

SOCIALIST REPUBLIC OF VIETNAM
Independence--Freedom--Happiness

Hanoi, 2 May 1994

DECISION BY THE PRIME MINISTER

**on contracts for forest protection, maintenance,
natural regeneration and planting**

(Unofficial translation by the Strategy Project, Ministry of Forestry)

Article 1.

1. The State allocates forests and open forest land to organizations, comprising management boards for watershed forests and special-use forests, State Forest Enterprises, State Farms, State Fishing Enterprises, forest seed stations and farms, units of the armed forces, general and vocational schools, social organizations and other organizations, in accordance with Point 1 in Article 5 in Government Decision number 02, dated 15 January 1994, hereafter referred to as "State forest owners". State forest owners have the right to allocate and make contracts for forest protection, natural regeneration and planting with other organizations and households.

2. Forest owners who implement contracts for forest protection, natural regeneration and planting, must meet the following requirements:

- Have a Land Tenure Certificate obtained from the authorities.
- Have a technical-economic plan or investment proposal, duly approved by the authorities.
- Have sufficient funds for paying all the costs of the contracts.

Article 2.

Recipients of the contracts for forest protection, natural regeneration and planting are called "Contracted households" and comprise households, individuals, State units, units of the armed forces, schools, social organizations and economic organizations.

The first priority for contracts is given to households which still depend on shifting cultivation, and households settling in new locations.

Article 3.

The contracting parties should prepare the contract jointly. The contents of the contract should be as follows:

- Present status of forest and forest land covered by the contract.
- Quantity, quality and results of forest protection, natural regeneration and planting activities to be carried out for each period (including industrial crops and homegarden economy).
- Obligations and rights of both sides, and method of payment.
- Rules in case of non-fulfilment of contractual obligations.

The contract should be signed by both parties and be confirmed by the People's Committee in the commune or district.

Article 4.

1. The Ministry of Forestry sets the norms for different activities concerning the three types of forest in accordance with local conditions (including guidelines for payment in forest products for the contracted work) according to standard costs per hectare for protection, natural regeneration and planting set by the State Planning Committee.

2. Funds for payment for work contracted can come from the State budget, from foreign organizations, or be provided as credit from banks (according to Decision No 264/CT, dated 22 July 1992)

Article 5. Responsibilities of the State Forest Owner:

The State Forest Owner must:

1. Define the forest area, its borders and the present situation of the forest on a map and also in the field for contracts for protection of existing forests.
2. Follow general plans and the technical design of the Ministry of Forestry for contracts for natural regeneration or planting of new forest stands on open land.
3. Prepare a plan, and propose methods for protection against forest fires, insects and pests, and guide the contracted households in implementing these activities.
4. Guide and assist the contracted households in nursery techniques for raising seedlings (for tree species yielding timber, non-wood products, industrial raw materials and fruit) and in silvicultural techniques.
5. Fulfil all obligations of the contract. For contracted forests of harvestable age, the Forest Owner can pay for labour in the form of forest products provided that the households agree. For remote and mountainous areas, payment can be made in the form of food if required by the contracted households.
6. Assist the contracted households to obtain credit for household economic development according to Government policy.

Article 6. Duties and rights for contracted households:

The contracted households:

1. Must fulfil all commitments in the contract.

2. Have the following rights:

- To obtain payment in cash or in the form of products according to the contract.
- To harvest non-wood forest products in the contracted forest in accordance with regulations of the Ministry of Forestry and guidance of the Forest Owner.
- Choose the form and duration of activities according to the kind of forest contracted and its capacity. The State encourages the households to sign long-term contracts, for example for 50 years, for protection forests and special-use forests, and for a full production cycle for production forests.
- Grow food crops in agroforestry systems as long as the forest canopy is not closed and have the right to the entire yield of agroforestry products.

If the contracted household is unable to fulfil the contract and the contracted period has not yet lapsed, the contract holder has the right to transfer the contract to another household or obtain payment from the Forest Owner in an amount corresponding to the work carried out so that the Forest Owner can contract the land to another household.

- Buy wood for construction purposes from the Forest Owner in accordance with policies of the State.

Article 7. Special features of contracts for different kinds of forest.

1. For special-use forest:

- a. Strictly protected nature reserves should be contracted to households residing in the area. Every year, the State should provide funds to the Forest Owner for payment to the contracted households. The contracted households must protect and manage the nature reserves.
- b. In environmental restoration areas, in buffer zones of national parks and in nature reserves, the Forest Owner should establish contracts with households for protection, regeneration, and planting according to technical and economic plans. Funds will be provided by the State.

According to guidelines from the Forest Owner, the contracted households may cultivate industrial trees as well as tree species yielding non-wood products in special-use forest. They have the right to all products. Interplanting should, however, not be allowed to have a negative influence on the main tree crop or on soil fertility.

2. For protection forests:

- a. In essential protection forests, contracts for protection, natural regeneration and planting should follow plans approved by the competent authorities. Payment should be made annually, using State funds.

In non-essential watershed protection forests, contracts for protection, natural regeneration and planting should be established, in accordance with Paragraph b of Section b 1 in Article 7 above.

- c. For windbreaks and shelter-belts protecting against sand and for forest protection dikes along rivers and the sea, the Forest Owner should contract households and make annual payments, using State funds for protection and planting.

3. For production forests.

- a. For natural forests and plantation forests with a rotation of more than 20 years:
 - If the Forest Owner harvests forest products, he must also carry out protection and regeneration without payment.
 - If the Forest Owner cannot obtain sufficient funds for payment of the households contracted to extract forest products, the State will provide funds to the Forest Owner in accordance with established norms. After harvesting, the Forest Owner must repay this amount to the State.
- b. For production forests with a rotation of less than 20 years, the Forest Owner may obtain a loan according to Decision No 264/CT dated 22 July 1992, for planting and protection during the first rotation. After harvesting the crop of the first rotation, the Forest Owner must repay the loan, including simple interest, to the State.

After harvesting production forests, the Forest Owner must pay taxes and other fees to the State according to regulations in force.

Article 8.

The Forest Owner and the contracted households are jointly responsible for the consequences if the contract is broken and also have to compensate any losses caused according to the law. Anybody contravening the Forest Protection and Development Act will be punished according to Articles 50, 51, 52 in that law.

Article 9.

The Ministry of Forestry, other ministries and People's Committees are to guide the Forest Owners in implementing this policy for forest contracting for forest protection, natural regeneration and plantation for different kinds of forest. The People's Committee in the Commune or District concerned are responsible for direct follow-up of the implementation of contracts.

Article 10.

The Minister of Forestry, the Minister of Finance, and the Directors of the State Planning Committee, the Committee for Ethnic Minorities and Mountain Areas, Heads of other concerned authorities, and Chairmen of People's Committees in Provinces and Cities are responsible for implementation of this Regulation.

On behalf of the Government
For the Prime Minister
Phan Van Khai
Vice Prime Minister