
**THE MINISTRY OF AGRICULTURE AND
RURAL DEVELOPMENT - THE MINISTRY OF
PLANNING AND INVESTMENT - THE
MINISTRY OF FINANCE**

**JOINT CIRCULAR No. 28/1999/TT-LT OF
FEBRUARY 3, 1999 GUIDING THE
IMPLEMENTATION OF DECISION No.
661/QD-TTg OF JULY 29, 1998 OF THE
PRIME MINISTER ON THE TARGETS,
TASKS, POLICY AND ORGANIZATION IN
THE IMPLEMENTATION OF THE
PROJECT OF PLANTING 5 MILLION NEW
HECTARES OF FORESTS**

In furtherance of Decision No. 661/QD-TTg of July 29, 1998 of the Prime Minister on the targets, tasks, policy and organization in the implementation of the project of planting 5 million new hectares of forests;

The Ministry of Agriculture and Rural Development, the Ministry of Planning and Investment and the Ministry of Finance jointly issue the following guidance for implementation:

**I. TARGETS, GUIDING PRINCIPLE AND
TASKS OF THE PROJECT OF PLANTING 5
MILLION NEW HECTARES OF FORESTS**

1. Objective and guiding principle:

The objective and guiding principle of the project of planting 5 million new hectares of forests has been defined in Decision No.661/QD-TTg to plant five million new hectares of forests while effectively protecting the existing 9.3 million hectares of forests with the aim of contributing to the environmental security, supplying enough forest products to industrialization and at the same time ensuring stability and improvement of the living of the people in the midlands and mountain areas, especially the areas inhabited by ethnic minorities. The Decision makes it clear that the guiding principle is to mobilize the force of the entire people to plant forests, manage and protect the forests in a sustainable way, while mobilizing all resources and all economic sectors to develop forests in the period 1998-2010.

2. Tasks:

a/ The related localities and branches shall have to seriously carry out Directives No.286/TTg and 287/TTg of May 2, 1997 of the Prime Minister on stepping up urgent measures to protect and develop forests in order to protect the whole of the existing

forest acreage, first of all the natural forests in the special-purpose forests and protection forests in the very crucial and crucial areas, and the production forests with great and average reserves and the forest acreage planted under Program 327.

b/ Afforestation:

- Planting protection and special-purpose forests (2 million ha).

+ Setting bounds to and fostering reproduction combined with supplementary planting of 1 million ha.

Setting bounds to forests and fostering reproduction combined with supplementary planting shall be conducted on the areas where forests have been lost but are capable of reproduction in very crucial and crucial headwater forests and in the areas of ecological restoration or special-purpose forests. This shall be done in two forms:

* Setting bounds to forests and fostering reproduction through supplementary planting by the people themselves with perennial industrial trees, fruit trees and specialty trees having foliage like forest trees.

* Setting bounds to forests and fostering reproduction combined with supplementary planting of forest trees with State investment.

+ Planting 1 million new hectares of forests: Planting on wild lands and bare hills which are no longer capable of natural reproduction and which have been planned as special-purpose forests and very crucial or crucial forest production areas lying chiefly in the basins of major rivers, major reservoirs and hydro-electric works to protect the major cities, coastal areas subject to erosion and sand encroachment and areas with urgent needs of ecological restoration. Special priority shall be given to the Northern mountain areas with very low forest cover rate and the flood-prone areas in Central Vietnam.

- Planting 3 million ha of production forests comprising:

+ Production forests planted with forest trees: 2 million ha.

Including:

* Forests of materials for industry: 1.6-1.62 million ha, chiefly acacia trees, bamboo, pine trees, bodhi, manglietia glauca, eucalyptus,...

* Pitprops forests: 80,000 ha planted with pine trees, cunninghamia chinensis, eucalyptus...

* Specialty trees forests: 200,000 ha planted with cinnamon, anise tree, resinous pine, rose-bay, jujube, tea oil, trees for sprouts...

* Precious timber forests: 100,000 ha of ironwood,

markhamia-pierrei, shorea, fokienia hodginsii, dalbergia oliverri gamble, afzelia xylocapa.... belonging to Groups Ia and IIa under Decree No. 18/ HDBT of January 17, 1992 of the Council of Ministers (now the Government).

+ Perennial industrial trees and fruit trees: about 1 million hectares.

The perennial industrial trees under the project of planting 5 million new hectares of forests include: rubber, cashew, cocoa, specialty fruit and other fruit trees which are economically valuable and can be used as forest cover. Tea and coffee trees must be planted according to plan and it is forbidden to destroy forests for land to plant them and they must be planted interspersed with forest trees, at least 300 trees for every hectare of tea or coffee. Specifically for the *tuyet san* tea, it can be planted as a separate crop.

II. POLICY AND SOLUTIONS

1. Plantation structure:

a/ For special-purpose forests: In principle the trees must be selected as to conform with the aim of restoring the primeval ecological system. These must be local indigenous trees. Where the soil is too arid, shade trees should be planted and the soil must be improved before planting, and the promotion of natural reproduction must be the main measure to restore the forests to its primeval state.

b/ For the headwater protection forests, apart from large timber trees, industrial trees, fruit trees and specialty trees with cover foliage like forest trees can be inter planted and shall be regarded as main protection trees. For the protection forests along river and sea dykes or forests to protect fields against sand encroachment and floods, the trees must conform with the protection objective and with the maximum economic interest for the planters and foresters working on contract.

c/ For the production forests including perennial industrial trees and fruit trees, the selection of trees to be planted must be based first of all on the climatic and soil conditions and the conditions of circulation and processing and the needs of the market.

Developing production forests must be associated with the processing technology and the marketing of products in order to recover capital early and to ensure profit.

On the basis of the above principles and requirements, each province and city directly under the Central Government shall assign to the related agencies the task of studying and selecting concrete kinds of trees for their localities and to report them to

the province and the Ministry of Agriculture and Rural Development for approval.

2. Land policy:

a/ The People's Committees of the provinces and cities directly under the Central Government (hereafter called provincial Committees) shall take initiative in revising the existing Forestry and Agricultural Land Fund in order to plan the use of land for the afforestation project according to three kinds of forests and this must be done from the communes to the districts and provinces both on the terrain and on the map, and to compare it with the result of the revision of the natural forests in order to supplement or amend or replan forest development (or their overall forestry situation) in the province. This is one of the bases to build a new project or supplement and amend the old project.

b/ On the basis of the planning for forest development and other development investment projects already ratified by the competent authorities, the People's Committees of the provinces shall direct the allocation of forest land on contracts and issue certificates of land use right to organizations, family households and individuals. Certificates of land use right shall be issued as soon as land is allotted.

c/ Land is allotted only to those objects that really need land, are capable to protect and develop forests. If 12 months after the official allotment the land is not put to use, it must be recovered and placed into the reserve fund. Close direction must be ensured and the slowness in land allotment procedures should not affect the progress of afforestation. The land allotment must be conducted openly and democratically and priority must be given to the families living right in the territory of that locality. Land allotment and the issue of certificates of land use right must be completed before December 31, 2000.

The Ministry of Agriculture and Rural Development and the General Land Administration shall issue a specific Joint Circular to direct this question.

3. On investment and credit policy:

a/ State budgetary fund:

- Investment in forest biology:

+ Forest protection:

* For special-purpose forests: Protection chiefly relies on the forest rangers and the specialized protection force which shall receive wages from the non-business budget of the Forest Managing Boards in order to protect the forests in the inhabited areas faced with the danger of forest encroachment. The

State shall provide subsidies to protect the forests on contract at the maximum rate of 50,000 VN dong/ha/year. Depending on the territory and each grassroots project, the Provincial People's Committee shall set the appropriate norm for forest protection contract but this must be publicly announced to the population.

* For protection forests: The forests to receive investment in protection are natural forests, forests to which bounds have been set to foster and plant trees under Program 327 in the very crucial and crucial protection areas where forest devastation for cropping and forest encroachment continue. Budgetary allocation for protection shall not exceed 50,000 VN dong/ha/year. Depending on the conditions of each locality, the provincial People's Committee shall decide the concrete investment level for each grassroots project, the maximum period for this allocation is 5 years and this must be publicly announced to the population.

* For the forest acreages already allotted on protection contracts under Program 327, if they do not lie in the very crucial and crucial areas, investment shall be discontinued and they shall be converted into production forests. If they lie in very crucial and crucial areas and need continued protection, the budget shall be used for continued protection until five years, then the State shall adopt policies to enable the tenders on contract to enjoy interests from the forests.

+ Setting bounds to forests to promote reproduction combined with supplementary planting:

* For the acreages marked for promotion of natural reproduction, the contracting households that plant their own industrial trees, fruit trees and specialty trees on the same terms as for protection planting, investment shall not exceed 50,000 Dong/ha/year for five years. Depending on the conditions of the localities, the provincial People's Committee shall decide the concrete level of investment and this must be publicly announced to the population.

* Acreages for fostering afforestation and promotion of reproduction combined with supplementary afforestation: maximum investment is 1,000,000 VN dong/ha/year in 6 years. Designing and cost estimate must be based on concrete conditions as required by forest biology to promote reproduction at the following levels: to hoe the soil and sow seeds, to make supplementary sowing, cutting creepers and clear the bushes, plant additional trees on strips or patches. First year: invest in sowing or supplementary planting including partial hoeing, clearing the bushes and weeds. Sowing seeds or conducting supplementary planting with saplings according to patches or strips as designed (including materials

and labor). Two subsequent years: Continued tending and replanting of dead trees, regarding the trees of supplementary planting in the first year according to the approved design. Protecting in the three following years. Depending on the conditions of protection, easy or difficult, of each locality, to allocate budget for protection but the maximum shall not exceed 50,000 VN dong/ha/year. After six years there must be absolutely an evaluation of the result in order to continue the handling. Details of the design of budget estimates shall comply with QPN-21-98 of Decision No. 175/1998/QĐ-BNN-KHCN of November 4, 1998 of the Ministry of Agriculture and Rural Development.

Basing itself on the above regulation, the Provincial People's Committee shall decide the concrete investment level for each region and each terrain conditions and the requirements of forest biology for promoting reproduction.

+ Planting new forests:

* For special-purpose forests: including afforestation in the ecological restoration areas of the special purpose forests and experimental forests, and gardens of botanical collection. The structure of trees, density and investment rate shall conform with the design approved by the competent authority.

* For protection forests in very crucial and crucial areas.

Structure and density of trees: average density is about 1,600 trees/ha comprising forest trees used as protection trees: about 600 trees/ha, and quick growing trees used as support trees for land transformation as stipulated in Decision No.556/TTg. The number of support trees shall depend on each terrain. Where protection trees cannot be planted immediately, quick-growing and shade trees or soil improvement trees must be planted first followed by perennial trees. This must be reflected concretely in the design. The density of the coastal forests such as fir trees to prevent sand encroachment, mangrove, rhizophora conjugata, melaleuca leucadendron... shall not follow the above pattern but shall be designed by the Agriculture and Rural Development Service which shall submit the plan to the provincial People's Committee for approval. In the case of perennial industrial trees or fruit trees with cover foliage like forest trees, they shall follow the density pattern already prescribed.

Investment level:

Average investment in headwater protection forests is 2.5 million Dong/ha including planting and tending for three years. On this basis and depending on the terrain and structure of the trees, the Provincial People's Committee shall consider and decide the concrete level of investment.

* For precious timber trees planted in production forests to preserve perennial trees, the forest owner must have a project and technical process ratified by the competent authority. The State shall give subsidies of 2 million VN dong/ha for the planting and tending, chiefly through the supply of breed trees and a quantity of materials and necessary labor force. Priority of investment shall be given to the protection areas of little importance according to the formula: the State and the people join efforts.

- Building the infrastructure:

The localities must coordinate actions and integrate the programs and projects on the territory and mobilize specialized capital construction capital to invest in building the infrastructure for the afforestation project, such as rural communication, water conservancy, clean water, medical work, education...

The budgetary fund used for the afforestation project of planting 5 million new hectares of forests shall be invested only in the building of works in service of forest biology at the maximum rate of 5% of the State budget invested in the annual projects.

The types of infrastructure works using budgetary fund for protection and special purpose forests are stipulated as follows: Investment in works directly serving the protection and building of protection forests and special-purpose forests such as forest protection stations, prevention and fight against fires, disease prevention, nursing grounds, etc. Investment in administrative works, farms to rear wild animals, ecological tourism facilities... shall derive from other sources.

- On managerial fund:

+ The managerial fund of the project shall be defrayed for the following activities in running the project:

* Survey and building the project, evaluating and ratifying the project.

* Training, review conferences, information, education, emulation and rewards.

* Supply of additional necessary equipment, stationery and expenditures on general management and directional activities.

* Allowances, subsidies, working mission allowances... according to the administrative and non business regime for staff of the Managing Board of the protection forest and special purpose forest project, the Managing Board at the provincial level.

* Allowances to commune forestry workers.

+ The rate of allocation of management cost of the project is stipulated as follows:

* For the owners of protection forests and special-purpose forests at the grassroots: 6% of the total investment of budgetary fund for the project. This is the average level. A higher rate shall be allowed for the projects lying in remote and difficult areas where the project managing workers do not receive non business wages as in the localities with favorable conditions where managing workers of the project belong to the non business payroll. The concrete level shall be decided by the provincial People's Committee.

* For provinces, districts and communes: 1.3% of the total budget for the program devoted to each locality. This fund shall be used for the activities of the project Managing Board at the provincial level and for subsidies to the commune forestry workers. The number of persons to receive this subsidy and the level of subsidy shall be decided by the provincial People's Committee but the maximum shall not exceed the level prescribed for the leading official of the commune.

* For the branches at the central level: 0.7% (including the system of treasuries in service of the project) to be spent on activities of the Central Project Executive board and for review conferences and rewards.

- Fund to prepare breeding trees:

The advance fund to prepare breeding trees under Program 327: the branches and localities shall accurately determine the fund already allocated, the situation of their use and the remainder in order to account them at the end of 1998 and transfer them to the project of planting 5 million new hectares of forests.

- Order in the allocation of budgetary fund.

To ensure effective implementation of the afforestation project, the allocation of budgetary fund is stipulated as follows:

+ In order to be allocated fund, the project must secure the following documents:

* The decision ratifying the project by the competent authority.

* The document of the province assigning the annual plan on fund and volume to the local projects, and of the Ministry and central branches to the centrally run projects.

* The design and estimated expenditures ratified by the competent authority.

* The test on completion written record of the Test Council of the provincial level chaired by the Agriculture and Rural Development Service along with the concerned branches of the province (the concrete composition of the test council shall be decided by the provincial People's Committee, the

State Treasury shall not take part in the provincial test council.). The Ministry of Agriculture and Rural Development shall issue the process of testing on completion of the forest biology works.

* The other related dossiers and vouchers.

+ The allocation of fund shall be performed through the State Treasury system according to the current regime of management of State Budget in conformity with the modalities of allocating fund stipulated in Decision No.661/QĐ-TTg of July 29,1998 of the Prime Minister.

+ The fund allocated to a year shall be allocated to the volume achieved up to the 31st of December of that year, the remaining fund shall be retrieved in order to settle the accounts with the State.

The Ministry of Finance shall issue a circular providing concretely for the management and allocation of State budgetary fund for the project of planting 5 million new hectares of forests.

b/ On the investment credit fund:

- Individuals and organizations investing in afforestation, bound setting for fostering forests and promotion of reproduction combined with supplementary planting and planting of perennial industrial trees and fruit trees on waste land and bare hills, for the development of establishments to process forest and agricultural products, shall enjoy the preferential regime stipulated at the Law on Domestic Investment Promotion (amended in May 1998), the guiding sub-law document in force since January 1st, 1999.

- Conditions to enjoy policies of the law on encouraging investment:

+ Individuals, organizations and business corporations that are allotted land by the Central State or localities and have been issued certificates of land use right (or land lease) under the Land Law.

+ The area for development of forestry and agriculture lying in the plan of development of raw materials or concentrated processing and whose projects have been approved by the competent authorities.

+ Basing themselves on the Law on Domestic Investment Promotion and the approved project, the provincial People's Committee or the related Ministry or branch shall issue certificates of investment preference attached with the licenses for production and business of the individuals or enterprises.

- Rights and obligations of the investors:

+ The investors have these rights:

* They shall enjoy a rebate of 50%-100% of the tax on land use or land rent for a period of three years

and more up to the end of the planting cycle, depending on the extent of difficulties of the locality where the land is located.

* They shall enjoy exemption from land tax for the first planting cycle if the land lies in a remote or deep-lying area and is used for planting production forests. They can use the land use right as collateral for borrowing funds.

The annual interest rate of the loans shall be based on the preferential loans under the Law on Domestic Investment Promotion.

They can borrow a maximum of no more than 70% of the total investment in the ratified project. All cases of bigger loans must be allowed by the Prime Minister.

+ The investors have these obligations:

* To conduct production and business in forest planting according to the contents of the tasks of the project already approved by the competent authority.

* They must observe all regulations on protection of national defense and security, protection of the environment and the labor law...

* In case the investors fail to carry out the requirements, contents and tempo of the approved project, the project controlling agency shall examine concretely in order to readjust partly or cancel all the preferences applied to them.

- The size of the preferential loans shall comply with the Law on Domestic Investment Promotion.

The investment level and the interest rate for each object shall comply with the sub-law guiding documents on investment level and interest rate.

In addition to the above-said preferential loans, under the Law on Domestic Investment Promotion, the projects on planting production forests are also eligible for preferential credit loans from the national investment support fund and other sources of preferential funds.

c/ Fund from ODA

- The financial sources loaned to Vietnam by international organizations and foreign countries shall be preferentially loaned for the planting of production forests or reloaned at preferential interest rate.

- The lending terms, interest rate and the time for repayment shall be defined in each project in conformity with Vietnamese law and the agreement with the lenders.

d/ Fund from FDI.

The Foreign Direct Investment Fund is clearly stipulated in the Foreign Investment Law (amended) to be preferentially used for the project of planting

concentrated raw material forests associated with the processing industries in such forms of investment as 100% foreign capital, joint venture or business cooperation.

4. Profit-oriented policy and policy of product marketing

a/ For protection forests and special-purpose forests

In addition to the policies defined in Clause 2, Article 7, Decision No. 661/QĐ-TTg of July 29, 1998 of the Prime Minister, the households that sign contracts to plant protection forests shall also enjoy products of pruning if the protection forests are grown with mixed trees. If they have planted more than 600 protection trees, they shall enjoy 100% of the products of supporting trees planted in the protection forests. If the protection trees are fruit trees, resinous trees or flower trees, the contracting planters shall enjoy the products which are flowers, fruits and resin.

b/ For protection forests.

Clause 2, Article 7 of Decision No. 661/QĐ-TTg of July 29, 1998 of the Prime Minister shall apply.

5. On the tax policy

Article 8 of Decision No. 661/QĐ-TTg of July 29, 1998 of the Prime Minister shall apply.

6. On scientific and technological policy

Apart from the policies defined in Article 9 of Decision No. 661/QĐ-TTg of July 29, 1998 of the Prime Minister, the People's Committees of the provinces shall direct the Agriculture and Rural Development Services to build a complete network of producing and supplying quality saplings in the localities and complete the process and regulations on the planting of trees in their localities.

III. ORGANIZATION OF IMPLEMENTATION AND MANAGEMENT OF PROJECT

1. The management apparatus of the project in the localities, at the Ministry and in the branches

a/ The management apparatus of the project in the localities shall comply with Article 12 of Decision No. 661/QĐ-TTg of July 29, 1998 of the Prime Minister.

b/ The project Management Board at the provincial level shall be set up by decision of the President of the provincial People's Committee and is the agency to help the Executive Board of the province in directing the implementation of the project. It is located at the Sub-Department of Forestry

Development.

Where there is no Sub-Department of Forestry Development, the project Management Board at the provincial level shall be set up in the Agriculture and Rural Development Service. It lies in the payroll of the province and is covered by the province's non-business wage fund. In the provinces or cities that have only one or two grassroots projects, the provincial/municipal People's Committee needs not to set up the project Management Board at the provincial level but shall assign the management function to the Agriculture and Rural Development Service.

c/ The project Management Board at the provincial level shall help the Executive Board carry out the following tasks:

- To work out and integrate the long-term and medium-term plans and each year submit them to the provincial People's Committee. To coordinate with the Planning and Investment Service in allocating the yearly plans and investment fund and report it to the provincial People's Committee for decision and assignment of concrete tasks to the grassroots projects.

- To direct and execute the implementation of the project in the whole province and to inspect the grassroots projects.

- To assume the main responsibility and coordinate with the related agencies of the province to settle problems arising in the process of implementing the project.

- To make periodical reports as prescribed. To organize meetings of the Executive Board of the project.

- On the basis of the above guidance, the provincial People's Committee shall provide concretely for the function, tasks and operating regulations of the project Managing Board at the provincial level.

d/ The communes that take part in the afforestation project with more than 500 ha or that have more than 1000 ha of forests that need protection (except for the communes where forest rangers have been assigned), shall by decision of the People's Committee of the province be allowed to assign a specialized forestry worker to assist the commune People's Committee in forestry work of the project of forest protection and planting and shall enjoy an allowance from the management budget of the project.

The number of communes allowed to assign specialized forestry workers shall be decided by the provincial People's Committee. In case the acreage is smaller than prescribed above, the assignment shall be made to the nearest agricultural and forestry farm but there must be close coordination with the local administration.

e/ The project Managing Board at the grassroots is set up by decision of the Ministry, branch or provincial People's Committee. It shall have a compact and light staff including the director, chief accountant and a number of members to direct the afforestation site. The grassroots project Managing Board is a unit with legal status and a separate account. Those boards which receive non business budget allocations of the province shall continue to receive such allocations from the province to operate. Those project Managing Boards which do not receive non business allowances shall deduct them from the project budget allowances to operate.

f/ The ministries and branches that take part in the implementation of the project of planting 5 million new hectares of forests shall set up project Managing Boards at provincial level in order to direct and manage. They shall not set up their own project Executive Boards.

2. Hand-over of the Steering Committee and the Managing Board of Program 327 to the project of planting 5 million new hectares of forests.

The Steering Committee of Program 327 should urgently complete the following works:

- To direct the implementation and completion of the 1998 plan of Program 327 before December 31, 1998.

- To review the implementation of Program 327 in the localities in order to draw the lessons of experience so that the Executive Committee and the Managing Board of Project of planting five million new hectares of forests can organize the successful implementation of the project.

- To conduct the hand-over to the Executive Board of the new project.

3. To change the projects under Program 327 to the project of planting 5 million new hectares of forests.

a/ Pending the Prime Minister's amendments to Decision No. 194/CT the projects of special purpose forests under Program 327 shall continue to receive investments under the ratified projects.

b/ The projects of protection forests under Program 327 shall have to be revised and rearranged in the following direction: Those projects lying in the areas planned as very crucial and crucial protection areas and operating effectively shall change to implementing this project (the new project).

Those projects not lying in very crucial or crucial protection areas, or whose protection acreages in the very crucial or crucial areas account for a small percentage, shall be integrated with other projects and

changed to production forests or shall be dissolved.

c/ The related provincial People's Committees, Ministries and branches shall themselves evaluate and rearrange the projects under Program 327 and draw a list to change them to the project of planting 5 million new hectares of forests and submit it to the Central Executive Board in 1999 for implementation from the year 2000 on. The projects that switch to the project of planting 5 million new hectares of forests shall have to draw up the total draft budgets according to the policies under Decision No. 661/QD-TTg and submit them to the competent authority for ratification as currently prescribed by the State on the management of investment and construction.

4. Elaborating and assigning annual plan

a/ Elaborating the general plan

The People's Committees of the provinces and cities directly under the Central Government and the related Ministries and branches shall elaborate and integrate the plans under the project of planting 5 million new hectares of forests of their localities, ministries and branches and send them to the State Steering Committee and the Central Executive Board and the Ministry of Agriculture and Rural Development, the Ministry of Planning and Investment and the Ministry of Finance 15 days ahead of the deadline prescribed by the Government in order to integrate them into the general plan for submission to the State.

b/ The contents of the submitted plan comprise:

- Evaluation of the implementation from the start-up to the plan year and the estimate for the implementation in the plan year (according to the plan assigned).

- Project for the plan in the following year:

- + The norms in forest protection, bound-setting and promotion of reproduction, bound-setting with supplementary planting of perennial industrial trees, specialty trees, fruit trees and bound-setting for promotion of reproduction combined with supplementary planting of forest trees.

+ Planting new forests, including:

- * Acreages for planting protection forests and special-purpose forests.

- * Acreages for production forests classified into: materials for industry (material for paper, shavings, artificial boards...), pitprops, large timber, precious timber, specialty trees forests....

- * Acreages planted with perennial industrial trees and fruit trees (comprising rubber, cashew, cocoa, coffee, tea, fruit trees...)

+ Tending forests and industrial trees:

- * Acreages of protection forests and special purpose forests to be tended.

- * Acreages of production forests to be tended.

- * Acreages of industrial trees and fruit trees to be tended.

+ Structure of funds:

- * Fund for forest planting, tending, protection, bound-setting for fostering, promotion of reproduction combined with supplementary planting shall be allocated by the State budget (for protection forests and special-purpose forests) and fund for the planting of precious timber trees.

*** ODA fund. Breakdown:**

- . Non-refund fund (WFP, Germany...)

- . Loans from ADB, WB...

- * FDI (foreign direct investment)

- * Preferential credit investment.

- . For planting and tending production forests.

- . For planting and tending industrial trees and fruit trees.

- * Self- procured fund of the enterprises

- * Fund from the resource tax and sales of standing trees.

- * Fund for infrastructure construction in service of forest biology

- * Fund for scientific research and promotion of forestry and agriculture.

- * Fund for designing protection and special purpose forests.

- * Managerial fund.

Specifically, the General Land Administration shall draw up the annual plans for the expenditures on measurement to set up land maps and submit them to the Prime Minister for decision.

+ List of projects.

5. Assignment of plans

After the National Assembly ratifies the overall draft budget for the project, the Ministry of Agriculture and Rural Development shall assume the main responsibility and coordinate with the Ministry of Planning and Investment and the Ministry of Finance in assigning the plan targets and investment capital to the localities and the ministries and branches, and submit them to the Government for the assignment of plans.

- The Prime Minister shall assign the overall investment to the provinces and cities directly under the Central Government and the ministries and branches.

- The Prime Minister shall authorize the Minister of Planning and Investment to assign the guiding targets:

- + Objective and tasks;
- + Fund structure;
- +List of grassroots projects.

The Presidents of the People's Committees of the provinces and cities directly under the Central Government and the Ministers of the branches shall assign the concrete targets of the plan to the direct managing project owners.

The targets of the assigned plan include:

a/ The tasks of protection, setting bounds for promotion of reproduction of forests combined with supplementary planting, forest tending, planting of protection forests and special-purpose forests, productive forests, planting of perennial industrial trees and fruit trees.

b/ Fund structure:

Budgetary fund for special-purpose protection forests, credit funds, capital for infrastructure construction, non-refund aid, loans and fund for scientific research, promotion of forestry and agriculture, designing and management costs.

c/ List of grass-roots projects:

- Projects of planting protection and special purpose forests and forests of precious timber.
- Projects of planting production forests.
- Projects of planting perennial industrial trees and fruit trees.

6. Reporting regime (according to the common form issued by the Central Executive Board)

a/ On the 15th day each month, the project owner shall have to report briefly the results and the norms for the volume and fund to the project Managing Board at the provincial level.

b/ The controlling agency (the Executive Boards at the province, city, ministerial and branch level at the center) shall integrate the monthly reports and send it to the Central Project Managing Board on the 20th day of each month at the latest.

c/ On the 20th day each month, the Central Executive Board shall sum up the situation and report to the Minister of Agriculture and Rural Development and the State Steering Committee for the Project of planting 5 million new hectares of forests and the Prime Minister.

d/ The Ministry of Agriculture and Rural Development shall have to sum up the situation and

report every six months and year to the Prime Minister.

IV. IMPLEMENTATION PROVISIONS

- This Circular takes effect from the day of its signing.

- The related ministries and branches and localities, basing themselves on the concrete situation may adopt separate guiding documents for the questions according to the managerial functions and tasks of their branches and localities.

In the process of implementation if any problem arises, they should report in writing and in time to the Ministry of Agriculture and Rural Development, the Ministry of Finance and the Ministry of Planning and Investment for consideration and settlement.

For the Minister of Finance
Vice Minister
NGUYEN THI KIM NGAN

For the Minister of Planning and
Investment
Vice Minister
NGUYEN XUAN THAO

For the Minister of Agriculture and
Rural Development
Vice Minister
NGUYEN VAN DANG