



Institutional barriers to Community Forest Management

A case study of Vietnam



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Master's Thesis 2011



Lund University

Master's Thesis - Environmental Studies and Sustainability Science

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May 2011

Abstract

Meeting the demands of economic necessity in a developing country whilst provisioning the vital natural resources for significant populations, forest management practices in Vietnam have rapidly developed and diversified in recent decades. The late twentieth-century has seen a shift in national strategic forest resource planning in Vietnam, from a predominantly productivity-driven exclusive State management regime, towards a socially inclusive resource conservation and livelihood support system. While the distribution of these valued forest resources aims to include the poorest and most forest-dependent inhabitants through a number of programs such the 5 Million Hectare Programme, the prevailing economic disparities of rich and poor forest users suggests these programmes are lacking in effectiveness. This paper analyses the roles and responsibilities of stakeholders conducting forest management activities in Vietnam with the aim of establishing the strengths and weaknesses of current implementation strategies, which reduce and enhance the institutionalisation of equitable forest management practices. Based on field research conducted in Vietnam during February and March 2011, an analysis and discussion of institutional barriers that exist to the implementation of effective community forest management practices in Vietnam is presented. Interview results from multiple active stakeholders suggest that while socially equitable measures are applied in forest resource management, there exist a number of issues, which significantly inhibit effective institutionalisation of CFM practices. This research, in its consideration of Environmental Governance theory and the Forest Entitlement Framework, identifies that there exists clear disparities and dis-connects between forest users of civil society, market entities and State authorities. While a notable shift is evident in forest management towards a more socially equitable goal, there prevails a substantial incumbency of the State both in an economic and authoritative role and a particular lack of commitment to ensuring the equitable inclusion of communities. Lack of land tenure rights for traditionally defined communities inhibits and dissuades civil participation, together with the complexity of the existing harvest requirements of forest resources imposed by State entities. Despite the existence of such participatory barriers and lack of State support, examples of successful community forest management practices are evident, however the replication of such activities beyond their pilot status is dependent on political decisiveness both at the national and provincial level. To attain an Agrarian state of resource management, where the equitable interaction of all parties is achieved and sustained, equitable devolvement of not only forest resources to civil participants' is required but also the effective transfer of responsibilities and authority.

Keywords: *community forest management, entitlements, governance, institutionalization, Vietnam*

Acknowledgements

We would like to thank our supervisors, Barry Ness and Elina Andersson for their time, patience and insightful guidance. Thank you also to our interview participants, who without their help, the fieldwork for this project would not have been possible. We are also grateful to the Legal Empowerment of the Poor and the Swedish Society for Anthropology and Geography for the provision of financial assistance in conducting the field research. Thank you also to our classmates, who have been a constant source of inspiration and heartfelt gratitude to our parents, for their undying support.

Abbreviations

5MHRP	Five Million Hectare Reforestation Programme
BCI	Biodiversity Corridor Initiative
BDS	Benefit Distribution System
CBF	Community based forestry
CBFM	Community based forest management
CBNRM	Community based natural resource management
CF	Community Forestry
CFM	Community Forest Management
CPC	Commune People Committee
DARD	Department of Agriculture and Rural Development
DoF	Department of Forestry
DoNRE	Department of Natural Resources and Environment
DPMU	District Project Management Unit
EPMNR	Environmental Protection and Management of Natural Resources in Dak Nong Province (GTZ)
ETSP	Helvetas Extension and Training Support Program
FAO	Food and Agriculture Organization of the United Nations
FD	Forest Department
FLA	Forest Land Allocation
FGLG	Forest Governance Learning Group
FPD	Forest Protection Department
GDP	Gross Domestic Product
GoV	Government of Vietnam
GSO	General Statistics Office
GTZ	German Technical Cooperation
Ha	hectare
JICA	Japan International Cooperation Agency
KfW	Kreditanstalt für Wiederaufbau (German Financial Cooperation)
KfW6	KfW Forest Rehabilitation and Management, Quang Nam, Quang Ngai, Binh Dinh and Phu Yen
MARD	Ministry of Agriculture and Rural Development
MOLISA	The Ministry of Labor, War Invalids and Social Affairs
MoNRE	Ministry of Natural Resources and Environment
NGO	Non-governmental organization
NTFP	Non-timber forest products
ODA	Overseas Development Agency
PAMB	Protected Area Management Board
PES	Payment for Environmental Services
PFES	Payment for Forest Environmental Services
RECOFTC	Regional Community Forestry Training Center for Asia and the Pacific
RDDL	GTZ project on Rural Development in Dak Lak Province
REDD	Reduced Emissions from Deforestation and Forest Degradation
REDD+	incl. conservation, sustainable management & forest carbon stock enhancement
SFE	State forest enterprise
SFSP	Social Forestry Support Project
SMNR-CV	GTZ project on Sustainable Management of Natural Resources in Central Vietnam
SNV	Netherlands Development Organization
SUF	Special Use Forest
TFF	Trust Fund for Forest
VND	Vietnamese Dong (national currency) 1USD = 20,890VND
VFDF	Village Forest Development Fund
VFMB	Village Forest Management Board
VFPG	Village Forest Protection Group
VFPDR	Village Forest Protection and Development Regulation
VPT	Village Protection Team
WWF	World Wildlife Fund
GFTN	Global Forest & Trade Network (WWF)

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1.0 Introduction

Governance of natural resources is often at the forefront of key policy decisions in developing countries, often relating to contentious issues such as poverty alleviation, development, common property resources, local rights and community based management. Natural resource management is invariably connected to institutional governance and it is the formal and informal institutions through which authority and power are conceived and exercised that governance exists. Governance is also defined as the political-administrative, economic and social organization and accountability of power and authority (Larson and Soto, 2008). Much like “sustainable development” the term *decentralization* has gained unprecedented attention from both conservative and progressive agents and as such is often lacking in conceptual clarity. Decentralization is also a term that shifts in meaning depending on who the speaker is (Larson and Soto, 2008). However in general, decentralization theories suggest an improvement in resource allocation, efficiency, accountability and equity by linking the costs and benefits of public services (Larson and Soto, 2008).

This paper reviews the natural resource decentralization process through a case study analysis of community forest management (CFM) in Vietnam. Forest management exemplifies the process of decentralisation through the inclusion of key natural resources and rural livelihood dependence. Much of the literature pertinent to forest decentralization also tends to focus on specific economic and political interests, policy priorities, and property rights alternatives (Larson and Soto, 2008).

The key issue regarding decentralized forest management in Vietnam is institutional governance. As such, some leading questions that should be asked are: Who should have authority over how forest resources are utilized and why? And who benefits the most (or least) from changes in forest management?

During the last two decades, Vietnam has made significant economic achievements, including an increased gross domestic product (GDP) and population growth rate. In spite of such growth however, Vietnam remains a poor country with a division between the rich and poor. According to Nguyen (*et al.*, 2009), 19.5% of the population in 2004 was still classified as living in poverty, with the average GDP per capita stated at US\$675. It is therefore important to understand Vietnam's political and economic context and the effects that such processes have on forest dependent populations.

The development of the Vietnamese context of forest decentralization, also referred to as *devolution*, has incurred a myriad of institutional arrangements and a balancing act of power relations revolving around national, provincial and district authorities. With the introduction of CFM in Vietnam, local communities and villages are also involved and inevitably affected by these changes in forest management strategies and activities. Questions regarding a community's entitlements and endowments of forest resources in addition to equitable benefit sharing must be addressed, as land tenure rights at the local level is a crucial element for successful CFM implementation. It should be asked, to what extent does forest decentralization address the equitable sharing of benefits of both introduced and customary forms of forest management? If decentralization pertains to the transfer of power from central authorities to lower levels in a political-administrative hierarchy, does this not imply that the local or community level are entitled to, and thus guaranteed equitable benefits associated with CFM? Further, to what extent has forest management roles and responsibilities been devolved and how effective are they? This thesis aims to investigate institutional inhibitors for successful CFM implementation in Vietnam.

1.1 Problem Formulation

Main Research Question: **What are the institutional barriers for implementing community based forest management?** – A case study analysis of Vietnam.

To further define the problem formulation, leading research questions are subsequently identified that will assist in structuring the analytical approach.

Sub-questions:

- How has State policy determined CFM development?
- What authoritative structures exist?
- What market barriers exist to CFM and forest products?
- What are the economic benefits of CFM?
- What is the community's role in forest management?
- How can CFM contribute to sustainable livelihoods?

1.2 Target Group

The primary audience of this report are policy-makers at the provincial and national level as well as CFM specialists such as non-governmental organizations (NGOs) and overseas development agencies (ODA's) in Vietnam and the South-East Asia region.

2.0 Methodology

The methodological process in which both primary and secondary data was collated and research undertaken is outlined in the following sections, including the motivation and conceptual design of field data synthesis and subsequent discussion. Data sources and interview participants are identified and the delimitations and limitations to the research are outlined.

2.1 Research motivation and approach

In order to the establish existing and potential institutional barriers to implementing CFM in Vietnam and answer the research question, it is necessary to undertake an analytical approach that encompasses an appropriate range of stakeholders who possess a vested interest in forest resources.

The core methodological approach of this research is comprised of field interviews on-site in Vietnam and reviews of supporting literature in the field of forest governance and resource management. Owing to the complexity of stakeholders, their initiatives, inter-relationships and collaborations; the field research benefited from an initial exploratory approach, greatly assisting in establishing the relative roles of particular stakeholders and organizations for further inclusion in the research analysis. The primary methodological tools consisted of semi-structured interviews with notable organizations and principal consultants, allowing subsequent, more specified interviews to be undertaken with appropriate forest management stakeholders.

2.2 Case study region

The tropical country of Vietnam, or the Socialist Republic of Vietnam, is located in the Indochinese peninsula of Southeast Asia (see Figure 1). The total area of

the country is approximately 33 million hectares (ha) with 57.6% of that classified as forest-land (Nguyen *et al.*, 2009). Vietnam shares borders with China in the north with Lao PDR and Cambodia to the west. The country's eastern border is the Eastern Sea (or South China Sea). The current population is estimated at 83 million people with an average density of 252 people per square kilometre (Nguyen *et al.*, 2009). Within the population there are 54 different ethnic groups, with the Kinh (Vietnamese people or Viet), comprising the majority at 77%. Other dominant ethnic groups are the Muong who reside in the highlands and the Hoa (ethnic Chinese) and Khmer Krom who primarily reside in lowland areas. Other ethnic minority groups are the Hmong, Dao, Tay, Thai and Hung. The Kinh wield the most political and economic control over all ethnic groups in the country making them the most dominant and homogenous culture (Tucker, 2008).

The main subdivisions of Vietnam are: the Red River Delta, the North Central Coast, the Northeast, Northwest, Central Highlands, South Central Coast, Southeast and the Mekong River Delta. Within the subdivisions, Vietnam is divided into 63 provinces (or *tin*) and there are five centrally controlled municipalities: Ha Noi, Hai Phong, Can Tho, Da Nang and Ho Chi Minh.



Figure 1 - Map of Vietnam

(Source: adapted from Dederling, 2011)

2.3 Overview of field research

Field research was conducted between mid-February and mid-March of 2011 in Vietnam. Within Vietnam, visits were made to various cities, specifically: Hanoi, Binh Dinh in Qhy Nhon, Tam Ky in Quang Nam and Hue, where key interviews with informants and organizations specializing in forest management were based. Within each city, interviews were conducted with ODA and local NGO groups, development consultants, local authority officers and one academic specialist.

Formal interviews were conducted with the following organisations and individuals:

NGO Groups

- RECOFTC- The Center for People and Forests
- WWF, Global Forest & Trade Network
- WWF, Greater Mekong Vietnam Program, Quang Nam & Hue Office
- Forest Trends/ Pan Nature

ODA and Consultancy Groups

- UN REDD-VIETNAM Programme
- SNV (Netherlands Development Organization)
- JICA (Japan International Cooperation Agency), Directorate of Forestry
- KfW- Afforestation projects

Local authority officers

- Ministry of Agriculture and Rural Development (MARD)
- Quang Nam Forest Protection Department
- Department of Forestry (DoF)

Academic specialist

- Dr. Thomas Sikor, PhD from International Development, University of East Anglia, UK

Figure 2 - Field research interview participants

Semi-structured interviews were utilised when conducting formal interviews with the above participants to assist in addressing pertinent topics at the analytical stage of the research. As indicated by Denscombe (2007), the implementation of a semi-structured interview format is useful in providing sound contextualisation of quantitative attributes through the collection of qualitative subject data. While interviews predominantly included data

collection pertaining to the following topics of interest listed below - each interview was approached in a fluid manner allowing deviation from the designated interview plan where necessary, thus enabling the unique attributes of each participants activities and insight to determine significant discussions.

- Participants' role and responsibilities
- Associated authorities and decision-making processes
- Supporting actor participation and interaction methods
- Activity resources and financing
- Project planning and implementation

Data collected through the use of the semi-structured approach with interview participants evidently precipitated into four common themes: 1) governance, 2) land tenure rights, 3) traditional and introduced technology and knowledge and 4) benefit sharing. The discussion stage of research is formulated through these four themes, as indicated in the conceptual research design on the following page.

2.4 Research design

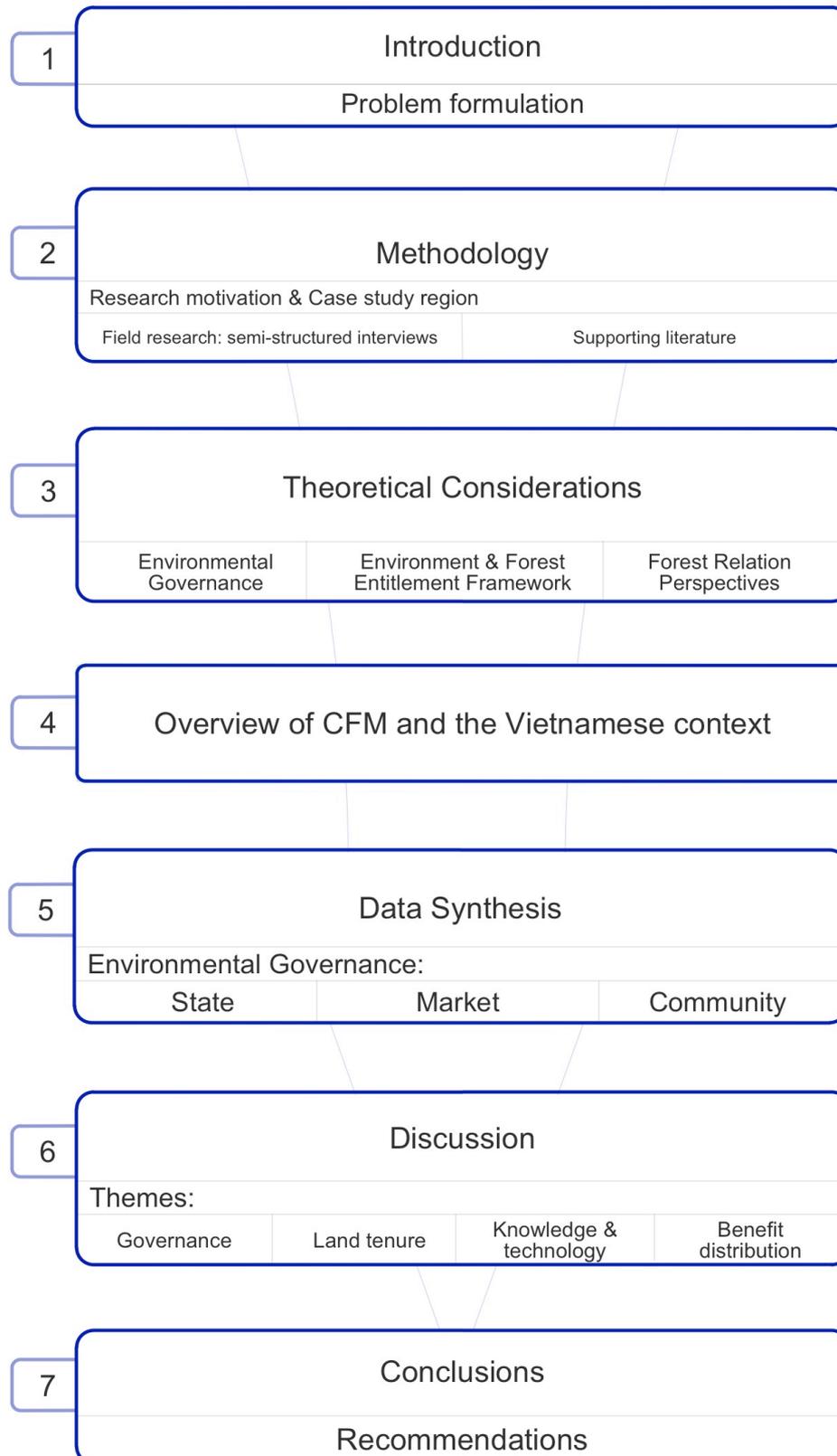


Figure 3 - Design of research approach

2.5 Data sources

Empirical data

The field data collected through on-site interviews with forest management stakeholders at various locations throughout Vietnam comprise a significant proportion of the data synthesis and discussion stages of the research design. Interviews were conducted with actors possessing a range of vested interests in the development of forest management in Vietnam and in the wider SE Asian region, such as environmental and social NGOs, project implementation consultants, local and national authorities and academic forest specialists.

Peer-reviewed literature

Supporting the empirical data collected in the field and the theoretical considerations of the research - select peer-reviewed material is utilised, which assists in additional contextualisation and validation of the analytical framing process and discussion chapters.

Project reports

Additional to the empirical data collected through field interviews – the inclusion of unique and often unpublished printed media provisioned by forest management stakeholders is also considered, such as project reports, survey findings, evaluation reports and social research papers.

2.6 Limitations

Factors that limited the conducted field research are specified herein, with delimitations to the research scope subsequently indicated.

Language

Both authors possess limited Vietnamese linguistic skills and while this did not pose problems with the interviews conducted - it inhibited the possibility of

conducting interviews where a translator was necessary but unavailable, particularly in rural locales.

Time-frame

Field research was conducted over a period of four consecutive weeks. While provisioning ample time to arrange and conduct multiple interviews, the field visit was not able to include on-site forest visits or review of forest harvesting activities, which occur at select seasonal points.

Permissions and household/CFM participant data

Field visits were not possible in areas that are considered by the GoV as unstable or politically sensitive. Inclusion of civil CFM participant household data was not possible as these communities often coincide with these areas.

2.7 Delimitations

Due to the complexity and emerging landscape of forest management activities in Vietnam, a specific location case study approach was not taken and rather the analytical and discussion process considers the multitude of forest management stakeholders and the wider questions of institutionalising CFM in Vietnam.

3.0 Theoretical considerations

To frame the thought process and rationale of the field visit in answering the research question, three theoretical concepts are considered. The Environmental Governance System is used as a framework for conceptualizing the governance system pertaining to forest management in Vietnam. Because this system mutually recognizes the roles of state, market and community actors and their existing relationships, this system is applied in the Data Synthesis chapter to identify the diverse actors from the three realms within the forest sector, which can aid in uncovering specific institutional barriers to CFM. The second theory considered is the Environmental Entitlements Framework (EEF), which assists in providing linkages to local governance and forest management. The framework builds upon community based natural resource management by emphasizing institutional factors as the intermediary between people and the environment. Additionally the framework accentuates the importance of access that communities have to natural resources. The Forest Entitlements Framework is an extension of the EEF in that it uses endowments and entitlements to analyze how forest devolution affects livelihoods, which provide justification for developing CFM. Finally, the local, political and agrarian forest perspective is presented to demonstrate theoretically informed points of view on local forest relations. The local and political are demonstrably the more common perspectives whereas agrarian is still relatively emergent in forest devolution literature.

3.1 Environmental Governance Systems

The quest for sustainable natural resource management, especially community based natural resource management (CBNRM) requires a form of governance that transcends beyond conventional mechanisms. In order to honestly address the barriers of CBNRM it is necessary to draw upon hybrid systems, however seemingly complex they may be, and to acknowledge that government

institutions are no longer solely capable of fulfilling the demand for governance of natural resources.

As previously stated, the key issue pertaining to forest decentralization and CFM is governance. Understanding governance systems is instrumental in identifying which actors have authority to forest resources in addition to who benefits from forest accessibility. Governance is not the same as government as it not only pertains to state actors but also actors from civil society and the private sector.

International accords, national policies and legislation, local decision-making structures, transnational institutions and environmental NGOs are just some examples of the ways in which environmental governance takes form (Lemos and Agrawal, 2006). As such, environmental governance is used to refer to a set of regulatory processes, mechanisms and organizations through which political actors influence environmental actions and outcomes (Lemos and Agrawal, 2006). It should be emphasized that within environmental governance, especially when relating to forest governance, other institutional mechanisms such as the market and informal regulatory processes can be just as influential as state institutions in shaping environmental outcomes. Therefore it is important to recognize actors from all formal and informal institutional realms.

On the international environmental agenda, decentralization has erupted not only due to a loss of faith in the State as a reliable custodian of nature but also because of the falling of economies reliant on centralized control (Lemos and Agrawal, 2006). Several developing countries have been marked by economic pressures, which have challenged the economic and political capacities of their governments. Vietnam is no exception, as in the last three decades the country has experienced rapidly increased economic activity and recent market liberalization. As a result, developing countries such as Vietnam have made a gradual shift towards more democratic political processes which have in turn assisted in directing forms of governance that encourage higher levels of participation and a greater involvement of citizens in governance processes (Lemos and Agrawal, 2006). With regards to governance of common property

and natural resources, the capacities of community structures and local level regimes have become recognized as managers, which have in turn led to a movement in CBNRM and decentralization policies.

As a result of globalization and decentralization in developing countries such as Vietnam, it is imperative that environmental governance is reconfigured. The figure below represents the mapping of an environmental governance system. If sustainable community forest practices are to be ensured, it proposed that a hybrid system in which diverse groups of actors form alliances that cut across different approaches to governance (Delmas and Young, 2009).

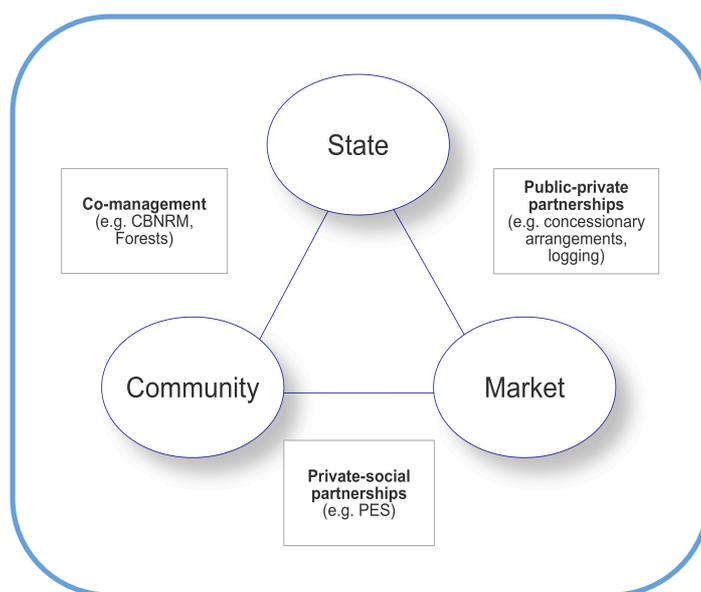


Figure 4 - Mechanisms and strategies for environmental governance

Source: adapted from Lemos and Agrawal (2006)

This hybrid system consists of not only conventionally recognized social roles such as the state and market, but also the community. The triangle connecting the different actors emphasizes their existing relationships with one another as a necessity for identifying alternative governance mechanisms. As specified in the figure, governance mechanisms such as co-management, CBNRM, and payment

for ecosystem services are concrete examples in which environmental governance can be implemented. Additionally, the figure makes clear that there is no need to treat these distinct approaches to governance as options that are mutually exclusive (Delmas and Young, 2009). For this investigation, the environmental governance triangle is used as a way to conceptualize the diverse actors and their existing relationships within the forest sector in Vietnam. Although the triangle depicts an idealization of governance actors as mutually in-exclusive, the investigation seeks to uncover the institutional barriers currently inhibiting CFM from being formally implemented, thus revealing the exclusivity of involved forest actors.

3.2 Environmental and Forest Entitlements Framework

Environmental Entitlements Framework

To analyze the connection and relationship between local governance and forest management, it is important to establish a framework that encompasses the most relevant factors that influence this linkage. Expanding on the community based natural resource management (CBNRM) approach, the environmental entitlements framework (EEF) centres on the implications existing between ecological dynamics, social intra-community and institutional roles. One of the primary objectives of the environmental entitlements framework is to improve and build upon CBNRM by focusing on institutions as the intermediaries between people and the environment. The main issue is not the aggregate natural resources of a community but rather the access to and control over available natural resources. As such, focus is thus directed towards understanding the institutions that mediate the use and control of natural resources in intended and unintended ways (Mearns *et al.*, 1997; Mearns 1996; Leach *et al.*, 1999).

The community and EEF

The Environmental Entitlements Framework seeks to provide an understanding of how social and ecological dynamics influence natural resource management of a community and how in return such management creates a particular type of environment. This framework considers the community as less of a static unit but rather more nuanced, as it considers divergent areas of interest and internal power relations at play within a community. Communities are comprised of “people who actively monitor, interpret and shape the world around them” (Leach *et al.*, 1999), which is important to bear in mind when investigating natural resource management in a given community.

The environment and EEF

The concept of the environment through the EEF seeks to alter the agents of environmental change. The EEF takes a disaggregated approach that builds on non-equilibrium processes as opposed to seeing environmental change as aggregated population pressure on limited natural resources. Therefore, a local environment should be regarded as a dynamic landscape under continual transformation resultant of social and ecological history. As the EEF seeks to provide a more dynamic interpretation of both the community and the environment, this then brings forth new questions regarding access to and control over natural resources, natural resource management practices, transformation of environmental goods and the role of institutions (Mearns *et al.*, 1997; Leach *et al.*, 1999).

The EEF illustrates how ecological and social dynamics influence the natural resource management activities of a broad range of people and how they can contribute towards shaping certain types of environment (Leach *et al.*, 1999). Therefore, this study draws upon the concepts of endowments and entitlements to understand different types of access to and control over natural resources. In the context of the EEF, endowments are a derivative of natural resources and are

considered as 'initial ownership' of for example, land, forests, or livestock and are thus defined as 'the rights and resources that social actors have' (Leach *et al.*, 1999). Endowments can be further transferred into a grouping of environmental entitlements or alternative sets of utilities from environmental goods, for example non-timber forest products (NTFP), over which social actors have legitimate effective command which are necessary for contributing to livelihood well being (Leach *et al.*, 1999).

Institutional factors of EEF

The use of natural resources or environmental entitlements, are considered a relevant livelihood strategy for poor rural people. However, there are many factors that influence the environmental entitlements of particular groups or communities. Those of which particularly pertain to the access to natural resources and a group's ability to make productive use of them. The main influential factors consist of: national and local policies, land tenure rights, social institutions and human and financial capital.

Understanding the influential factors on environmental entitlements provides a theoretical point of departure for investigating the roles of institutions in natural resource management, specifically forest management. Various levels and types of institutions influence how endowments are turned into environmental entitlements. Government policies in particular tend to determine who have access to natural resources. The concept of institutions is an integral part of the EEF as it helps conceptualize the various degree of influence different hierarchal, formal and informal institutions have. In the context of Vietnam, formal institutions have significant influence over forest management. Therefore, an understanding of institutional interactions within the EEF process is of utmost concern for this investigation.

Forest Entitlements Framework

Drawing on the EEF's exploration of social and environmental dynamics in CBNRM and the role of institutions, the forest entitlements framework as articulated by Sikor (2007) takes the notion of 'endowments' and 'entitlements' to specifically address and analyze the effects of forest devolution on livelihoods. This framework as such, is considered an extension of the EEF, and is specifically applied to forest resources. Endowments are a reflection of how different institutions of both a formal and informal nature; legitimize claiming certain natural resources through different mechanisms of access and control (Leach *et al.*, 1999). As such, the extent to which forests are endowed to local people can be very much dependent upon a disparity in statutory rights, forest use regulations and customary regulations (Sikor and Nguyen, 2007).

Institutional factors of forest entitlements

Institutions play an influential role in regulating how forest entitlements are accessed and controlled. Institutions also influence access to productive resources (for example, capital and technology) and markets. The disparities in access to productive resources in particular help shape the bargaining power of local communities and logging companies in negotiations over logging contracts (Sikor and Nguyen, 2007; Engel and Palmer, 2006). Additionally, discrepancies also exist at the local, or household level. Even though all members of a local level can be entitled to certain forest endowments, it is often the case that the wealthier households extract more fodder, trees and leaf litter from forests than poorer households (Sikor and Nguyen, 2007). This is due to the fact that wealthier households have the means to attain more forest products and therefore hold larger entitlements than poorer households. This inevitably implies that local people are not homogeneously forest dependent and thus utilize forest products in different ways. Aside from wealth, the degree of entitlements is also affected by the availability of other resources pertaining to food, fodder, agricultural inputs and construction materials (Sikor and Nguyen, 2007).

Therefore, the type of local institutions and available production systems puts the local level in an interesting position to derive forest entitlements from endowments. The figure below shows the modified version of the EEF as pertinent to forest entitlements with an emphasis on institutional influences.

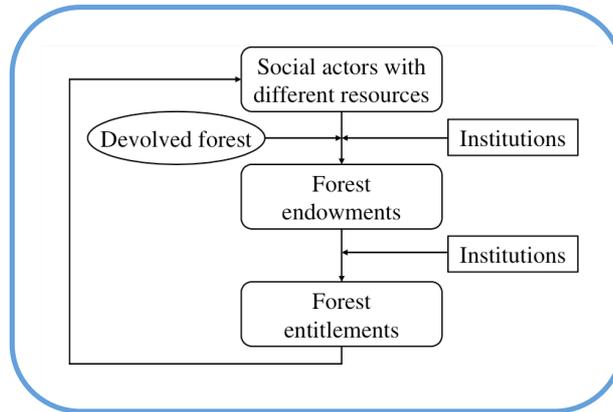


Figure 5 - The forest Entitlements Framework

Source: Sikor (2007)

For this investigation, the use of the forest entitlements framework helps distinguish endowments from other natural resources due to the interest of community based forestry in Vietnam. Endowments, in this context are thus referred to as the rights and responsibilities that actors involved in forest management have towards the goods and services derived from forests (Sikor and Nguyen, 2007). Further, with regards to the specific interest in identifying institutional barriers and shared benefits associated with forest decentralization, entitlements are inclusive of all forest utilities regardless of whether or not there is legitimate command over them (Sikor and Nguyen, 2007). Referring back to the question of which social actors benefit the most (or least) from forest decentralization, it is helpful to take a more comprehensive understanding of forest entitlements to further investigate 'rights-based access and relational mechanisms' instilled by dominant governing structures (Sikor and Nguyen, 2007).

3.3 Forest Relation Perspectives: Local, Political and Agrarian

Building on Sikor's (2006) research regarding social relationships and practices involved with implementation of community based forestry (CBF), three perspectives are used in this study to help illustrate theoretically informed view points on local forest relations. Sikor (2006) uses these perspectives, two of which are relatively established and the third still very much in its developing stages, to help identify the conceptual underpinnings of CBF in current forestry management arenas. The three perspectives are: local, political and agrarian.

In this analysis, these perspectives are presented to further illustrate the social relations and practices surrounding CFM and forest management in Vietnam. The main differences between local, political, and agrarian perspectives pertain to how analytical priority is distributed among potential influences on local forest relations and help locate where differentiating factors occur on the ground (Sikor, 2006). The local and political perspective, are the more common perspectives in forestry whereas agrarian is considered more emergent. Diverging from 'agricultural,' the notion of 'agrarian' concerns land ownership, cultivation and tenure.

Local forest perspective

The local perspective on CBF is considered one of the two dominant views in the forestry sector. Human ecological studies typically take a local perspective on forest relations and from this field a collection of local-level research has been conducted in understanding the relationship between nature and people. This perspective has proven to be very useful in understanding local forest relations specifically pertaining to how local people: manage forests, contain detailed knowledge of the forest and soil conditions and use a range of forest management techniques (Sikor, 2006). Research undertaken with a local perspective is known for providing linkages between human well-being and sustainable forest management as it specifically aims to identify the conditions

that allow local people to maintain the valued aspects of their own way of life whilst protecting the forests they are dependent on (Sikor 2006; Colfer and Byron 2001). This research has been instrumental in framing forest-human relationships as a complex system that is highly site specific.

Another integral form of local forestry research as introduced by Ostrom (1990, 1999), includes the element of institutional choices. Inclusion of institutional choice at the local level examines the rules deemed necessary to facilitate collective action, based on a list of design principles for long-enduring self governance (Ostrom, 1990, 1999; Sikor 2006). A local perspective on institutional choices in forestry exposes how communities are able to develop self-sustaining governance systems without external authorities countermanding them (Ostrom, 1999). As such this type of local institutional research has helped introduce the importance of local governance systems and the relevance it has in the international sustainable forest management agenda. Needless to say, a local perspective heavily emphasizes local people and communities as an indispensable component of forest management because it points out how contextual relationships with the forest can motivate local governance systems. However, it must be mentioned that the local perspective is not without its imperfections. The local perspective fails to include the effects of larger economic and political forces (Sikor, 2006). As Ostrom (1990) puts it, the effects of such forces on local forest relations are plainly assumed away or they are generalized in such a way that it does not fully encapsulate how influential larger forces are on local forest relations. In that sense, although research taking a local perspective provides useful insights into the theoretical basis for local, community governance, it fails in providing a complete or realistic picture of all levels of institutional factors at play in forest management.

Political forest perspective

The second dominant perspective on local forest relationships is the political approach, which emphasizes that larger power relations are rooted in all factors

of access to and control over forests. Unlike the local perspective, the political approach to forest management research attempts to understand the relationship between a diverse set of actors from different institutional levels, particularly between state and village. The main themes of a political forest perspective tend to revolve around legality issues such as property rights and land tenure. The relationships concerning property rights are rife with complexity as they can include many actors and derive legitimacy from multiple sources of authority, such as formal legal systems and customary regulations (Sikor, 2006). Like the local perspective, the political approach acknowledges that forest property rights are contextual and highly dependent on the examined site.

The political perspective has primarily been used as a way to clarify struggles between a diverse set of actors over explicit forest resources. Inevitably, these struggles transcend beyond the location of the contested forest and are often grounded in formal and informal legal systems. Within local governance, as is the case in Vietnam, it is often state policies, programs and regulations that are responsible for disseminating larger political influence into the local community level. The political approach thus seeks to emphasize the connection between the State and rural people as the foundation for understanding forest governance.

Essentially, it is property conflicts that lie at the intersection between the State and local people. Research undertaking the political perspective is useful in that it seeks to widen the framework to include: many actors, with different types of relationships, many objects of material or symbolic value associated with forests and overlapping sources of authority lending legitimacy to property claims (Sikor, 2006). Another distinguishing element of the political approach is that it equally acknowledges and includes the voices of both local and State authorities. However, a main critique of this approach is that it neglects to also include the economic forces on forest property issues. Issues pertaining to marketing, such as is the case in Vietnam with regards to harvesting and selling of timber and non-timber forest products, is a crucial element to include when navigating

institutional barriers for local and community forestry. If the economy is not factored into forest management research, then as Sikor (2006) states, such neglect may be fatal.

Agrarian forest perspective

After considering the local and political perspectives of forest relations, the third perspective of agrarian is then introduced. As stated earlier, the agrarian approach is an emerging concept and conducted forest research of this nature is considerably less than its two counterparts. However, this perspective attempts to bridge local social relations and larger economic and political forces (Sikor, 2006). In that respect, it can be said that the agrarian perspective is grounded in the principles of environmental governance systems. Research taking an agrarian perspective focuses on 'access' as the main concept in the study of forest relations when implemented on the ground. Access in this context refers to the ability to benefit and considers property as the right to benefit (Ribot and Peluso, 2003). As such, the agrarian perspective attempts to bring to light the actual benefits that are derived from forest management.

With an emphasis on forest benefits, the agrarian approach heavily refers to the environmental entitlements framework as it seeks to investigate how actors translate property rights into entitlements (Sikor, 2006). As mentioned earlier, entitlements can enhance people's capabilities. If entitlements and access to forests are then considered a necessity for understanding forest management implementation, it then also becomes necessary to look at the political and economic forces operating at higher institutional levels. Within the Vietnamese context, the effects of forest devolution policies have a profound impact on CFM implementation. Additionally, the country's recent trade liberalization has considerable influence on how forest products are commoditised. Therefore recognizing economic tensions are integral when discussing benefits of community forestry. The market is highly influential in that it can either deter or encourage both local and state institution enthusiasm for participating in CFM.

Therefore, the relationship that local communities and villages have with markets requires attention when understanding people's access to forest entitlements.

What further distinguishes the agrarian approach is the fact that it takes a more realistic and all-encompassing perspective of the many factors influencing CFM. The agrarian forest is realistic in that it accepts that larger economic and political stresses, such as markets and state policies, are key determinants in shaping the outcomes of CFM. While the political approach analyses the linkages between the local level and the state, the agrarian perspective goes one step further by intertwining the relationships of the local level, state and market. Thus, unlike the local and political approach, the agrarian forest eliminates the distinction between community, state and market as separate mutually exclusive entities (Li, 2001).

In this investigation, elements of the agrarian perspective will be emphasized and utilized. Although the agrarian perspective arguably has more implications due to its recent emergence in academia, with regards towards understanding the dynamics of implementing CFM, taking this perspective makes conceptual sense. The agrarian perspective highlights the need to open up the State and analyze the concrete actors, practices and relationships making up the State and the implementation of State power on the local level (Sikor, 2006). In addition, the agrarian perspective emphasizes that it is imperative to investigate markets and to scrutinize the actors, practices and relationships that comprise markets concerned in a particular place and time, which in this particular scenario is present-day Vietnam. By taking this perspective as opposed to purely political or local approaches, it is then argued that a more complete understanding of institutional barriers for CFM will be found. The involvement of Vietnamese national authorities on forest devolution policies reveals the need to closely examine how relations between local and state actors affects the community building process in CFM. Additionally, attention to the relationship between the market and the local level is important for realizing how benefits from forest entitlements are actually disbanded. And entitlements are inevitably intertwined

with access, which further contribute to development in poverty alleviation. Thus the agrarian approach has tremendous significance towards advocating CFM. Therefore, this analysis will recognize the constituencies of the agrarian perspective through a case study of Vietnam's current status in the development of community forest management.

Application of theoretical considerations in the Vietnamese context

The Environmental and Forest Entitlements Framework is used as the primary rationale for investigating institutional barriers of CFM in Vietnam. The Environmental Governance System is used in the Data Synthesis and Discussion chapters to differentiate the variety of actors involved in the forestry sector and to help identify and categorize existing barriers occurring both within and between the state, market and community. The Agrarian forest perspective draws upon the Environmental Governance System and is argued as an approach that enables a more complete understanding for how CFM can be implemented. Therefore, the Agrarian perspective is emphasized in the Discussion chapter.

4.0 Overview CFM and the Vietnamese context

This chapter presents an overview of CFM within the larger global context and further identifies the characteristics of forest management in Vietnam, including topics such as policy development, poverty and community based forest management.

4.1 Forestry at the international level

Forest decentralization/devolution has in recent years been placed high on the international forestry policy agenda with a transfer of property rights and responsibilities in forest management from state units to local actors in many country's governments (White and Martin, 2002; Edmunds and Wollenberg, 2003). Additionally, the World Bank has begun to recognize customary land rights of local communities in their advocacy for forest devolution (World Bank, 2002). In spite of global recognition however, actual forest devolution policies and their effects on local livelihoods remain highly indiscriminate which brings forth a strong need for devolution development approaches that strengthen local empowerment and forest conservation as well as contributing to local livelihoods (Sikor and Tran, 2007).

In general, forest devolution policies are thought to be inclusive of a diverse set of actors in forest management, however as Sikor and Tran (2007) state, it is common in many settings with overlapping state and customary authorities, that one of the most problematic outcomes of devolution policies is their tendency to exclude the claims of local actors.

4.1.1 Definition of community and CBNRM

For the intention of this research, community is defined as the associations within a commune (except households or groups of households based on family ties) (Vu and Warfvinge, 2002). Some of these associations may be formally created, for example through cooperatives or farmer's association, and others may be informally established, with a basis in place of residence or another common trait. Further, the community unit can be considered as the people living in a village who are managing an area of natural forest.

CBNRM initiatives have gained increasing consideration as consensus in the wake of the 1992 United Nations Conference on Environment and Development. Resultant of this conference, it was suggested that sustainable development should be based on local-level solutions derived from community initiatives (Ghai and Vivian 1992; Ghai 1994). Such suggestions were also supported by the Brundtland Commission (1987) and Agenda 21, which both emphasize a combination of government decentralization, transfer of responsibility for natural resources to local communities and community participation to achieve sustainable development (Holmberg *et al.*, 1993). In spite of recognition of the community, the CBNRM approach is not without criticism. A main critique is that this approach places the environment and community as static, non-dynamic concepts in which beneficiaries are passive recipients of project activities (Pimbert and Pretty, 1995; Leach 1999).

4.1.2 Definition of Community Forestry

The term 'community forestry' (CF) was first defined by the FAO (1978) as "...any situation which intimately involves local people in a forestry activity. It embraces a spectrum of situations ranging from woodlots in areas which are short of wood and other forest products for local needs, through the growing of trees at the farm level to provide cash crops and the processing of forest

products for local needs, through the growing of trees at the farm level to provide cash crops and the processing of forest products at the household, artisan or small industry level to generate income, to the activities of forest dwelling communities.” As the definition reveals, CF can be comprehended as a term that encompasses a wide range of activities connecting rural people with forests and the products and benefits derived from them. The World Bank’s Forestry Sector Policy Paper (1978) further includes recognition of environmental protection and indigenous needs in forestry by stating that CF should “reflect the reality that the major contribution of forestry to development will come... from its impact on indigenous people... in developing countries”.

4.2 Vietnamese contextualisation

This section contextualizes and the unique attributes of forest management in Vietnam, with an emphasis on the connection between poverty and forests.

4.2.1 Definition of Poverty

For the purpose of this research, poverty norms as defined by Vietnam’s Ministry of Labor, War Invalids and Social Affairs (MOLISA) and the General Statistics Office (GSO) will be used. The national poverty line is determined by MOLISA and as such, households are deemed poor if their income per capita falls below a conventional threshold that varies between urban, rural and mountainous areas (Swinkels and Turk, 2007). During the 1990’s, this line was set at the income equivalent of buying 15 kg, 20 kg and 25 kg of rice per month in mountainous and remote, rural and urban areas respectively (Dang and Nguyen, 2003). In order to expand the poverty definition beyond food supply, MOLISA increased the poverty line to VND 80,000 (USD5.5), VND 100,000(US\$6.9) and VND 150,000(US\$10.3)**(based on exchange rates from 2003) and conditionally certain provinces or cities are authorized to raise the line (Swinkels and Turk,

2007). Due to this increase, the poverty estimate was adjusted from 11% in 2000 to 17% in 2001 (Dang and Nguyen, 2003).

Vietnam's international poverty line is based on the Vietnam Living Standards Survey undertaken by the GSO, which uses both income and expenditures to calculate poverty rates and defines a threshold based on the cost of a consumption basket, which includes food and non-food items. According to the GSO (Swinkels and Turk, 2007), the food spending must be able to provide 2,100 calories per day per person. Based on this, a household is deemed poor if their income or expenditure level cannot afford this consumption basket. As such, the food poverty threshold is defined as "the income equivalent to buy basic food enough to secure 2,100 calorie intake per person per day" and households (with income per capita) that fall below this are considered poor (Nguyen *et al.*, 2009). In general, the poverty line amounts to the equivalent of US\$109 and US\$128 per capita per year in 1993 and 1998 respectively (Dang and Nguyen, 2003). It should also be noted that this poverty line is not directly comparable to the more well-known poverty line of US\$1 per person per day, or Purchasing Power Parity.

4.2.2 Economy and Poverty

Vietnam has endured extensive socio-economic change since the late 1980s due to internal political reforms and gradual economic liberalization. As a result of the economic restructuring policy of *Doi Moi* in 1986, the centrally planned economy has steadily opened up to a market economy. Additionally the decollectivization of the agricultural sector has led to a return of household-based production. These changes have contributed to an increase in the average household income (Chaudhry and Ruyschaert, 2007; Folving *et al.*, 2007). Additionally, this economic growth has reached the poorest section of the population and from 1993 to 2006, it is estimated that 34 million, (out of a population of 85 million) Vietnamese were lifted out of poverty (Oxfam, 2008).

Although the country has experienced increased levels of economic security and relative equitable growth, it should be noted that inequalities between rural and urban populations continue to exist. As of 2004, roughly 16 million people were still identified as poor, with an additional 28 million living barely above the official poverty line (Oxfam, 2008). The majority of poor populations are considered ethnic minorities and often reside in the country's highlands and in rural areas that are great distances from growth centres concentrated around big cities and coastal land (Oxfam, 2008; WWF A, 2005; Chaudhry and Ruyschaert, 2007). Further, given rural poor household's dependence on agriculture and natural resources, specifically forest resources; it is necessary to focus on the role of natural resource management practices in the search for understanding the linkages between forestry and local livelihoods.

4.2.3 Forestry distribution and management

Regarding the forestry sector, there has been a gradual shift from centralized state forest management towards the recognition of smallholder involvement as contributions to forest development and livelihood improvement.

Additionally, forest resources have begun to be increasingly allocated to individual households, household groups and even villages under direct management (Wode and Bao, 2009). With the shift towards community forest management, an increase in rights over forest resources is being transferred to the community and household level. However, in spite of national legal recognition and pilot field-testing, implementation of CFM has primarily been lead by ODA projects without any common national, regional or provincial strategies or defined technical guidelines (Wode and Bao, 2009).

Following the end of the Vietnam War (locally known as the American War) in 1975, the country's forest resources were put under control of the State with the

State Forest Enterprise (SFE) expanded to cover both the northern and southern regions of Vietnam. In 1989, the SFE managed 6.3 million ha of forest-land (MARD, 2001). However, during SFE's management, forest cover decreased at a rapid rate (Nguyen *et al.*, 2009), with an estimated loss of 200,000 ha of forest per year between 1975 and 1990 (UNDP and State Planning Committee, 1990).

In response to such forest loss, reforms were launched during the 1990s, which included a diversification of stakeholders, inclusive of non-state actors, to participate in the management of national forest resources through the forest land allocation (FLA) program (Nguyen *et al.*, 2008). Currently national forest resources are managed by eight major groups of actors:

- 
- Management Boards for Protection Forest
 - Management Boards for Special-use Forest
 - State-owned Companies
 - Individual households
 - Communities
 - Communal people's committees
 - Joint-venture companies
 - The armed forces

Figure 6 - Forest tenure groups in Vietnam

Source: Nguyen (*et al.*, 2008)

According to the MARD, forest cover has increased from 27% of the total land area in 1993 to 38% in 2006 (Dec. No. 2503/QD/BNN-KL of the Minister of MARD, dated 27 August 2007). It is highly possible that this increase is attributed to national reforestation programs, such as Program 327 and the 661 Program (also known as the Five Million Hectare Reforestation Program). Program 327 was implemented between 1992 and 1997 and aimed at 're-greening barren land and denuded hills' and the 661 was held between 1998 and 2010 (Nguyen *et al.*, 2009). Other factors contributing to forest cover expansion include "national forest tenure reform, the availability of new technologies,

market opportunities for cash crops and the liberalization of and increase in agricultural output” (Roth, 2005; Sikor 2001).

4.2.4 Forestry and Poverty

On the surface it may seem as though success in Vietnam’s poverty reduction and increase in forest cover are unrelated. Yet there are undisputed links between changes in the wellbeing of people and the changes in forest and natural resource management in the country. For the purpose of this research it is assumed that such links will continue in the future. The main links are adapted from Nguyen *et al.*, (2009) and summarized below:

1. Over the past 50 years, Vietnam has greatly expanded its agricultural land area through the conversion of forests, which has enabled the support of an increasing population.
2. The poor tend to be more reliant than non-poor on forest resources and environmental services for meeting basic needs, serving as a ‘gap-filler’ in between farming harvest and for providing safe havens during emergency events.
3. Areas with the highest rates of poverty tend to be the same areas where natural forests are located. Such areas are usually remote upland areas in northern and central regions where ethnic minorities reside. Therefore it should be taken into account the poorest of the poor are forest dependent.
4. Allocation of agricultural land to individuals and households increased affluence to rural areas and greatly contributed to national economic growth. As such it is also plausible that forest allocation to local people can endow similar positive outcomes, but only if implemented correctly.
5. Based on recent ‘forest transitions’ literature, it is reasonable to believe that economic development and increasing incomes are a precondition for improved management and conservation of forests (Nguyen *et al.*, 2009). This is based on the trend that countries lose forest cover as high rates of economic development take place but once economic prosperity is in place, it is then possible for forest cover to stabilize and to be restored (Rudel, 2005).

4.2.5 Community Forest Management in Vietnam

In the Vietnamese context, CF includes a range of managerial arrangements for forest management, which acknowledges traditional indigenous management, forest management under Unions and cooperatives (Wode and Bao, 2009). Rights of land use are granted through: contractual agreements (Green books), legal long term land titles such as the Red book and traditionally recognized land use.

For the sake of this research, the definition for community forest management (CFM) is taken from Wode and Bao (2009) which states: any managerial arrangements in which local people are jointly engaged in managing natural forest resources inside their community boundaries for which long term utilization rights have been handed over to its managers. The resources included under CFM and CF are: silviculture, timber and NFTP utilization, natural forest improvement, afforestation and environmental services.

5.0 Data synthesis

This chapter presents the main findings of the data collated through field research in Vietnam supported by relative literary evidence. While all interviews followed a semi-structured process in their application, participants possessed individual specialisations and often provided valuable information external to the pre-planned interview topic process, reflecting their often niche roles and responsibilities within the field of forest management. Interviews were conducted with a range of forest management stakeholders who held planning, implementation and research roles, whereby each participant provisioned a detailed description of the activity and the difficulties encountered. Through inclusion of different types of stakeholders, the research established a number of pertinent issues to forest management throughout Vietnam.

5.1 Spatial distribution of CF activities

It is evident from the interviews conducted that introduced CF initiatives have predominantly taken place in seven provinces throughout the country. Figure 7 indicates these provinces, which are further analysed in this chapter within the context of activities undertaken and their importance in the broader field of forest management.

Provinces: *Son La, Quang Binh, Thua Thien-Hue, Quang Nam, Binh Dinh, Dak Lak and Lam Dong*



Figure 7 - Map indicating prominent CFM provinces

(Source: adapted from Dederling, 2011)

In order to present an effective and coherent analysis of the quite complex and spatially distributed landscape of forest management in Vietnam the issues were differentiated into the three elements of Environmental Governance: 1) State, 2) Market and 3) Community.

5.2 State

The governance of forest resource management has undergone a significant shift since the mid 1980s in Vietnam. Whilst predominantly State managed, a realisation in 1993 that total forest-land had seen a massive reduction through exploitation and poor management prompted amendment to the 1993 Land Law enabling land allocation to forest enterprises and management boards, communities, household and individuals. Large-scale forest land allocation was not carried out until Decision 187 in 1999, which directed large State Forest Enterprises to devolve forest lands to the district authorities. Government intentions through land allocation were two-fold: to reduce deforestation and to supplement livelihoods of forest-dependent people including minorities. It was not until an amendment to the forest law in 2004 that enabled communities and overseas nationals the same rights to forest land.

Forest Land Allocation Procedure

During the early 1990s, policies and guidelines for Forest Land Allocation (FLA) to non-state units was developed. Forest land was allocated to households, with an average of two hectares per household (Vu and Warfvinge, 2002). In 1999, Decree 163/1999/ND-CP provided specific guidance for allocation and leasing of forests to organizations, households and individuals and Decision 187 provided guidance for State Enterprises to devolve land to district authorities. After the allocation process was completed in certain locales, households were given Land Tenure Certificates, giving them the rights to use the land for forestry or agro-forestry purposes. The Land Tenure Certificates with a 50 year validity, consisted of 'five rights' defined in the Land Law as: rights to transfer, exchange,

lease, and bequeath the land use right and use it as collateral for loans. These rights did not however pertain to formal ownership of the allocated land, however the individual holding a Land Tenure Certificate to an area of forest was called a 'forest owner.'

From 1993-1995, Decree 327, also known as the 661 Programme or Five Million Hectare Reforestation Programme was implemented with the goals of providing 43% forest cover (or 5 million ha) and poverty alleviation. The programme was organized through provincial Departments of Agriculture and Rural Development (DARDs). This programme was successfully implemented in that it was able to distribute land to households within a relatively short amount of time.

5.2.1 Policy Development

The development of forest resource management related policy is particularly complex. Figure 8 below, indicates key dates which represent significant milestones in forest management. Following initial community forest pilot activities in 1995, the first draft of benefit sharing guidelines between civil society and the State were identified in 1999. This enabled further household allocation initiatives to take place with a focus on benefit distribution mechanisms. In 2002, allocated forest timber resources were commercially harvested by community forest participants. In 2004, the Law on Forest Protection and Development stipulated the ability of villages to be allocated forest land, provisioning the first legal basis for community forest ownership titles. Provincial and national guidelines on participation and forest management were further developed in 2005 and 2006, with benefit-sharing pilot studies gaining widespread momentum through supporting draft national guidelines.

1995	First ODA CF pilots initiated in Lai Chau and Son La province
1998	State Forest Enterprise initiates forest land allocation in Dak Lak province
1999	DARD Dak Lak develops procedures for benefit sharing arrangements between local people and State
2000	GTZ initiate forest land allocation to households with land use certificates in Dak Nong province
2001	Forest land allocated to one community in Dak Lak - State issues decision on benefits and obligations of households and individuals with forest land contracts, but is too complex to apply on the ground
2002	Tay Nguyen University pilots CF in Gia Lai province and benefit sharing mechanism is developed by GTZ - First commercial timber utilization by local people in Dak Nong province
2003	Methodology for participatory forest inventory developed and used in all CF projects - Lai Chau province Forest Protection Dept. submits CF timber harvest application but is not granted approval
2004	Law on Forest Protection and Development stipulates options for forest land allocation to entire village communities, giving legal basis for CF ownership titles
2005	DARD of Dak and GTZ establishes provincial guidelines for participatory forest land use planning and allocation, which includes ethnic minorities and communities - Due to impractical and complex benefit sharing guidelines, People's Committee in Dak Lak initiate revision of provincial policies
2006	RECOFTC and Forest Governance Learning Group conducts CF pilot and survey analysis in Thua Thien Hue and Dak Lak
2006	TTF funds CFM pilot with Department of Forestry which includes 10 provinces. This pilot is used as management guidelines for national level - Village level benefit sharing pilot implemented in one village in Dak Lak, but is unsuccessful due to poor forest resource base
2007	GTZ sponsors benefit sharing pilot in three villages in Dak Nong province which includes timber utilization, marketing and sale support
2008	Decree 05/2008/ND-CP established to introduce legal conditions at national and sub-national for Forest Protection and Development Fund
2009	KfW6 project develops benefit sharing pilot in Quang Ngai Province -UN REDD Programme approved in Vietnam and MARD established UN REDD Network with Department of Forestry

Figure 8 - Key dates in development of CFM in Vietnam

Sources: compiled from Wode and Bao (2009), Nguyen (2008)
(See Appendix A2 for full chronology)

Currently, CF policy development is undertaken at different political levels and “is often characterized by independent and uncoordinated initiatives at provincial levels” which are then further used to develop and/or influence policies at the national level (Wode and Bao, 2009). The Five Million Hectare Reforestation Programme (5MHRP) implemented under Decision 661/QD-TTg, comprised Vietnam’s forestry programme until 2010. The main aims of the 5MHRP was to reforest as well as reduce rural poverty and increase national socio-economic development by means of creating employment and increase the income of local forest inhabitants. Yet, despite such a goal, a main limiting factor in the programme was a lack of community participation during the project’s planning, implementation and management stages (Wode and Bao, 2009).

The Forestry Sector 5 Year Plan for 2006-2010 states that CFM schemes should aim to “improve participatory sustainable natural resource management systems” and further articulates a target of 4 million hectares to be placed under community management by 2020 and 2.5 million hectares for 2006-2010 (Wode and Bao, 2009).

The Vietnam Forestry Development Strategy (Decision 18/2007/QD-TTg) for 2006 to 2020 forms the primary basis of the national forest sector. One of the strategy’s key objectives until 2020 aims to promote sustainable development through forest protection and development and to implement CF towards the “improvement of livelihoods for people working in forestry, especially for ethnic minority people in mountainous, remote and isolated areas.” The Strategy also states that: “Forests have to be managed closely and belong to specific owners. Unless the forest owners (organizations, enterprises, households, communities, etc.) will get clear benefits, rights and obligations, then the forest resources cannot be sustainably protected and developed.” With lines such as: “...the State encourages organizations, households, individuals and local communities to invest, manage, harvest and use forests sustainably,” it seems as though the State is supportive of the development of CF.

The strategy further articulates the requirement of capacity building for local agencies, specifically in forestry extension programs to provide “...training and forestry extension activities for the poor, particularly ethnic minorities and women” so as to “strengthen their capacity on self-developing, implementing and monitoring forest protection and development plans”. Regarding reporting and monitoring of CF activities, the strategy stipulates the need to “further decentralize the state management of forests to district and commune administration levels” which can enable “responsibilities and rights of forest owners, the government at different levels, law enforcement agencies and forest protection forces.” It should be noted that with such an inclusive element of decentralization and recognition towards local capacity development with regards to CF, it is interesting that the Strategy only mentions 20% of forest-land allocation to local households completed by 2006.

While the 5MHRP, Forestry Sector 5 Year Plan and the Vietnam Forestry Development Strategy all provide ambitious goals towards the development of CFM and it is clear that national forest development is supportive of decentralized forest management, it should be stressed that the objectives of the above-mentioned are not emulated sufficiently in national and provincial programs/policies. Additionally, no clear budget lines for specific implementation targets within the CFM field have been made available thus far (Wode and Bao, 2009).

5.2.2 Structure of forest and land management

Forest and land management activities in Vietnam follow a hierarchical formation. Primarily owing to the total State ownership and subsequent leasing of land to eight types of tenure groups (see Figure 6, page 30) inclusive of Management Boards, State and Private Enterprises and civil society actors.

The following sub-sections analyze the activities that occur within the different levels of state governance. The first section presents CF management activities at the National, followed by Provincial and then District, Commune and Village level. The breakdown of management actions occurring within Vietnam's governmental hierarchy shows the variety of CF activities occurring at each level. The hierarchal structure of the state also shows that decision-making occurs not just at the National level but authoritative measures are also taken at the Provincial and District level. Furthermore, the analysis of the three tiers shows the management problems existing not only at each level but also between. CF management in Provinces, Districts, Communes and Villages are contextual and often site-specific, meaning that a management problem in one province is not necessarily the same for a neighbouring province, due to unique forest attributes of the area.

5.2.2.1 National

There is currently no detailed legal guidance regarding CF activities available at the national level. However, national policies with regards to forestry in general are outlined in over 100 legal documents with several adjustments arisen from development experienced in recent years (Wode and Bao, 2009). All national policies and legal documents are decided upon and written in Vietnam's capital, Hanoi, located in the northern part of the country. The main ministries responsible for developing forest policies are the Ministry of Agriculture and Rural Development (MARD) and the Ministry of Natural Resources and Environment (MoNRE). Due to the abundance of legal revisions it is warranted to state that this has effectively brought about "undesired overlap and even conflicting legal instructions due to different viewpoints from respective Ministries involved", as confirmed by Wode and Bao (2009).

Article 29 of the Law on Forest Protection and Development (No. 29/2004/QH11) of 2004, stipulates forest allocation to whole communities, yet within Vietnam, most forest land continues to be allocated to either individual households or groups of households. The reason for this is primarily due to the vague legal recognition of village level. It should be noted that Article 30 defines village communities as all households and individuals living in the same village, hamlet or equivalent unit. However, the Civil Code initiated in 2005, does not recognize the community as a civil legal entity which drastically confines its legal mandate with regards towards regulation enforcement as well as towards sanctions against people of and outside of communities (Wode and Bao, 2009). This inevitably presents a challenge for enforcing forest protection regulations within the context of community forestry.

Additionally, the overlapping mandates between MoNRE and MARD complicate how Forest Land Allocation (FLA) is implemented. The MARD holds official mandate for forest management (aka Forest Law) but MoNRE is responsible for land resource management (aka Land Law). To further add to the complication of conducting forest allocation procedures, both ministries have their own

mapping criteria and classification systems. Although there have been efforts to coordinate FLA procedures between MoNRE and MARD, particularly with the preliminary draft of a document entitled the Joint-Circular, such efforts only appear to further increase bureaucratic procedures whereby different forest maps and certificates continue to be issued by respective sections of DoNRE and DARD.

With regards towards regulations of forest product harvesting, officially known as Decision 40/2005/QD-BNN, it is interesting to note that these guidelines are specifically designed for large-scale timber utilization by forest companies and not applicable to local people. Further, Decision 178/2001/QD-TTg from 2001, articulates benefits and obligations of households and individuals who are leased forest land. Bode and Wao (2009) suggest that this Decision is considered the most controversial legal guideline related to CF. This is because although it is written to provide clear national guidance, the sheer complexity of the Decision actually inhibits any practicable benefit sharing from occurring as well as impeding progression for FLA schemes to local people. Needless to say Decision 178 has rarely been implemented on the ground level and continues to be revised. This lack of applicability therefore leaves local people with feelings of uncertainty towards any potential benefit sharing.

It is important to note that although all national policies and legal decrees take place in Hanoi city, these policies primarily pertain to rural areas, located great distances from the capital. Most CF pilots occur in the Central Highlands, which is several hundred miles south of Hanoi. Inevitably this shows a large spatial separation from national to provincial authorities. The fact that MARD and MoNRE have overlapping mandates concerning forestry and land resources, presents convoluted coordination for establishing coherent forest policies. Additionally, because the Ministries continually make adjustments to FLA and CF decisions, it only further lends to the complexity of transferring national policies to distant provinces; thus reducing applicability when implemented at the local level.

5.2.2.2 Provincial

Since there is no coordinated national level CF legal guidance, piloting of participatory forest management schemes currently rely on a provincial commitment to initiate any new activities. In fact, provincial policy development in Vietnam is considerably autonomous from national development and it has been revealed that contributions to forest policy development from the provincial level have progressed further than national level.

Arguably the most well-known province within the CFM context is Dak Lak as they have a provincial working group on Forest Land Allocation and Joined Forest Management which were established in 1999 by the provincial Decisions 272/QD (Wode and Bao, 2009). Dak Lak is located in the south-central part of Vietnam, which is roughly 596 miles south of Hanoi. Since these groups' inception, they have worked in close collaboration with provincial ODA projects such as the German-funded Sustainable Management of Resources in the Lower Mekong Basin Project (1995-2002) and the current GTZ-RDDL project (Wode and Bao, 2009). It has been stated that these groups have been a major think tank for provincial DARD in Dak Lak with a substantial portion of CF development in Vietnam being attributed to these group's efforts (Wode and Bao, 2009). One of the most significant outcomes of the Dak Lak provincial working groups was the creation of a provincial guideline for participatory forest land allocation, which was approved by the DARD in 2005. In addition these groups implemented provincial benefit sharing pilots between 2006 and 2009. These pilots made Dak Lak the first province to implement commercial timber harvest arrangements under a CF scheme (Wode and Bao, 2009).

The forest department is currently undertaking a Community Forest Management (CFM) Pilot Program to test the implementation of CF guidelines in ten provinces (Nguyen *et al.*, 2009). It was further stated by Nguyen, (*et al.*, 2009), that the Vietnam Trust Fund for Forest (TFF) and the Forest Department (FD) are financially supporting a CFM Pilot Program that expects to develop and test legal documents and regulations on appropriate technical and financial

systems for CFM. It is the expectation of this project that results will be used as a foundation for future governmental support programs. Further, the non-governmental social research organization, RECOFTC, has plans to implement their FGLG project will aim to cultivate CF guidelines with specific examples of implementation at the local level.

In Quang Binh province, there has been a recent integration of national policies with provincial guidelines. Quang Binh is located in the Central part of Vietnam. This has been Vietnam's first known attempt of provincial guidelines that provide clear technical instructions on a participatory forest inventory in line with the national guideline, Circular 38 from 2007, and significantly contributes to CF development. It should be noted though, that despite Quang Binh province's success in national and provincial policy integration, very few other provinces have been able to make the same adjustments in their respective forest allocation schemes. Wode and Bao (2009) even mention that an FLA project under MoNRE was not able to adjust its projects implementation after Circular 38 had been stipulated. Such situations have occurred with other provincial projects and as a result, have left many new forest owners with incomplete land use certificates that do not comply with the most current legal conditions.

Compared to the National level, the Provincial levels have been more successful in implementing semi-autonomous CF activities. Despite Dak Lak and Quang Binh's relative success for invoking functioning CF schemes, it should be noted that other provincial CF pilots have not been nearly as fortunate, due to reasons such as poor forest land and resources or land tenure issues resultant of the FLA. Such reasons greatly determine the province's capacity to implement CF schemes. In other words, CF activities taken at the provincial level shows that some provinces are able to be more pro-active in invoking a functioning CF scheme. Additionally, it should be emphasized that the relative successes of provincial activities have been done in independent provinces. Should greater inter-provincial CF activities take place, CFM benefits could be impeded due to overlapping or unclear forest boundaries.

5.2.2.3 District, Commune and Village

Within a province the district is given the mandate for approvals of forest land allocation, forest protection and development and five-year community forest management plans based on feasible growth cycles of certain trees. The Forest Protection Departments and the DARD are the primary agencies in which commune and village levels communicate and gain support during CFM activities. It is the responsibility of the Forest Protection Department to act as facilitators to the Village Forest Protection and Management Teams, further identified in Figure 9 below.

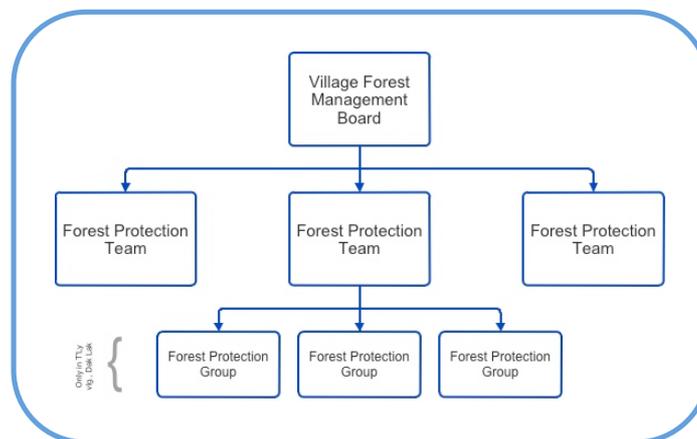


Figure 9 - Village forest management and protection structure

Source: adapted from Nguyen (*et al.*, 2009)

While a household is a distinct unit in Vietnam (a group of people registered in their commune as sharing the same residence), a community is much less easy to define. Referring back to Vu and Warfvinge (2002), the community unit is defined as the associations within a commune such as cooperatives, with the exception of households or groups of households based on family ties. In the cases encountered during pilot projects, the community that is considered as a unit managing a natural forest are in fact the people residing within the piloted village. In order for the community to qualify as forest managers, it is necessary that the community have more clearly defined responsibilities. The managers as

defined in Vietnam are referred to as 'forest owners' however it should be noted that in formal terms, they do not own forest but rather have renewable 50-year user rights to the forest (Vu and Warfvinge, 2002).

Communes are legal units but they are not villages, hamlets or communities. The commune level or Commune People's Committee (CPC) is the lowest recognized administrative level in Vietnam however with regards to actual implementation of CF, it is the main body for coordination and supervision (Wode and Bao, 2009). The main responsibilities of the commune is to report and submit applications or approval requests to the District Peoples Committee (DPC), who further seek review and approval from the Provincial Peoples Committee (PPC).

The village level is primarily responsible for the development of CFM plans to be assembled, coordinated and supervised by commune level authorities. CF implementation is conducted by the community under commune administrative regulations, which are supported by respective district level agencies such as Forest Protection and DARD. When managing forests, village communities do hold certain obligations and rights. Regarding participation of local people on the premise of applicable laws, the communities are expected to produce village rules for forest use and protection. The village chief is the representative of the community and upholds the forest rules. It is up to the collective decision of the village as to how harvested forest products are used for common purposes. Additionally, the village community cannot subdivide the forest among its members nor can the forest be exchanged, transferred, rented out, bequeathed or be used as collateral for loans (Vu and Warfvinge, 2002).

During an interview with Nguyen (Vice Director) of Quang Nam province's Forest Protection Department, it was stated that their primary role is to act as advisors for villages who want to develop their own village protection team. Village protection teams primarily take responsibility over forest monitoring and harvesting. The vice director emphasized that within their province, every village has their own set of forest regulations, so rather than initiating an overarching provincial forest guideline, the Forest Protection Department focuses on

providing support to villages in need of guidance. Interestingly, the vice director stated that they were given a development outline from MARD pertaining to village forest protection regulations. However the director mentioned that it is difficult to implement such guidelines in Quang Nam, because each commune and village has forest resources specific to their location as well as a diversity of ethnic minority groups. As such, the vice director has said it is easier to let each village develop their own set of regulations.

The DARD and Forest Protection Department are arguably the most pro-active when it comes to developing local CF guidelines for villages and communes within a province. It is the responsibility of the DARD and District Forest Protection Departments to transfer measures from the Provincial and National level and implement at the village and commune level. As such, these two departments act as liaison between top and bottom governance structures and their job's revolve around balancing provincial policy and regulation with local governing structures.

5.3 Market

Vietnam's economy has developed exponentially in the last decade. Much of this economic development is owed to low labor costs and strong manual skills, which has in turn allowed Vietnam to produce on a large global scale. This is especially true for forest and timber-based products. In an interview with the WWF Global Forest & Trade Network (GFTN), it was stated by Li that in 2010, Vietnam exported wooden products worth 3.2 billion US\$, making the country the second largest exporter of furniture in South-east Asia. However, it was also stated that the emerging economic growth in the forest sector cannot be sustained under its current rate and that there is a need for developing new methods for marketing forest based resources.

The following paragraphs identify the main participants with access to forest marketing and the barriers to market entry. It is followed by a review of current activities undertaken by the development agency KfW, the State and the recently introduced, UN REDD Programme. These activities represent alternatives to the current forest marketing structure, which have the potential to lessen market impediments so forest benefits can be distributed in a more equitable manner.

5.3.1 Participants

It should be noted that the primary goal of WWF Global Forest & Trade Network is to assist in improving the management of threatened forests in Vietnam by initiating a framework in which producers and processors can work towards credible certification, which abides by sustainable guidelines in addition to stimulating the forest industry (WWF GFTN, 2011). The main participants currently active in the forestry market are of a predominantly large scale, occurring at state level.

The focus of WWF Global Forest & Trade Network's work is to promote a forestry market in which sustainability plays an important role. During an interview at WWF's main office in Hanoi, sustainable modes of forest marketing were discussed. Currently the primary audience in which WWF Global Forest & Trade Network's framework are geared towards working with are State forest enterprises and large-scale international companies in promoting education regarding afforestation, land auditing, forest protection and sustainable monitoring and harvesting techniques.

5.3.2 Barriers

During the interview, the WWF officers stated that there is a definite recognition of the importance of including local people in the framework and one officer stated that the WWF forest network framework includes elements of indigenous

knowledge, specifically pertaining to planting seasons and buffer zones. However the local level, specifically indigenous groups, are not the primary focus due to the complex Red book certification processes and consequential tax issues. Additionally it was stated that the forests commonly allocated to local areas are often of poor quality, thus making it difficult for people to live off of forest resources and NTFPs. It was also mentioned that CFM is not considered within the network, largely because local people lack marketing skills and knowledge in timber legalities to effectively participate in the timber market. As such, there is currently no inclusion of communities in WWF's forest trade network scheme.

Currently the role that the market plays in CFM is under intensive debate. The fact that the WWF forest trade network targets state owned enterprises shows that there is a definite exclusion of local communities in forest marketing activities. On a national level, there have been limited attempts at incorporating inter-level marketing dialogues in which the economic benefits of forestry can be equitably distributed. However KfW has developed a pilot project which attempts to provide guidelines on forest product marketing to communities.

5.3.3 Potentials

5.3.3.1 *Small-scale marketing*

KfW's pilot project, KfW 6, Forest Rehabilitation and Forest Management, included trial timber auctions and according to a consultant report written by GFA Consulting Group, provided to be satisfactory. As emphasized by WWF, it is difficult for local areas to enter the forest market primarily due to a lack of knowledge and skills regarding sustainable harvesting and selling techniques. The main aim of the KfW6 project was to develop a small-scale marketing pilot, that could educate and include local people. The timber auction pilot took place in Truong Le village in Binh Dinh province, located in south central Vietnam. One of the reasons the pilot took place in Binh Dinh was because the province was

one of the targeted areas that KfW chose to pilot comprehensive approaches to CFM. Additionally, Truong Le village was considered a feasible pilot area due to its forest allocation certification and approved village forest protection department guidelines.

The timber harvest from the trial pilot was sold at a public timber auction. This auction was announced free of charge through district public media. 20% of the revenues were deducted for natural resource tax and paid to the district taxation office. The receipt for natural resource tax was kept with the District Project Management Unit (DPMU.) It was suggested by KfW that the receipts should be kept with the Village Forest Management Board (VFMB) in order to provide evidence for transparent fund management. The use of the timber revenue, which came to VND 7.7 million, was then discussed among the community members but usage application continues to be undecided. It was stated by community members that there were no major short-comings or challenges from this procedure and that the VFMB felt confident to independently organize local timber auctions in the future with the assistance of local authorities. Needless to say the KfW6 pilot represents forestry marketing options on a small-scale but has so far proven to be satisfactory.

5.3.3.2 Payment for environmental services

At the State level, Vietnam has recently made efforts to investigate payment for environmental service (PES) mechanisms, which could potentially serve as a framework for incorporating social-private partnerships where forest-economic benefits are more equitably and sustainably dispersed. PES is considered a voluntary arrangement in which a well-defined environmental service is bought by a service buyer who compensates a service provider and does so if the provider continuously secures the provision of that service (Wunder, 2005). It is asserted that PES is still early in the process of institutional development, however there have been significant developments in this area in the last decade

(Pham, Hoang and Campbell, 2008). The ecosystem services typically included in PES are watershed protection, carbon sequestration, and biodiversity conservation, however forest protection has also begun to be included. Additionally, although PES is not originally designed to address poverty reduction, it is expected to have a positive impact on poverty as many environmental service providers are often poor (Pham, Hoang and Campbell, 2008). Since 2008, Vietnam has begun two piloting projects for forest payments.

Payment for forest environmental services

In January 2008, the Decree 05/2008/ND-CP was established to introduce the legal conditions at the national and sub-national for the Forest Protection and Development Fund (FPDF). The FPDF is considered outside of the country's regular socio-economic development planning process and was conceived as a novel public-private partnership (UN REDD, 2010). The main aims of this fund are: to mobilize society in protection and development of forest resources; to improve responsibilities towards forest protection especially for people who benefit directly from the forest; and to enhance efficient forest management, utilization and protection (UN REDD, 2010). Essentially this fund aimed at introducing a framework for payment for forest environmental services (PFES).

The FPDF is nationally-based at MARD. However the fund is chaired by counsellors not only from MARD but also MPI (Ministry of Planning and Investment) and MoF (Ministry of Finance). At the provincial level the FPDF has been established in two provinces, Son La and Lam Dong. The funding governance at this level is the same as national and as such provincial FPDF reports to the DARD. The PFES revenues amassed from the two provinces are paid directly into the provincial fund, while revenue accrued from resources that cross provincial borders is paid directly into the national fund then re-allocated to provincial FPDFs (UN REDD, 2010). There is also a FPDF set up at the commune level. 38 communes under the Community Forest Management Pilot Project set up a communal FPDF, however the funding at this level only covers planned activities by the project.

In April 2008, the GoV issued Decision No 380/QD-TTg to begin piloting PFES in Lam Dong and Son La provinces. Both schemes have begun operation with external technical assistance from GTZ and Winrock International under the Asia Regional Biodiversity Conservation Programme (UN REDD, 2010). The fees from the PFES payments are put in a separate bank account at Vietnam Bank for Agriculture and Rural Development as it is not part of the state budget. The Son La PFES pilot covers 105,000 ha of forestland, with collected funds from two water supply companies and two hydro-power plants. The scheme operating in Son La includes government, social organizations and commune-level management boards who take inventory individual and groupings of households owning forest. It is said that the pilot intends to pay 7,585 forest owners for the protection of forest on 12,227 plots at an average rate of 100,000 VND (5 US\$) per ha (Pancel and Huong, 2009). Further, this implies an average payment of 1.4 million VND (78 US\$) per forest owner. However this average is said to be misleading, as there is a high variation in the size of forest holdings (UN REDD, 2010). In actuality, roughly 6,000 forest owners are individual households with small forest land and it has been recorded that very few of these owners get more than 500,000 VND (28 US\$) per year from the PFES scheme (UN REDD, 2010).

The PFES scheme operating in Lam Dong is slightly different than Son La in that it only includes groups of households to protect forests. Payments are given in accordance with contracts from the Protected Area Management Board (PAMB), which has a legal title to a large share of protected forestland in Lam Dong. In return for patrolling the forest, the household groups receive 90% of the total revenue collected for provision of environmental services, which amounts to roughly 270,000 VND (15 US\$) per year (UN REDD, 2010). However, like the Son La pilot, actual payments vary in accordance with provisional differences in the environmental services. The following check-list reveals the process in which PFES benefits are distributed to households:

- A PAMB signs a contract with the FPDF for the protection of a specified area.
- The PAMB develops a list of households living in the respective watershed area on the basis of past and existing forest protection activities. Its staff compiles brief inventories of the forestland protected by households on the basis of data collected in 2004-05.
- The PAMB crosschecks the household lists and forestland inventories with village leaders and the commune People's Committee. Together they compile inventories for new households and divide the households into different groups.
- The district-level Forest Protection Unit certifies the accuracy of the updated forestland inventories. The district People's Committee approves the inventories and forwards them to the FPDF for use in the contracts signed with the PAMB.
- The PAMB signs forest protection contracts with the heads of household groups for duration of one year.
- The PAMB disburses the applicable payments to the household groups through its commune-level units under supervision of village leaders and commune People's Committee. All member households countersign the disbursement of funds.
- The PAMB and groups inspect the contracted forest once a quarter.

Figure 10 - PFES fund distribution process

Source: UN REDD (2010).

The check-list is displayed to show the complex steps taken for transferring PFES benefits. Before any household can receive payments, many steps have to be taken: involving contracts, inventory analysis and cross-checks with Forest Protection Departments, district-level protection units and the People's Committee.

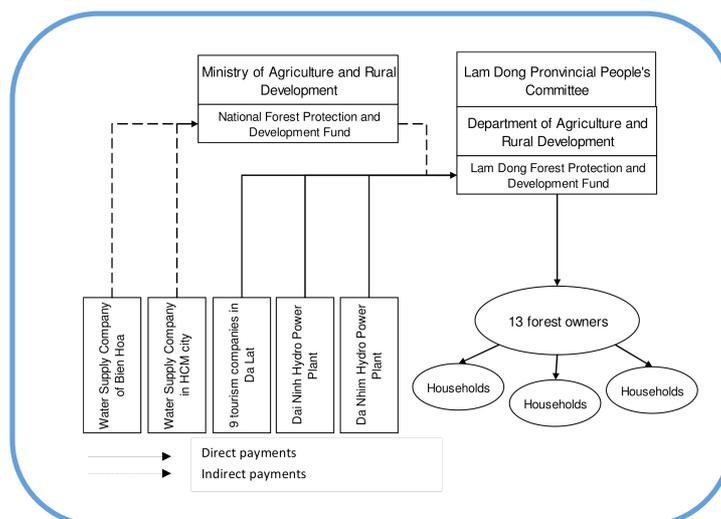


Figure 11 - Flow of PFES funds in Lam Dong FPDF

Source: UN REDD (2010)

The figure above reveals the payment flow of PFES in the PFDF pilot in Lam Dong. PFES payments are distributed in relation to the type of ecosystem service provided by forests. Such services include the forest's water storage capacities and soil protection. The indirect payments refer to the funding that the two water supply companies provide for the PFES programme. The amount of their funding is determined by the production capacity of the company. As the figure above reveals, the disbursement of payments to local groups is intricate and must filter through various levels before it reaches households. But essentially, payments first go to 13 state-owned companies and PAMBs, before it is distributed to households. Interestingly enough, there has only been one fund disbursement, which took place in Da Nhim from La Duong district (UN REDD, 2010).

However intricate the benefit dispersal of the PFDF PFES pilots, the two schemes in Lam Dong and Son La have introduced an alternative form of environmental forest governance. Even though both pilots are still in their preliminary phases, both have developed different institutional structures for the disbursement of payments and forestry monitoring (UN REDD, 2010) and have provided concrete examples of forest decentralization governance. The PFES pilot in Son La attempts to separate the actors in charge of handling payments from monitoring actors, giving authorities at the commune, district and provincial levels control over payments and monitoring; whereas in Lam Dong, control is given to PAMBs. The main point that the PFES pilots demonstrate are the possibility to give PES to an array of forest actors, ranging from the local level to larger reforestation projects. Additionally, these pilots provide an example of decentralized decision-making concerning benefits from site-specific forest services.

However it must be stressed that PFES in Vietnam is not without its problems. Currently the payments are voluntary and PFES contracts remain unclear in Lam Dong and Son La (UN REDD, 2010). It must also be mentioned that the villagers participating in the schemes have no legal rights to the forests they are protecting. The lack of legal ownership no doubt can then cause a lack of managerial willingness from the local, communal level.

Land tenure is a critical issue within the two PFES schemes. Son La was one of the provinces to participate in forest allocation during the early 2000s, so forest land rights were given to households, household groups, communities and social organizations. Because of this, the PFES pilot included different types of forest owners. The main issue in Son La thus revolves around disputes, particularly between migrants and new settlers, over forestland. Further disputes between state-owned companies with legal rights and villagers demanding customary rights provides a constant source of conflict. The PFES pilot in Lam Dong only contracted household groups through contractual agreements with PAMB. Because of this the households do not have any legal rights to their contracted land. This issue is similar to the criticism from the earlier 661 Project, where households were actually only hired as labourers for forest protection (UN REDD, 2010). The main issue with the PFES in Lam Dong is forest land distribution from state entities such as the PAMB to households and villages.

The PFES pilots in Lam Dong and Son La are still very much in early stages of development and to make any assumptions of how to implement PFES on a national scale would be premature. Yet they have provided concrete examples for how an alternative form of forestry governance could be implemented. Currently the UN REDD+ is investigating PFES governance as an option for their own payment structure and benefit sharing strategy.

5.3.3.3 UN-REDD

Vietnam is one of the nine countries in which the UN-REDD Programme has supported REDD+ preparations. Currently the REDD+ programme is in the theoretical stage, with many reports written to address policy issues for implementation. In preparation of REDD+, reports have been written which have specifically addressed an equitable benefit distribution system (BDS). This is particularly original because few countries have looked at how benefits should be distributed and it raises potentially sensitive governance issues (UN-REDD,

2010). The study on BDS claims that Vietnam is in a good position to develop a REDD-compliant benefit sharing system due to its experience with other national forest allocation programmes such as 661 and 5 Million Hectare Reforestation Programme as well as past experience with payments for forest environmental services (PFES). A team of national and international consultants worked with the DoF to prepare a study that addresses the principles of the community in terms of equity, transparency, additionality and performance-relatedness (UN-REDD, 2010). The key constraints that the study introduced as potential barriers for establishing a REDD-compliant BDS primarily revolved around the authority of the GoV. The study estimates that REDD+ could potentially generate \$80-100 million/year but is highly contingent on if the GoV takes responsibility to ensure that REDD+ is effectively implemented (UN-REDD, 2010). It should be noted that REDD+ is still in a negotiation phase under the supervision of the UNFCCC. In other words, the main principles and details of REDD+ are still somewhat vague, making it impossible to provide specific implementation terms in Vietnam. That being said, the BDS suggests clear policy options that the GoV should consider at an early stage. Additionally, the BDS heavily refers to the existing PFES projects in Vietnam as both PFES and REDD+ include the concept of rewarding land users for environmental services. Yet the primary difference between REDD+ and PFES is that buyers of REDD+ credits would be foreign entities and the purchasers of environmental services are local companies (UN-REDD, 2010).

Because REDD+ is still new to Vietnam, there are a number of ambiguous national laws and implementing regulations that need to be addressed. Some of these key legal issues are closely related to: carbon rights, land rights, legal status of beneficiaries (being an 'entity') and entitlement to REDD+ benefits for each stakeholder group (UN-REDD, 2010). Since carbon rights are by default considered attached to land, the issue of land rights is thus regarded as a prerequisite for how carbon rights are defined. In Vietnam, unclear land rights and vague land titles are the "single most significant impediment to effective preconditions for a REDD scheme" (Covington *et al.*, 2009). Because land and forests are state-owned, individuals and organizations are granted land-use rights (concessions) or tenure rights. Because of this, the potential entitlements

to REDD+ benefits can include many different stakeholders who hold rights towards the forest. The BDS also emphasizes that the entitlement of ethnic minorities and communities to REDD+ benefits is problematic because such groups do not hold official, registered titles or enforceable rights over the land they manage. In Vietnam, the FPD Law specifies who forest rights holders are and the Land Law identifies stakeholders who can receive land-use rights. Based on these laws alone, it is the forest owners who should receive the benefits of REDD carbon payments. However, entitlement to REDD+ benefits of communities run the risk of being compromised due to their vague legal status. Under civil code, communities are not recognized as legal entities, even though they are classified as a type of 'forest owner.' Therefore, due to the civil code, any access that communities could have to REDD+ benefits would be restricted. It is emphasized in the BDS study that equitable entitlements to REDD+ revenues to individuals, households or communities require a formalization of their legal rights and responsibilities to such benefits. Without a legal status, any type of benefit entitlements are not possible in Vietnam.

Concerning the matter of how revenues can be acquired from carbon conservation, is largely dependent on the forest type. The GoV controls Vietnam's protected areas, or Special Use Forest (SUF). There is currently no legal inclusion of the community or household management participation of SUF. As such, to the extent that SUFs meet REDD+ criteria, only Protected Area Management Board (PAMB)s would be eligible to receive any carbon conservation revenue. However, forests allocated to households and communities holding forest entitlements via a Red book, could be eligible to receive REDD+ revenues. But State Forest Enterprises (SFE) are controlled by the government and as such any forest management operations are also paid for by the government which means that if Red book-owning households or communities were eligible to collect REDD+ revenue, their subsidy would be reduced by the same amount (UN-REDD, 2010).

5.4 Community

The participatory role that the community or civil society performs within the Environmental Governance system forms the basis for the development of community forest management of natural resources in Vietnam. The ability of the Community to interact with both the State and Market components in an equitable capacity within the system, determines the viability of the system itself.

The general goal of community forestry is to sustain healthy forests while serving local livelihood needs. Additionally CF objectives include forest protection, household use, or commercial production. These objectives often overlap due to the diverse needs of civil society, which often range from environmental, financial, subsistence (such as use of forest products like timber and food) in addition to spiritual and cultural (RECOFTC, 2011). The Market, State and Community sub-sections of Environmental Governance each have vested interest and use in the protection and utilization of forest resources. However the relationship that the community or civil society has with the forest is the most direct. In conventional, large-scale forest management where timber is often the traditional focus, CF on the other hand enables diversified uses and respects the interests of all civil society forest users, including rural poor dwellers. While civil society are not the only key players in forest management, because of their numbers and dependence on forests, their roles in forest management must be recognized to the same extent as the State and Market.

In 2004, the Forestry Protection and Development Law legally recognized village-level management of forests and in 2006 the MARD established the Community Forestry Management Pilot Program with the aim to develop easy-to-follow procedures for implementing community forestry, with national guidelines pertaining to: land-use planning, benefit sharing and forest and financial management (RECOFTC, 2011). Following the legal recognition of the village and CF piloting, members of civil society were able to form co-management partnerships with the GoV, where forest resources could be

managed in a protection or plantation capacity for the benefit of the State. Partnerships such as these arose in the initial stages of devolution with forestlands contracted to civil participants as custodians. Likewise, the community interactions with the market can take the form of payment for environmental and forest resources as identified in the previous section. While aiming to attain the initial goals of reducing forest exploitation and supporting livelihoods of forest dependent populations since the 1980s, the role that civil society has is often marginalised, in both a direct and indirect manner.

5.4.1 Land and resource entitlement

A key issue that requires investigation is to whom natural forests are allocated to in Vietnam. The land tenure certificates are legal documents that can only be signed by legally recognized bodies, such as households, individuals and different kinds of business organizations (Vu and Warfvinge, 2002). Whilst communes are legal units, villages, hamlets or communities of people are not. More to the point, the FLA Programme has opened up the forest management sector to include civil society, however due to complex legalities, the roles that people play in CF is still less dominant than the role of the State and Market and because of this, forest entitlements for local people are unclear.

The GoV is the dominant manager of forest resources in Vietnam. During an interview with programme coordinator, Nguyen from RECOFTC, it was stated that only 25% of forestland is allocated to civil society and that the best-quality forests are predominantly owned by state actors; whereas the civil society members holding land tenure certificate, particularly local poor people, are mostly managing poorer quality forests. This indicates that the GoV retains a strong role in deciding what kinds of forest entitlements civil society has access to. Additionally, it was found by RECOFTC that the people with allocated forests do not have a strong say in how to manage their land and are obliged to adhere to the state in their decisions for use of forest resources. For example, it is illegal for a local person to harvest timber or conduct agricultural activities on their

tenured forest land without seeking permission from state authorities beforehand (RECOFTC, 2011).

The area of allocated forest to local people is also inconsistent and varies according to province location. During the interview with Nguyen, it was stated that in northern provinces such as Song La, there is generally less forest and more people per village so the size of forest land each household receives is smaller than in the centrally located provinces such as Dak Lak, where villages are allocated almost twice as many hectares. Nguyen went on to say that despite such disparities in forest hectares, practically all allocated areas share similar problems such as: over-lapping allocated areas, incorrect allocation, unclear land boundaries, land use change and limited funds for forest maintenance and monitoring.

Forest tenure processes are also slightly different in every piloted CF province. This means there is a contrast in processes of forest tenure reforms at the provincial level, which further implies that there is a lack of any coordinated regulations for civil society inclusion in CFM activities at the national level. At the provincial level there is a variance in the size of forests under different tenure arrangements. In Dak Lak, state actors hold a large share of forest area and local people only a small share; where local people do have forest tenure, the land is collectively managed by communities or household groups (Nguyen *et al.*, 2008). In other provinces however, most forest land is under the management of individual households. Further, because Dak Lak enabled variation of FLA implementation at the local level, this provided a means in which local people were able to hold more rights to their forests. In other provinces, the FLA process has been implemented on an ad hoc basis, which has created confusion for local people in fully understanding their forest rights and responsibilities (Nguyen *et al.*, 2008).

In general, civil society inhabitants of piloted CF provinces are not able to realize the full extent of rights endowed to them by FLA. This is in part due to the fact that FLA has not shaped the actual uses of allocated forests, due to gaps between

statutory regulations and customary practices, which has hindered clear benefit sharing arrangements and participation from local people. The provinces in which civil society has benefited the most from FLA has been when external support is available to local people (Nguyen *et al.*, 2008). So even though external support strengthens civil society's access to forest entitlements, it also contributes to inequitable distribution of forest resources among groups of local people, especially to disadvantaged households whose livelihoods depend on entitlements the most.

5.4.2 Forest use

As was stated by Nguyen from RECOFTC, the civil society lacks the funding required for necessary monitoring, harvesting and protection of their allocated forest land. KfW6's CFM pilot shared a similar sentiment. It was stated by Wode (2010) that regardless of the high motivation of the Village Forest Management Group (VFMG), with regards to KfW 6's pilot projects, technical capacities of the agro-forestry extension staff remained very limited. However in the same report, it was also stated that this limitation is not regarded as too critical since technical extension is expected to be provided through local forest protection rangers and with the Commune People's Committee (CPC) taking a supporting role in conducting administrative procedures as well as through local backing.

5.4.2.1 Harvesting

Despite Wode's (2010) optimism in receiving technical extension from administrative procedure and local guidance, the legal guidelines for agro-forestry are not suitable to the civil society's capacity. Decision 40/2005/QĐ-BNN pertains to the legal guidelines of forest product harvesting and is clearly designed with an emphasis on large-scale timber utilization forest companies or concessions, deeming it inappropriate for local people or communities. An

example of Decision 40's inapplicability is that it defines the harvesting cycle from 35 to 40 years depending on the forest type. In other words, this would mean that harvest options 'per forest block' for local people (or smallholders) would be just one time in their entire lifetime. Secondly, the harvesting design as stated in Decision 40, must be administered by a legal service provider, and harvest plans must be approved by the Forestry Sub-Department and reported to MARD for each forest owner (Wode and Bao, 2009). However it is not realistic for a village community to independently attain such an approval without any direct ODA project support. Additionally, the Decision stipulates harvesting intensity of 18-30% of the standing timber volume with requirements for a minimum economic cut for a forest concession. This stipulation fails to consider the small but ongoing timber demand of local people that is typically supplied through continuous, low intensity selective cutting (Wode and Bao, 2009). Further, the Decision states minimum harvest diameters of 30-50cm diameter at breast height. But it should be noted that there is a diversified demand of timber smallholders in all diameter classes. The pilot in Dak Lak revealed that the greatest timber demand of the community was in the range of 10-20cm diameter at breast height (Wode and Bao, 2009).

5.4.2.2 Traditional and introduced community forest management

The findings from the FGLG project established that 'traditional' forms for CFM have been in existence in provinces such as Thua Thien Hue for generations and that such traditions are supported by local rules governing forest protection and tree planting (Nguyen *et al.*, 2009). However, during FLA, other forms of CFM were introduced to the province and since 2001, roughly 3,434 ha of forest land has been allocated to household groups and village communities for management in nine communes of the three districts (Nguyen *et al.*, 2009). The main difference between the traditional and introduced forms of CFM in Thua Thien Hue is primarily the legal recognition of the management. With introduced forms of CFM, local people's rights to the forest are legally recognized while with traditional CFM, it is only informally acknowledged at best.

Within Thua Thien Hue province, six villages were selected based on three forms of CFM: forest allocated by the state to village communities for management; forest allocated to household groups for management; and forest management by village communities based on customary practices. Of the six villages, Aki Acha village and Pho Trach were most representative of traditional forest management. In these villages, the forests are managed according to customary rules and as such, the local people's forest rights are recognized by their communities but not by the state. With comparison to the introduced forms of CFM, the traditional form of CFM in the two villages revealed a distinct governance structure. In Aka Achi village, the management system is led by the traditional village headman and state elected village head. Beneath these two leaders are different household groups with members from the same family line (Nguyen *et al.*, 2009). Further, the entire forest governance structure operates according to an "unwritten set of village regulations, which are respected by all villagers" (Nguyen *et al.*, 2009). In spite of such a respected code of forest regulations, it is interesting to note that the forest area under the management of Aka Achi villagers is actually authorized under the management of A Luoi Management Board for Protection Forest. However, the villagers do not acknowledge the board's authorization and continue to claim their traditional ownership of the forest land. In Pho Trach village, the forest area is managed under internal regulations, which stipulate clearly defined forest management measures. Pho Trach villagers have tended to and taken care of their forest for generations even though it has not been officially allocated.

5.4.3 Benefits for civil society

The degree that CF contributes to equitably benefiting the community is generally not very clear; however there exist concrete examples, which indicate that attention is being brought to address equitable benefits to poor households.

Thua Thien Hue province and T'Ly village in Dak Lak province show two examples in which benefits to civil society have been more clearly established. These two provinces have conducted harvesting, logging and timber collection activities, which are applicable for civil society especially local people.

It was found that in Pho Trach village of Thua Thien Hue, the rotational cutting of one quarter of the community forest per year allowed villagers to have access to forest benefits every year (Nguyen *et al.*, 2009). In addition, during harvesting, everyone in Pho Trach was eligible to equal shares of the forest for fuel wood purposes, under the condition that they would contribute to forest patrolling costs. According to Nguyen *et al.* (2009) this arrangement of benefit and cost distribution allows equal opportunities for even the poorest of the villagers to benefit.

In Aka Achi village of Thua Thien Hue, everyone was allowed to collect timber from their forest if they were in need. The village regulations were set up in such a way that if a villager required timber then all that was required was to inform the village headman who then reported it to higher authorities. This type of arrangement is considerably easier for the rural poor, who are not familiar with bureaucratic procedures, to benefit from their forest resources (Nguyen *et al.*, 2009). Additionally, the pilot in T'Ly village of Dak Lak province, enabled equitable benefit sharing from commercial logging. The village was able to sell 368 m³ of timber at an open auction for 616 million VND (30,000 US\$), earning the village a net benefit of 283 million VND (14,000 US\$) (Nguyen *et al.*, 2009). These earnings were then loaned to five poor households in need of a financial loan.

5.4.4 Poverty alleviation

Aside from the specific examples of benefit sharing from the CFM pilots in Thua Thien Hue and Dak Lak province, the contribution to poverty alleviation from

community forestry is not clear. Survey findings from RECOFTC have discovered certain factors that influence the contribution of CF to poverty alleviation. Those factors include: a lack a pro-poor benefit distribution mechanism at the village level; poor forest conditions; a lack of necessary resources; and that forests alone are not sufficient to get rid of poverty. This implies that the people in which CF is targeted for, who are those most in need of access to the benefits of forest endowments, are not fully included in forest governance.

There is a general lack of pro-poor benefit distribution mechanisms within communities. After FLA implementation, this was particularly the case at the village level. Decision 178/2001/QĐ-TTg only specifies the share of benefits between local forest managers and the state, but not among villages. Additionally, the Village Forest Protection and Development Regulation (VFPDR) does not reflect a clear arrangement for forest benefit distribution for villages, which proactively supports poor households.

In many villages, forest resources are in a relatively poor condition. This implies that if CFM is implemented, then villages have to protect their forest for many years before they are able to harvest any major products. The resources that are often readily available from such poor quality forests are non-timber forest products, which are useful for daily needs of forest dependent households, but in-adequate for poverty alleviation.

Poor households often lack the labor and funding necessary for forest harvesting. As such, even in instances where the forest provides high value resources available for harvesting, they are not benefitted by the poor, and in turn those resources only bring benefits to wealthier village households; the impact of which can potentially widen the economic gap between the rich and the poor (Nguyen *et al.*, 2009).

Forests are considered important, but perhaps not sufficient to alleviate poverty. Nguyen *et al.* (2009) states that the notion of non-timber forest products (NTFP) as a 'poverty trap' may still hold. NTFP's and timber products are necessary for

poor households but these resources alone are not enough to get them out of poverty. RECOFTC's analysis justifies this for three reasons. The first is that poor households lack resources to invest in the forest for higher income in the future. The second is that there are options that can potentially help alleviate poverty quicker than forestry, such as agricultural activities or off-farm work. And the third reason is that the community is not recognized as a legal entity, making it impossible to obtain collective Red book certification, which is necessary if a community should require a loan from credit organizations.

6.0 Discussion

Presenting a reflection of the data synthesis with supporting literature evidence, this chapter provides a discussion of the institutional barriers to implementing CFM in Vietnam. The following themes, identified in conducting field interviews, are utilised to structure the discussion in order to address and differentiate specific issues pertaining to CFM practises:

- Governance
- Benefit distribution
- Land tenure
- Knowledge and technology

Following reunification in 1975 the GoV promoted land and forest management via State Forest Enterprises, who were charged with the task of supplying the necessary timber produce to enable Vietnam's post-war material and economic reconstruction through foreign trading. The development of land tenure rights in Vietnam began an evolutionary progression since the economic reforms of *Doi Moi* in 1986, with the enacted 1993 Land Law identifying the issuance of long-term land-use rights for forest users. While households were included in the subsequent land reform, they were largely marginalised through allocation of low quality and barren land, conversely productive tracts were allocated to State units, typically State Forest Enterprises who already managed the land (Sikor, 2006). An incumbency of the State Forest Enterprises was established and local communities - often of minority ethnicity - were further marginalised from the intended shared economic prosperity that was initially planned. This lead to SFEs gaining greater political power than that of many Commune and District authorities.

In order to remedy the diminishing forest resources and in support of forest dependent livelihoods, the GoV further stipulated the allocation rights of forest

land to that of communities in 2004, recognising the value of existing traditional or customary forest management governance systems. While the application of introduced forms of community forest management throughout Vietnam has a recent history, the confidence and momentum of it has grown rapidly.

The strengthening of the institutional capacity of community forest management practices should not only assist in provisioning equitable access to natural resources that is of high importance to forest dependent communities but also provide participatory benefits afforded through the inclusion of civil society in the governance and economics of natural resources.

While the analysis was differentiated horizontally into the three elements of Environmental Governance, it became evident that a second dimension of analysis was required in considering the States' role in forest management. As indicated in Figure 12, a vertical dimension or multilevel aspect is applied further assisting in identifying the unique barriers applicable at each level of State administration.

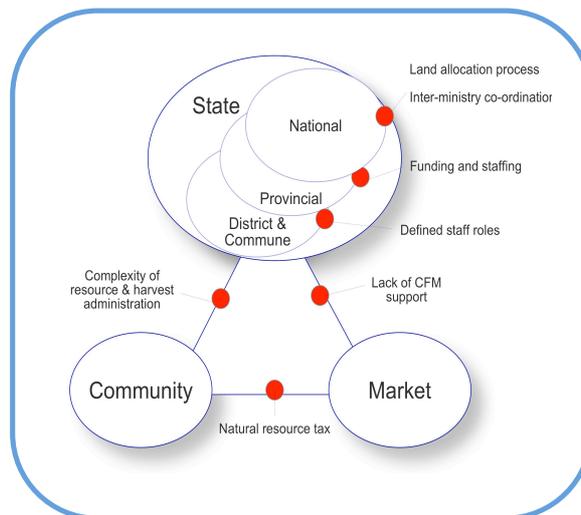


Figure 12 - Identification of institutional barriers within Environmental Governance

6.1 Governance

The governance of forest resources and the management practices applied have played an intrinsic role in the development of community forest activities in Vietnam. Nguyen *et al.*, (2008) identifies that despite widespread allocation, the state remains the dominant actor in forest resource management at all levels throughout Vietnam. Whereby state entities own the best quality forests and non-state actors manage poor quality forests and are strongly directed on its use. Stemming from initial devolution initiatives, and through the continuing process of forest land allocation and inclusion of actors with vested interests, particular barriers to the successful institutionalization of CFM can be identified. As indicated in Figure 12, specific issues are identified at respective levels of administration in Vietnam.

Through the analysis of the State entity's role within the Environmental Governance of forest resources in Vietnam (chapter 5.2), certain weaknesses and limitations to its overall efficacy are notable. It is evident that the current national forest policy frame supports and provides general recognition of CF as a legal option that enables the involvement of local groups in natural forest management. However despite such recognition, inconsistencies between legal documents and poor coordination between relevant ministries has resulted in imbrications of mandates and procedures from various agencies during implementation, a finding also supported by Wode and Bao (2009). Although it is an expected pertinent responsibility of the government ministries to communicate with one another when making plans to develop new forest decrees it was stressed by Hai (2011) of KfW, that such communication either fails to occur or such inter-ministry consultations take place too late to be beneficial. Further, because the central government constantly churns out programmes with overlapping ministerial responsibilities, this leads to overlapping objectives and project components, which makes it quite difficult for local authorities to assimilate to (Pham *et al.*, 2008). This resultant overlapping and layering similarly has a negative affect on the progress of forest allocation procedures to local groups of forest users. Furthermore, the current technical

and administrative legal guidelines regarding forest timber and harvesting remains aligned to the requirements of large-scale forest companies and completely neglects the needs of CF participants. To date, only the efforts of KfW - with special permission from national legislatures in 2010 - have achieved a complete CFM cycle inclusive of sale of community-harvested timber at auction. While this is an undoubted success, the possibility of replication is currently dubious while the GoV is unresponsive to a request to amend timber harvest regulations, and allow the participation of communities in present forest produce markets.

The impact of national state entities participation in forest allocation activities is not only of present. As Nguyen (2011) of RECOFTC highlighted, many of the current setbacks that further delay and complicate current allocation applications are actually owing to problems resultant from the initial forest land allocation initiatives undertaken. Further explained by Nguyen, it was the goal orientated allocation process imposed by the GoV and implemented by the provincial units that has now resulted in a myriad of forest land mapping inaccuracies and conflicting tenure claims. These inconsistencies only lead to further barriers when attempting to allocate to participants of community forest activities and will undoubtedly hinder the up scaling of CFM procedures in the future, a sentiment echoed by Nguyen.

Given the semi-autonomous status of the provincial administrative unit, it is found that the varied progress in implementation of community forest activities is largely owing to the expediency at which each province likens to act. While this has led to certain successes in provinces such as that of Dak Lak, it means many provinces have limited examples of community forest allocation where forest land remains largely managed by SFEs or provincial economic interests lie in other resources or industrial activities.

It is of current concern of the KfW6 project that successful institutionalization of its CFM activities may not be achievable owing to provincial administrative capacities. Wode (2010) suggests that province units could strengthen CFM

institutionalization by appointing permanent staff under the Forest Department or the Forest Protection Department as well as through allocation of provincial funds for CFM measures. However, following meetings with provincial DARD representative Dang, it was established that it is not a realistic option to assign permanent staff or to allocate operational funds specifically for CFM. This is especially due to the fact that no finalized legal MARD approval for CFM has been achieved as yet.

In order to resolve the provincial inconsistencies it is suggested that a more uniform progression in community forest allocations could be achieved if the administrative units role of approving individual applications for forest allocation and CF procedures were relinquished. While retaining its role of governing provincial strategies, a refined responsibility in simply provisioning general guidance of planning, implementation and monitoring of forest allocation and CF would enable the District administrative unit the progressive potential to address needs at the local level.

Supporting the shift of direct interaction with forest allocation and management at the local level, Wode (2010) suggests that Forest Protection Units at the district level should be the key agency for providing direct support for communities. The District level should be responsible for mandating approval of applications for forest land allocation, forest protection and development regulations and CFM plans. The Forest Protection Units and Agriculture and Rural Development sectors should be the main agencies in which communities and villages receive support during CFM activities. To ensure effective implementation of future CFM activities, Wode and Bao (2009) suggest clear instructions should be communicated to district staff in charge of the communes involved so as to give them a clearly defined role. Additionally, CFM approval procedures should be stated clearly and it is a recommendation by KfW that legal instructions issued by provincial departments would be best suited to articulate this issue.

As the commune is the lowest recognized administrative level, the unit should remain the main body for coordinating and supervising actual implementation of all CF activities. With the capacity of valuable local knowledge and insight, the commune and village levels hold the main responsibility of reporting and submitting applications for approval requests. However, as suggested by Wode and Bao (2009), there is a necessity to refine the forest resource reporting procedure currently imposed on the commune and village level. With multiple checks at commune, district and provincial level, the procedure is significantly inhibiting the real-time achievements that communities are able to achieve.

6.2 Benefit Distribution

The degree to which CF contributes to equitable benefit sharing in the community is generally unclear, however the CF pilots in provinces such as Thua Thien Hue and Dak Lak show potential for how benefits to civil society can be more clearly defined. The main achievements of these pilots were that they initiated applicable forest governance mechanisms where local people could more easily participate and experience clear benefits from their own management activities. However, despite these examples, the contribution that CFM gives to poverty alleviation remains nondescript. In many areas in which land is allocated, the forest conditions are of poor quality and communities simply lack the resources required to actively manage their forests. This means that if CFM is implemented in such areas, then it will not only be several years before the community is able to harvest usable forest resources but they also lack the funding needed for proper forest harvesting. Additionally, the allocated forest areas with high value resources end up in the management of wealthier villages; the impact of which can further widen economic gaps between rich and poor households.

The tensions existing between traditional and introduced community forest management also presents a conflict for equitable land distribution. In Thua

Thien Hue province, forest was allocated by the state to village communities and households in some villages as well as managed by village communities based on customary practices. The villages managed according to customary practices had a very distinct governance system based on unwritten village regulations that had been enacted for generations. These villages refused to acknowledge any state authorization over their forest despite the fact that they are officially under the management of state protection boards. This poses a particular problem, should the state decide to allocate these areas, especially since traditional CFM is only informally acknowledged by the GoV.

The UN-REDD Programme is still relatively new in Vietnam, however a team of national and international consultants have prepared comprehensive studies on equitable benefit sharing which specifically address the principles of communal equity, transparency, additionality and performance-relatedness (UN-REDD, 2010). The programme estimates that REDD+ can potentially generate US\$100 million/year to Vietnam, however this is highly dependent on if the GoV takes responsibility to ensure its implementation. In other words, massive policy changes are needed in the forestry sector if REDD+ is to be realized. At the rate that national CF policies are being developed, drastic changes to policies are arguably unlikely to occur the near future. This inevitably is of great concern for UN REDD.

Lessons Learned from Payment for Forest Environmental Services

The PFES schemes reveal the possibility for implementation of an innovative environmental governance system in which access to, and benefits from forest resource assets are more evenly appropriated to a diverse set of actors, especially at the local level. With the emerging UN REDD+ program in Vietnam, there has been special attention given to lessons-learned from the PFES pilot, especially in relation to benefit sharing. PFES has the opportunity to benefit the local level through the direct benefits of cash payments for forest protection but also through indirect, non-monetary benefits such as enabling a greater political voice in natural resource governance. However as already stated, PFES is not without its issues. PFES is still in its preliminary stages in Vietnam and as the

two pilots reveal, there is a need to enhance public administration in terms of organizations, institutions, and human resources (Pham *et al.*, 2008).

The involvement of various ministries and state owned companies at the macro level in developing and implementing PFES policies, reveals that there is an active exchange of ideas concerning how devolved forest management can increase forest entitlements and benefits at local levels. Yet because there are so many agencies involved in the PFES process, this makes for an extremely complex and inconvenient administrative process. During interviews with senior project formulation advisor, Eiji Egashira and forestry program advisor, Nori Kitamura, from the Japan International Cooperation Agency (JICA), it was stated that implementation of PFES is likely to be delayed because of numerous authorization that PFES requires in Vietnam. Additionally, the roles and responsibilities that external agencies, such as JICA, provide in terms of technical assistance, remains quite vague.

Secure land tenure is a crucial element to ensuring a successful PFES scheme in Vietnam. Long term forest leases to local households, as was the case in the Five Million Hectare Programme, can help clarify tenure issues, yet this still does not solve the issue of complete accessibility to land. What was found in the Son La pilot was overlapping jurisdiction leading to conflicts between, state-owned companies, communities and the government. As previously mentioned, conflicts between legally recognized entities and those claiming customary rights over forest land presents a significant inhibitor for PFES programs.

The complexity of the administrative process as well as insecure land tenure presents considerable obstacles for PFES, which are analogous to CFM. However as presented by Pham *et al.* (2008), a possible option for overriding such issues is to transfer administrative responsibilities for PFES to local communities. This would undoubtedly require the need for capable local institutions. However, the improvements of local community rights remain challenged in Vietnam and effective local institutions have yet to be fully recognized.

CFM in relation to PFES and ministry coordination

Like PFES, community based forestry requires multi-sectoral involvement and strong collaboration among stakeholders, however the analysis reveals that there is weak inter-agency communication between ministries (Pham *et al.*, 2008). Coordination is required, however it is evident that no formal meetings take place among ministries, or some ministries fail to be included in the forest devolution debate all together.

It is ostensibly one of the goals of decentralization to improve livelihoods, which contribute to sustainable livelihoods of the rural poor. During every interview conducted while in the field, the ministries that were continually mentioned were MARD and MoNROE but there was little to no mention at all of MOLISA. It is interesting to note that input from the main governmental body working specifically with poverty reduction issues in Vietnam, MOLISA, is notably absent from forest devolution, PFES and other environmental discussions. With regards to PES, Pham *et al.* (2008) firmly states ministries such as MARD and MoNRE, believe that they are technically capable and that there is no need to include MOLISA to make these types of governance mechanisms equitable, or more specifically, pro-poor. However it can also be stated that inter-ministrial communication must be the responsibility of all agencies. Even though it can be argued that MOLISA should be directly involved in environmental policy discussions, the ministry shows little interest in being included as they claim that environmental protection is not the focus of their poverty reduction priorities (Pham *et al.*, 2008). In addition to the absence of MOLISA's participation, the possibility that environmental protection and forest management alone are not sufficient to alleviate poverty should be mentioned. Referring back to Nguyen *et al.* (2009) in calling non-timber forest products as a 'poverty trap' indicates that forest entitlements are not enough to get poor households out of poverty and that instead, there should be a diverse set of options, such as agricultural activities, available to increase livelihood well-being to poor people.

6.3 Land tenure

In the context of environmental entitlements, forest endowments should encompass initial ownership, meaning the rights and resources that the community has over the forest. Having endowments is necessary in the context of CFM as it legitimizes access and control over a natural resource that is essential for the well-being of livelihoods. In Vietnam, land tenure proves to be an unavoidable component towards a community's entitlement in forest management. In the context of forest entitlements, institutions play a dominant role in regulating how forestland is accessed and controlled. During an interview with Dr. Sikor, it was emphasized that the differences in access and rights to forestland in Vietnam inevitably shapes the degree of power that local communities have in CFM.

Land tenure is a key barrier for CFM in Vietnam, and represents how the State continues to have firm control over forest management, despite forest allocation activities to non-state actors. The Five Million Hectare Programme and the Forestry Sector's Five Year Plan represent seemingly supportive goals towards the development of CFM through the decentralization of management rights to provincial, district and commune authorities. However it is clear that these rights have not been sufficiently enacted in provincial programs and policies, and is an obstacle for implementing CFM. The fact that Land Tenure Certificates (Red books) are a necessity for any actor wishing to manage forests is representative of the community's inability to properly manage their land. The certificates entitle a household to certain land rights with a 50-year validity, but they do not pertain to formal ownership of allocated land. So in that sense, a household, organization or individual is only entitled to a lease over forestland. Further, it is important to emphasize that the 'community' is not recognized as an eligible entity for a land certificate. So until the community is acknowledged as a possible Red book owner, large-scale CFM implementation is not practical in Vietnam.

The various CFM pilot projects in provinces such as Dak Lak and Quang Nam reveal how forest decentralization can be allocated and managed by provincial and district authorities. The establishment of Village Forest Management Boards and Protection Teams further alludes to the possibilities of coordinated CFM activities. Yet it must be emphasized that these are only pilots and the reason those particular provinces were chosen was due to the fact that these areas already held Land Tenure Certificates. This then raises the question of how to include provinces or villages without a Red book. Clearly this is a paramount issue that is included in every allocation process, yet remains unaddressed.

What was discussed during interviews with Nguyen from RECOFTC and WWF Global Forest & Trade Network coordinator, Le Cong Uan, was that although the GoV recognizes the importance of including the community, there remains skepticism about allocating tenure rights to local people. Le Cong Uan mentioned that WWF works with state forest enterprises and large-scale companies, not because for lack of wanting to include local people, but primarily due to the fact that the necessary land tenure certification process and consequential tax issues are simply too complex for their organization.

The FPDF-funded Payment for Forest Environmental Service (PFES) project and the UN-REDD+ Programme face similar issues with regards to land tenure. The PFES project presents a coherent example of decentralized decision-making concerning equitable benefit sharing. However it must be mentioned that the villagers who participated in the PFES pilot held no legal rights to the forests they were protecting. Should PFES be implemented on a larger scale, this lack of ownership can undoubtedly cause a lack of managerial willingness and participation from the local level. Additionally, because the PFES includes different types of forest users, this can cause tensions between migrants and new settlers as well as between state-owned companies holding legal rights and villagers demanding customary rights.

The UN REDD+ is still in a negotiation phase in Vietnam in spite of having prepared detailed reports that suggest clear policy options for the GoV to

consider with regards to benefit sharing. It is not feasible for REDD+ to be activated in Vietnam until clear land rights and titles are established, particularly pertaining to ethnic minorities and communities. As such, the benefits that UN REDD+ targets to communities, also runs the risk of being compromised due to vague legal status. During an interview with UN REDD+ technical advisor, Dr. Laake, it was asserted that this is a delicate issue for the programme. When specifically asked the question of how communities could participate in REDD+ if they are not recognized in Civil Law, Dr. Laake did not have an immediate answer. During further discussion however, he mentioned the possibility that if a community established themselves as a 'company,' then they could have legal status and be eligible for receiving REDD+ benefits. However, when posing the possibility of establishing the community as an economic unit as a way to ensure legal status, program coordinator, Phuc Xuan To of Forest Trends/Pan Nature was quick to disregard this, and referred to it as "just a beautiful idea." His reason being that the community is very disenfranchised and it would be a long time before the GoV would ever, if at all, acknowledge such a possibility. Therefore, it can be said that until drastic policy changes are made towards land tenure rights, it is a strong reality that the GoV is and will continue to have a dominant role in deciding the community's access to forest entitlements.

6.4 Knowledge and technology

Whilst it is undisputed that traditional land use management pre-dates modern forest management techniques, it is evident that there exists uncertainty as to whether customary or traditional practices can be deemed 'community forest management' in a modern context. As suggested by RECOFTC (2011), traditional land management practices can potentially be deemed socially and environmentally sustainable and it is only within the confines of modern regulatory and economic demands that these practices have become distorted and exaggerated to a point of 'unsustainability' in certain locations. In contrast, it was suggested in an interview with SNV (2011) that such sustainable traditional

land use practices do not exist in the modern context and CFM projects are a viable solution to widespread exploitative practices currently occurring.

While traditional CFM is more normally characterised by the respect of customary structures and equitable distribution of forest benefits often providing greater assistance to poorer participants, it does however lack in legal rights of land tenure. As Nguyen (*et al.*, 2008) indicates, introduced CFM in comparison, while potentially affording equitable access and rights to forest resources and provision of collective capacity, entails a number of weaknesses at present. The regulatory structure currently imposed on introduced CFM programs encircles the activities in a rigid political framework, often 'disincentivising' collective action, and owing to its complexity leads to gaps between state laws and customary practices. Nguyen suggests that this form of CFM is further characterised at present with a limited capacity for success without prolonged external support, and infrequently addresses the representation of women within such activities.

At the core of many CFM initiatives in Vietnam, there reside concerns as to how local knowledge often in tacit form can and should be included in program activities. Compounding the issues of conflicting forest land claims between customary and FLA decisions, the applicability of customary or traditional forest management practices often are met with inoperability amid imposed state forest silviculture, inventory and harvest regulations. As Nguyen (*et al.*, 2008) highlights, even in locations where FLA has long endowed access rights to forest land there exists distinct lack of understanding among local people as to the extent the rights that FLA actually entails.

In response to the complexity of regulations that local people are often faced with, a core suggestion in 2011 of KfW6 following successful piloting of harvest activities in Binh Dinh province was the simplification of harvesting requirements, contrasting the expensive and convoluted state requirements. Specific cost reductions strategies suggested included replacing expensive external consultant contracts for forest inventory with local low-tech monitoring

solutions and long-term clear cut harvesting strategy with low-impact selective and continual forest resource extraction schedules, decided upon by local administrative units. The ability of applying local knowledge and technological practices in the management of FLA or customary forest lands must be of utmost importance in the immediate considerations of national CFM development strategies. With current timber harvest regulations effectively halting any further development in CFM programs throughout Vietnam, it should take primary focus within any further national decisions or provincial strategies.

6.5 Institutionalising CFM

In general, the findings from this research lends agency to the notion that CFM can potentially enhance local livelihoods. However, it is ultimately that changes in statutory rights associated with community land ownership will improve local people's endowments the most. Further, with changes in endowments, this in turn may strengthen entitlements for local people, as forests provide several variations of goods and services (Sikor and Nguyen, 2007).

Mid-discussion (effect and power over forest)

According to Sikor and Nguyen (2007), there are two issues that are high on the forestry agenda in Vietnam. These issues are concerned with not only the contribution that forests can have on rural poor livelihoods but also the distribution of control over forests. The data and analysis suggests that the actual contributions that forests have on rural livelihoods are in fact extremely varied.

Referring back to the environmental and forest entitlements framework, which have been used as a tool for examining the social and environmental dynamics at play in CFM, the core concept behind this is the notion of endowments and entitlements that social actors, or community, have with regards to environmental goods, or forest products. This is not to say, however, that

endowments and entitlements are one and the same. Endowments reflect the influence of a broad set of institutions lending legitimacy to claims on natural resources which is inclusive of the entire gamut of socially sanctioned as well as formal-legal institutional mechanisms for resource access and control (Sikor and Nguyen, 2007; Leach *et al.*, 1999). In other words, with regards to the legal implications of community property rights in Vietnam, the rights in which communities are entitled is highly dependent on the country's variation in statutory rights and forest use regulations. The analysis also reveals that the differences in various forest organization's CFM pilot projects existing in Vietnam show a variety of forest endowments that is dependent on the locality and provincial attitude towards forest allocation.

In general it was found that a complex web of institutions at different hierarchal levels affects CFM and forest entitlements. It is also found that the more egalitarian distribution of forest land entitlements as revealed in specific pilot projects such as RECOFTC's in the Central Highlands, was primarily resultant of the village's nature of local production systems as well as their access to other complementary productive resources in nearby villages. Sikor and Nguyen (2007) state that under other conditions, especially where land preparation is undertaken with heavy machinery, that forest devolution is more unlikely to increase land entitlements of the poor.

Agrarian Perspective of CFM

As suggested by Sikor (2006), the emergent Agrarian perspective of environmental governance provisions a more wholistic approach in analysing the interactions between system actors. The localised perspective lends insight to the important processes occurring between nature and humans, such as that of forest management, and is enhanced further by Ostrom (1999) with the recognition of institutional choices that enable collective action. Where the local perspective lacks reference to the political sphere, the political perspective described by Sikor (2006) provides an analytical frame in understanding the power and control relations between actors such as state and civil society and the inevitable struggles that prevail especially pertaining to property.

Developing further from these frames, the Agrarian perspective focuses on the ability to benefit through the access to resources or property. As entitlements within the agrarian perspective, the ability or right to benefit from forest resources must include recognition of political participation and the economic sphere of forest resources.

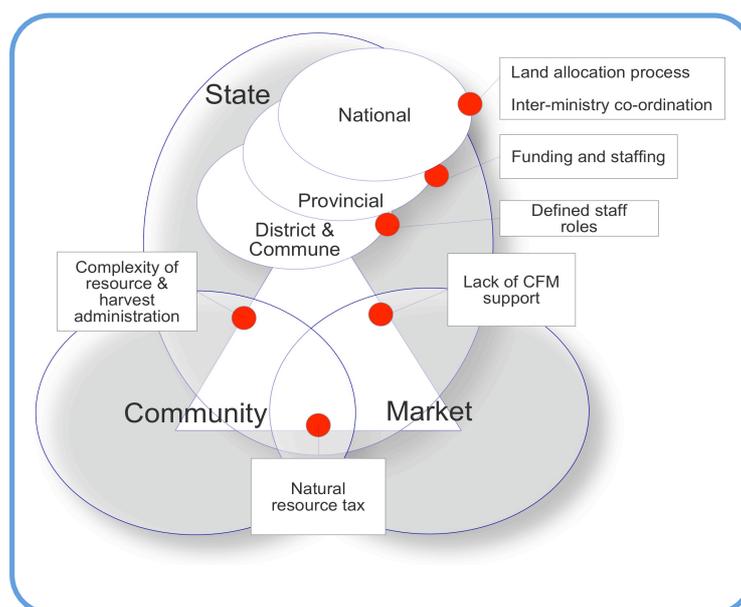


Figure 13 - Agrarian CFM in Vietnam

Illustrated above, Figure 13 depicts the institutional barriers to CFM in Vietnam within the consideration of the Agrarian perspective, highlighting the lack of distinction between the three elements of environmental governance. It has been shown that each of the three elements play an intrinsic but not exclusive role in the system, yet in considering the interactions between the elements, certain barriers to equitable access and benefit exist as do disconnects between actors. Further to the three constituents of environmental governance, the role of multilevel actors also becomes apparent. The local community level and market entities not only interact on a single level with the political sphere but are also directed by multiple levels of politics, in the form of forest land allocation decisions, forest resource taxes and timber harvesting regulations. While local level actors increasingly find themselves intertwined with political

decisions at both the provincial and national level, they are further being immersed in the forest resource markets that are characterised by limiting economic regulations.

Forest devolution holds a potential to richly benefit local people through endowments and entitlements. However, while statutory rights to resources or property do afford local people benefits, they do not *automatically* afford benefits. As Sikor (2006) identifies, the level of benefits obtained through endowments and entitlements is very much dependent both spatially between locales and on the political landscape in which it occurs.

7.0 Conclusion

The role that the state assumes within the *inclusive* Agrarian perspective of environmental governance in Vietnam identifies clear inequities with regards to local level access and benefits derived from forest resources. If the institutional barriers to CFM are to be overcome, institutional changes are required. The rapid development and poorly co-ordinated forest allocation procedure has precipitated into a complex landscape of forest management in Vietnam, often limiting the endowments and entitlements to benefits of local people. Inter-ministry communication and co-ordination at the national level requires review in order to clarify forest land allocation rights at the local level. In order for local communities to participate and reap benefits, amendments to timber harvesting regulations and resource taxes should be applied. Signifying confidence in local abilities, a shift in the approval and monitoring processes of forest resource harvesting from the provincial administrative level to the district level, while retaining guidance mandates, will enable local earnestness and valuable customary knowledge to shape real community forest management. For equitable distribution of benefits in the form of payments for environmental and forest services, standardised inventory methods and forest land allocation must be developed. Within the current political landscape it can be expected that only marginal benefits will be attained given the widespread allocation of lower quality forest land resources to local people.

7.1 Recommendations

Although efforts to improve the contribution of CFM to rural poor livelihoods are complex, there are certain modes of intervention that can potentially enhance CFM's effectiveness. It is recommended that policy makers should strengthen the statutory rights bestowed to local people and communities with regards to forest allocation regulations. It should be the obligation of the Vietnamese government to strengthen the rights of the country's poorer populations. In

addition, adjusted forest devolution policies should place a focus on shifting local power relations in the favour of rural forest beneficiaries, thereby enhancing forest endowments and reinforcing poor people's power against other potential controlling actors. In addition, further forest devolution policies should be applied which broaden forest entitlements through CFM in rural areas. These policies do not necessarily have to be directly applicable to the forest per se, but are related to forestry in ways that develop access to the essential resources required to sustain benefits of forest products, such as credit schemes or savings accounts.

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Appendix

A1 Interview participants

Name: Le Cong Uan

Organization: WWF, Global Forest & Trade Network, Vietnam

Position: GFTN Vietnam Coordinator

Meeting on: 18 Feb 2011, Hanoi

Name: Tan Nguyen Quang, PhD

Organization: RECOFTC- The Center for People and Forests

Position: Country Program Coordinator Vietnam

Meeting on: 18 Feb 2011, Hanoi

Name: Patrick Van Laake, PhD

Organization: UN REDD-VIETNAM Programme & Department of Forestry, Ministry of Agriculture and Rural Development

Position: Technical specialist-senior technical advisor in UN REDD

Meeting on: 21 Feb 2011, Hanoi

Name: Phuc Xuan To

Organization: Forest Trends/ Pan Nature

Position: Program Coordinator

Meeting on: 21 Feb 2011, Hanoi

Name: Dr. Vuong Xuan Tinh

Organization: Institute of Anthropology, Hanoi

Position: Deputy Director of Institute of Anthropology

Meeting on: 21 Feb 2011, Hanoi

Name: Nori Kitamura

Organization: JICA (Japan International Cooperation Agency), Directorate of Forestry (VNDoF), Ministry of Agriculture and Rural Development (MARD)

Position: Forestry Program Advisor

Meeting on: 25 Feb 2011, Hanoi

Name: Egashira Eiji

Organization: JICA (Japan International Cooperation Agency, Vietnam Office)

Appendix

Position: Senior Project Formulation Advisor

Meeting on: 25 Feb 2011, Hanoi

Name: Thomas Sikor, PhD

Organization: International Development, University of East Anglia, UK

Position: Faculty of Social Sciences and reader in Development Studies, specialist in forest management in Vietnam

Meeting on: March 1, 2011, Hanoi,

Name: Steve Swan

Organization: SNV Netherlands Development Organization

Position: Climate Change Programme Leader and REDD+ liaison

Meeting on: 2 March 2011, Hanoi

Name: Adrian Enright

Organization: SNV Netherlands Development Organization

Position: Environmental Economics Advisor

Meeting on: 2 March 2011, Hanoi

Name: Nguyen Trung Thong

Organization: SNV Netherlands Development Organization

Position: Project Manager for Lam Dong pilot projects and Pro Poor REDD.

Meeting on: 2 March 2011, Hanoi

Name: Mr. Phong Duy Tran

Organization: KfW6

Position: Assistant to Chief Technical Advisor

Meeting on: 3 March 2011, Quy Nhon, Binh Dinh

Name: Hai Le Hong

Organization: KfW

Position: Community Forest Management (CFM) expert for KfW and translator

Meeting on: 3-4 March 2011, Quy Nhon, Binh Dinh

Name: Ong Dinh Bao Tri

Organization: WWF, Greater Mekong Vietnam Program, Quang Nam Office

Position: GIS/ M&E Officer

Meeting on: 7 March 2011, Tam Ky, Quang Nam

Name: Dang Dinh Nguyen

Organization: Quang Nam Forest Protection Department

Position: Vice Director

Meeting on: 8 March 2011, Tam Ky, Quang Nam

Name: Mr. Bau

Organization: WWF Hue,

Position: coordinator of Wildlife Trade project

Meeting on: 9 March 2011, Hue

A2 Chronological Development of Community Forestry in Vietnam

The following provides three chronological overviews of: the development of forest land allocation and management, CF and CF benefit sharing in Vietnam. The timelines of major ongoing CF related projects references activities from: the Trust Fund for Forests CFM pilot, the GTZ-RDDL, GTZ-SMNR-CV, GTZ-EPMNR, KfW6, Helvetas-SFSP and ETSP, and JICA. The milestones depicted in the timelines are adapted from the GTZ 2009 report on CFM, WWF's 2002 MOSAIC Project, supplemented by information attained from interviews with informants from JICA, UN REDD+ and RECOFTC. Further, these timelines highlight the coordination and methodologies among major ODA forestry projects and the Vietnam government, represented by the Ministry of Agriculture and Rural Development (MARD).

Chronological overview of land management and forest and resource use in Vietnam:

1986- Doi Moi directive initiated, which slowly decentralizes government towards a more market-oriented system.

which reorganizes how land and natural resources are managed

1988- First land law passed which defines land as property of the entire people, controlled by the State and entitles legal land users the right to use, but not own the land.

1991- Forestry Protection and Development Act initiated

1993- Land law passed which recognizes customary land use rights and grants rights to receive land use certificates (Red Books) to people who use land on a stable basis.

1993-1995- 661 Programme or 'Five Million Hectare Programme' which lies with Decree 327 on infrastructure, forestry and land settlement

1994- implementation of Forest Land Allocation

1996-1998- Decree 327 modified by Decision 556 to shift 661 Programme towards forest protection. This includes: 43% forest coverage (5 million ha), poverty alleviation, and resilient livelihoods

1998- Land law amended which gives land a more focused value and can be traded as a commodity. Land use plan and registers are established to keep records of transactions and issuance of Red book land certificates

1999- Decision 187 passed which stipulates restricted legal logging in natural forests in an effort to maintain and improve forests

2001- Regulation on management of special-use forest, protection forest and production forest. Benefit sharing between communities and state forest enterprises arranged.

2002- Ministry of Natural Resources and Environment (MONRE) is founded to formulate nation land allocation plans and climate change related actions

2006-2020- Development of national Forestry Development Strategy

2009- UN REDD Programme approved by UNDP, FAO and UNEP and given budget of 4.5 million USD.

-Ministry of Agriculture and Rural Development (MARD) establishes the REDD Network under coordination of DoF

Timeline of forest land-use planning, allocation and management in Vietnam:

1995- GTZ-SFDP initiates piloting in Lai Chau and Son La province to test CF feasibility

1998- Allocation of forest land in Dak Lak province following independent initiative of one State Forest Enterprise

1999- Decree 163/1999/ND-CP outlines guidances for forest allocation and management practices to organizations, households and individuals

2000- Initiation of forest allocation with issuance of land use certificates to household groups in Dak Nong (previous Dak Lak) province

- GTZ supports allocation

- First national workshop on 'Experiences and Potential on CF'

2001- 946 ha of evergreen forest allocated to one community on Dak Lak, the first provincial initiative on testing forest allocation to communities

- GTZ-SFDP develop two CF pilot communes in Son La province

2002- CF piloting in Gia Lai province with issuance of land use certificates with support from Tay Nguyen University

- Helvetas-SFSP develops benefit sharing for commercial timber utilization proposal for responsibilities at various administrative levels

2003-Article 9 of Land Law (Resolution 13-2033-QH11) stipulates forest allocation to family households and individuals with long-term land use rights as recognized by the State

- Red book certificate over forest resources issued to entire community of Na Phieng in Son La with only name of village stated as legal forest owner

- Methodology for participatory forest inventory developed and used in all major CF projects

2004- Law on Forest Protection and Development for first time stipulates options for forest allocation to entire village communities, which gives legal basis for CF ownership titles

-CF planning in Gia Lai province but is aggregated at commune level and does not distinguish village boundaries

- NWG-CFM establishes matrix for responsibilities and coordinating mechanisms for CFM, including planning and harvesting regulations

2005- Provincial guideline for participatory forest land use planning and allocation approved by DARD Dak Lak with support from GTZ

-Decision 304/2005/QD-TTG on pilot allocation and contractual assignments for protection to ethnic minority households and communities

-GTZ-SMNR-CV establishes four CFM pilots in Quang Binh province

-Helvetas-ETSP initiate CF pilot in Dak Nongg province which include district level

2006- Provincial guideline on participatory forest allocation for Dak Nong approved with support from Helvetas-ETSP

-TTF funds CFM pilot under Department of Forestry which includes 10 provinces, 38 communes, 64 villages. The pilot includes guidelines for: land-use planning, FLA, benefit sharing, forest management modalities and financial administration. Intended as guidelines at national level

-Decision 106 approved by MARD on CFM guidelines based on above TTF pilot

2008-Circular 38/2007/TT-BNN for participatory methodology for forest inventory applied in Quang Ngai province with funding from KfW6 project

Timeline of forest utilization and benefit sharing arrangements

1999- Official letter 257/CV-NN-PTLN approved by DARD Dak Lak stipulates procedures for benefit sharing arrangements between local people and State

2001- National Decision 178/2001/QD-TTg issued on benefits and obligations of households and individuals with forest land contracts. But decision not applied in reality due to complexity

2002- First commercial timber utilization by local people in Dak Nong province

2003- Joint Circular 80/2003/TTLT/BNN-BTC made to implement Decision 178/2001/QD-TTg, but is not applied in reality due to complex procedures

-CF timber harvest application submitted by Lai Chau Province Forest Protection Department but is not approved.

2005- Due to impractical and complex national benefit sharing guidelines, People's Committee in Dak Lak initiate revision of provincial policies

2006- Village level benefit sharing pilot in two villages in Dak Lak, which generates 283 million VND from selling 370m³ of timber and satisfies village subsistence needs for one village but is not able to meet commercial demand for other village due to poor forest resource base

2007- Benefit sharing pilot implemented in three villages in Dak Nong province with timber utilization, marketing and sale supported by Helvetas-ETSP and Tay Nguyen University

2008- Two benefit sharing pilots implemented by JICA in one village in Central Highlands and GTZ RDDDL in Krong Bong district

2009- Benefit sharing pilot approved in Quang Ngai province supported by KfW6 project.