Social Affairs is to analyse the policy in support of individual households moving to new economic zones. Support with housing and with food during the first six months is provided in order to encourage people to move to new economic zones. The Ministry is to submit its conclusions to the Chairman of the Council of Ministers as soon as possible.

The laws in effect at present provide certain possibilities for reduction in the levels of agricultural tax or exemption from paying such tax for inhabitants in new economic zones.

The Ministry of Finance is to propose modifications and additions and submit a draft for a revised law on agriculture tax to the Council of Ministers and the National Assembly.

Article 14.

Scientific and management staff who are directly involved in projects as well as staff engaged in agricultural extension and transfer of technology, are to receive a wage level making these assignments attractive, especially in highland areas. If the projects are successful, they will get an additional bonus. The Ministry of Labour, Disabled Soldiers, and Social Affairs as leading agency, together with other concerned ministries is to report on this issue to the Chairman of the Council of Ministers.

Article 15.

By the end of January 1993, sectoral ministries are to prepare a general programme for agriculture, forestry, and fishery projects up to the year 2000. In this work they will cooperate with other ministries, sectors and local authorities concerned. The sectoral ministries are also to assist provinces, districts, state farms and forest enterprises in establishing key projects for state farms and forest enterprises. The documents are to be finished by the end of November 1992 in order to obtain funds for 1993.

Appraisal of the projects proposed must be made in a careful and economical manner. Projects for which a model design already exists need only be upgraded. Simple projects which are to be implemented by technical level staff do not need to be redesigned.

Article 16.

The Ministries of Agriculture and Food Industry, Forestry, and Marine Products as well as provincial and city People's Committees have to examine the situation, appoint project implementing agencies, and recruit project directors. They will also transform existing state farms and forest enterprises into state service enterprises in accordance with decision 388 - HDBT of the Council of Ministers. This work should be finished during the first quarter of 1993 in order to create a basis for individual households who will engage in production.

Article 17.

The competent authorities for project appraisal and approval are the following:

- The chairman of the Council of Ministers is competent to approve large-scale projects, covering several provinces.

- Ministers of sectoral ministries are competent to approve projects in existing state farms and forest enterprises belonging to the ministries concerned and are also competent to approve marine production projects larger than 700 hectares. The Chairman of People's Committees concerned is responsible for control and investigation of activities within key projects.

- Chairmen of provincial and city People's Committees are competent to approve projects in the concerned provinces and cities as well as projects in existing state farms and forest enterprises managed by the province. The provinces exercise state management functions in relation to all projects located in the province.

- The two national scientific centres and the State Committee for Science and Technology are responsible for critical examination of scientific matters in the projects.

Article 18.

The State Planning Committee as leading agency, together with the Ministry of Finance is to control projects which fall under the responsibility of the Chairman of the Council of Ministers and also certain key projects approved by ministries and provincial and city People's Committees. The State Planning Committee is to collect project plans and establish the investment needs of the projects. The Committee should immediately submit an investment schedule for 1993 to the Council of Ministers and prepare a plan for 1994. Based on the approved plan, sectoral ministries and local authorities are to distribute funds to the different projects. The Ministry of Finance is to inform the Treasury about the investment needs so that the Treasury can distribute funds directly to the project implementing agencies and credits to the households concerned, according to the plans for each project.

Article 19.

The Ministry of Labour, Disabled Soldiers, and Social Affairs is to define policies on labour, population, staff, etc., manage and distribute the state fund for economic renovation so as to meet the requirements of the various projects mentioned above.

Article 20.

Ministries and state committees in charge of projects are responsible for the selection of leading staff for projects under their authority. They are also to issue the necessary documents guiding implementation of such projects.

A special envoy of the Council of Ministers is responsible for assistance to the Council and its chairman in coordinating sectors and local authorities. He is also to control, supervise, and give advice related to the implementation of this decision.

This decision is in effect from its day of issue. All previous regulations contrary to this decision are hereby abrogated.

The Chairman of the Council of Ministers

Vo Van Kiet