

VILLAGE COMMUNITY FORESTS**THE MINISTER OF AGRICULTURE AND RURAL
DEVELOPMENT**

Pursuant to the 2004 Law on Forest Protection and Development;

Pursuant to the Government's Decree No. 86/2003/ND-CP of July 18, 2003, defining the functions, tasks, powers and organizational structure of the Ministry of Agriculture and Rural Development;

Pursuant to the Government's Decree No. 23/2006/ND-CP of March 3, 2006, on enforcement of the Law on Forest Protection and Development;

At the proposal of the director of the Forestry Department,

DECIDES:

Article 1.- To promulgate together with this Decision the Instruction on Management of Village Community Forests for experimental application to 40 communes selected for the implementation of Decision No. 1641/QĐ/BNN-HTQT of June 5, 2006, of the Minister of Agriculture and Rural Development, approving the Project on "2006-2007 pilot community forestry program";

Communes not specified in Decision No. 1641/QĐ/BNN-HTQT but provided with financial assistance by other international projects may apply articles and provisions of this Instruction in organizing the management of community forests in their respective localities.

Article 2.- To assign the director of the Forestry Department to guide in detail the specialized methods and techniques in managing community forests according to his/her functions and assigned tasks.

Article 3.- This Decision takes effect 15 days after its publication in "CONG BAO."

Article 4.- The director of the Ministry's Office, the Forestry Department director, directors of provincial/

**THE MINISTRY OF AGRICULTURE AND RURAL
DEVELOPMENT**

**DECISION No. 106/2006/QĐ-BNN OF
NOVEMBER 27, 2006, PROMULGATING THE
INSTRUCTION ON MANAGEMENT OF**

municipal Services of Agriculture and Rural Development that implement the project on "2006-2007 pilot community forestry program" and other internationally funded projects, and heads of concerned units shall implement this Decision.

**For the Minister of
Agriculture and Rural Development
Vice Minister
HUA DUC NHI**

INSTRUCTION ON MANAGEMENT OF VILLAGE COMMUNITY FORESTS

(Promulgated together with Decision No. 106/2006/QĐ-BNN of November 27, 2006, of the Minister of Agriculture and Rural Development)

Chapter I

GENERAL PROVISIONS

Article 1.- Governing scope

This document guides the allocation of forests; the elaboration of forest management plans; rights and obligations of village communities (hereinafter referred to as communities for short); and responsibilities of concerned agencies and organizations in the course of management of village community forests (hereinafter referred to as community forests for short).

Article 2.- Subjects of application

1. The village communities in 40 communes of 10 provinces that experiment community forestry under Decision No. 1641/QĐ-BNN-HTQT of June 5, 2006, of the Minister of Agriculture and Rural Development, approving the Project on "2006-2007 pilot community forestry program" funded by the Forestry Sector Trust

Fund (called Decision No. 1641/QĐ-BNN for short).

2. Localities, agencies, organizations and individuals involved in the course of management of community forests defined in this Instruction.

Article 3.- Interpretation of terms

In this Instruction, the terms below are construed as follows:

1. Community forests means forests allocated by the State to village communities for stable and long-term use for forestry purposes.

2. Allocation of forests to village communities means the allocation by the State of the right to use forests to communities under administrative decisions of competent state bodies.

3. Management of community forests is a form of forest management whereby the village communities, in their capacity as forest owners, participate in activities of forest allocation, elaboration of forest management plans and organization of the Implementation of those plans, performance of obligations and exercise of rights, supervision and assessment of forests allocated to communities by the State.

4. Community forest management board is an organization set up by a village community to coordinate the management of the village's forests.

5. Five-year forest management plan means a plan on forestry activities on the forest area allocated by the State to a village community, which is elaborated by that community and implemented within 5 years.

6. Annual forest management plan means a plan on a community's forestry activities in a year on the basis of the five-year forest management plan.

7. Forest resource assessment means activities of quantitatively and qualitatively assessing the current status of community forests with the participation of communities.

8. Forest protection and development convention of a community means a convention formulated by a village

community for forest protection and development through the combination of the community's traditions and customary practice with the State's policies in the management of natural resources.

Chapter II

ALLOCATION OF FORESTS TO COMMUNITIES

Article 4.- Grounds and conditions for allocation of forests to communities

1. The allocation of forests to communities must be based on the following grounds:

a/ Land use plannings or the forest protection and development plannings of communes, wards, townships (hereinafter collectively referred to as commune level), already approved by People's Committees of urban districts, rural districts, provincial capitals or towns (hereinafter referred to as district level for short).

For communes that do not yet have land use plannings or forest protection and development plannings, the allocation of forests must be based on reports of the commune-level People's Committees on orientations or schemes for forest protection and development already adopted by the People's Councils of the same level.

b/ The communities' written applications for forest allocation (signed by the village chiefs or competent representatives according to the customs of those communities).

2. Conditions on allocation of forests to communities.

a/ The village communities share the same customs, practices and have the traditional attachment to forests in production, life, culture and belief, have the capacity to manage forests; have the demand for forests and file applications for forest allocation.

b/ The allocation of forests to village communities must be in line with the approved forest protection and development plannings and be compatible with the local forest funds. A fund of forests to be allocated to communities covers:

- Forest areas currently managed by the concerned

commune-level People's Committee and not yet allocated to organizations, households or individuals.

- Forest areas recovered from state-run forestry and agricultural farms after the review of forest areas in the course of reorganization and renewal of state-run agro-forestry farms.

- Forest areas recovered by the State from organizations, households and individuals under the provisions of Clause 1, Article 20 of the Law on Forest Protection and Development.

- Forest areas voluntarily returned to the State by households and individuals for allocation to village communities for management and use.

c/ The schemes on allocation of forests to communities have been approved by commune-level People's Councils and district-level People's Committees.

d/ The forests allocated to communities are dispute-free.

Article 5.- Forest blocks, quotas and duration of allocation of forests to communities

1. Communities are allocated the following forest blocks.

a/ Forest blocks which have been traditionally managed by communities for many years and have so far been efficiently managed and used by communities in conformity with the communes' forest protection and development plannings or orientations.

b/ Forest blocks which have been allocated to communities under decisions of provincial- or district-level People's Committees.

c/ Headwater forest blocks for creation of water sources in direct service of daily life and production of communities; forest blocks associated with customs, cultural and historical traditions and beliefs of communities; forest blocks which supply forest products and serve other common interests of communities, which cannot be allocated to organizations or cannot be divided for allocation to households and individuals.

d/ Forests allocated to communities must lie within the communes where those communities reside.

2. Quotas and duration of allocation of forests to communities:

a/ The forest area allocated to each community shall be decided by the district-level People's Committee based on the commune's forest fund and the community's forest management capacity.

b/ The forest use duration is stable and permanent.

Article 6.- Order and procedures for allocation of forests to communities

1. Preparatory work:

a/ Establishment of commune-level forest allocation councils

- A commune-level forest allocation council is composed of its chairman being the president or vice-president of the commune-level People's Committee; vice-chairman being a commune-level official in charge of agriculture and forestry or a cadastral official; other members being representatives of the People's Council, the Peasants' Association, the Women's Union and chiefs of villages or hamlets (hereinafter referred to as village chiefs), and a communal forest ranger official.

If a commune has set up a land allocation council, this council shall be added with forestry members and also undertake the forest allocation.

- Commune-level forest allocation councils have the tasks of elaborating, and organizing the implementation of, forest allocation plans: organizing the study of the State's forest allocation guidelines and policies; directing the commune forest allocation working groups in settling disputes over land boundaries between villages in their respective communes; reviewing forest allocation schemes of villages and compiling forest allocation dossiers for submission to commune-level People's Committees.

b/ Establishment of forest allocation working groups of communes (hereinafter referred to as working groups), each composed of the group leader being the commune official in charge of agriculture and forestry; the deputy-leader being a forestry official dispatched from the district or the commune forestry official in charge of technical operations; its members being a

cadastral official, a statistical official and village chiefs. The working groups are tasked to directly participate and support villages in organizing forest allocation activities specified at Point c of Clause 1, Clauses 2 and 3 of this Article.

c/ Dissemination of information on the forest allocation among people in all villages of the commune.

d/ Preparation of material and technical conditions, means and finance for the allocation of forests to communities.

2. Gathering of information and comments on the status of forests of communes:

The working groups shall coordinate with village chiefs in performing the following tasks:

a/ Gathering, analyzing and adding basic documents of villages:

- Natural and socio-economic conditions; the current status of forest management and use.

- Assorted maps of communes (if any): maps on current forest resources; land use planning maps; administrative boundary maps.

b/ Reviewing and analyzing land use plannings and forest protection and development plannings of communes. If communes do not yet have land use plannings or forest protection and development plannings, reviewing and analyzing the communes' reports on orientations or schemes for forest protection and development which have been approved by People's Councils of the same level.

c/ Making preliminary remarks on the current status of the forest blocks to be allocated to communities with the following contents and methods:

- If a commune already has a land use planning or forest protection and development planning with adequate documents on the current status of the forest block to be allocated to the communities, the working group shall join the village chiefs and other representatives of communities in re-examining the current status of that forest block.

- If a commune has not yet had a land use planning or forest protection and development planning, the

working group, the village chiefs and between 3 and 5 household heads representing the village communities who have prestige, experience and profound knowledge of the village situation shall conduct field examination and assess the current status of forest blocks to be allocated to communities on the basis of the drawings on locations of the forest blocks to be allocated to communities; the forest boundaries, areas, types, conditions, reserves, the possible growth and development of these forest blocks.

3. Formulation of schemes on forest allocation to communities:

a/ Draft forest allocation schemes: The working groups, village chiefs, representatives of mass organizations in villages and between 3 and 5 household heads representing the households in the villages shall draft schemes on allocation of forests to communities. Such a scheme must clearly state the current status of the to be-allocated forest blocks regarding the forest locations, boundaries, types and conditions and reserves; the forest allocation plan and schedule; the plan on post-allocation forest management, protection and development; the maps or plans the to be-allocated forest blocks.

b/ Gathering of villagers' comments on forest allocation schemes: The working groups and village chiefs shall directly organize village meetings with the support of the commune-level forest allocation councils in order to gather comments of people. Comments shall be given on:

- The location of the forest blocks to be allocated to communities (enclosed with plans).
- The current areas, boundaries, types, conditions and reserves of the to be-allocated forests.
- The management objectives and forest use plans of communities after they are allocated forests by the State.
- Steps of allocating forests to communities.
- The communities' commitment to manage the allocated forest areas.

c/ Finalizing the forest allocation schemes: The working groups and village chiefs shall accept people's

comments for finalizing the schemes on allocation of forests to communities.

4. Compiling dossiers, submitting and receiving dossiers on allocation of forests to communities:

a/ The village chiefs, with the support of the working groups and forest allocation councils, shall compile and submit dossiers to the commune-level People's Committees, each comprising the following documents:

- The community's application for forest allocation, clearly stating the position, boundaries, areas and current status of the forest blocks and the forest use purposes.

- The scheme on allocation of forests to communities; the plan on the allocation of forests to communities (enclosed with maps or plans).

b/ The commune-level People's Committees, after receiving the communities' dossiers of application for forest allocation, shall direct the forest allocation councils to review and examine the dossiers, then give certifications and transfer the dossiers to the district-level sections for agriculture and rural development (hereinafter referred to as the functional sections).

5. Appraising and deciding on the allocation of forests to communities:

a/ The functional sections shall examine the dossiers; conduct field verifications when necessary; and submit to the district-level People's Committees the allocation of forests to communities.

b/ The district-level People's Committees shall consider and decide on the allocation of forests to communities and transfer the decisions to the commune-level People's Committees and functional sections.

6. Executing the district-level People's Committees' decisions on allocation of forests to communities:

a/ The commune-level People's Committees shall hand the forest allocation decisions to communities.

b/ Organization of the forest allocation on the field:

- The commune-level People's Committees, the functional sections, the village chiefs, representatives of mass organizations in villages, 3 to 5 households

representing the households in the villages and the working groups shall scrutinize the boundaries and current status of the forest blocks on the field and compare them with the maps to allocate forests to communities strictly within the forest blocks stated in the forest allocation decisions.

- The communities shall set the boundaries and implant boundary markers of the allocated forest blocks.

c/ Making records on forest allocation: A record on forest allocation between a commune-level People's Committee and a community shall be made immediately after the forest handover on the field and must contain signatures of the representative of the commune-level People's Committee, the village chief, the representatives of mass organizations in the village, 3 to 5 households representing the households in the village, the working group and the owners of the forests bordering on the forest block allocated to the community.

d/ Announcing the forest allocation results: The commune-level People's Committees shall publicize the forest allocation results to communities and other villages in their communes.

Article 7.- Competence to assign forests, to recover forests

1. District-level People's Committees are state bodies competent to allocate forests to and recover forests from communities.

2. The recovery of community forests is carried out in the following cases:

a/ The State recovers forests and forest land for use for defense or security purposes or for national interests.

b/ The State recovers forests in service of public interests or socio-economic development under plans or plans already approved by competent state bodies.

c/ The communities use forests for improper purposes, let forests be destroyed due to subjective causes, deliberately decline to fulfill the obligations towards the State or seriously violate the law on forest protection and development;

d/ When the communities are relocated to other places.

Chapter III

ELABORATION OF PLANS FOR MANAGEMENT OF COMMUNITY FORESTS

Article 8.- Principles for elaboration of plans for community forest management

The elaboration of plans for community forest management must comply with the following principles:

1. Being in line with the planning on forest use purposes (special-use forests, protection forests or production forests) and with commune-level forest protection and development plans; being suitable to the socio-economic conditions and environment of villages and the capacity of communities; satisfying to the utmost the people's needs for forest benefits.

2. Being participated by communities and concerned parties; being supported and voluntarily implemented by people.

3. Ensuring the stable, long-term and sustainable use of forests.

Article 9.- Steps of elaborating a plan for community forest management

Plans for community forest management are elaborated according to the following steps:

1. Surveying and assessing forest resources.

2. Identifying the management and use purposes for each type of forest.

3. Assessing the needs for forest products.

4. Synthesizing and analyzing data (balancing supply and demand, analyzing the ability to protect, build and develop forests...).

5. Making five-year and annual plans.

6. Adopting, submitting and approving the plans.

Article 10.- Survey and assessment of forest resources

1 Purposes and requirements

- To grasp forest resources and land resources for

use as a basis for identifying interests and obligations of communities.

- To identify the use purpose for each forest plot and land plot.

- To identify measures of intervention (exploitation, protection, zoning off for regeneration, rearing and forestation) for each forest plot and land plot.

2. Principles for survey and assessment

- Being simple, easy to understand and at low cost so that communities can conduct by themselves with the support of forestry officials.

- Being accurate enough for elaboration of plans for community forest management and adequate for communities to be able to manage forests.

- If a community forest block has been surveyed and assessed upon its allocation, re-survey and re-assessment are not required and the documents of such survey can be used for elaboration of the management plan.

- If a community forest block has not been surveyed and assessed upon its allocation, when elaborating a management plan, the survey and assessment of that forest block must be carried out with the following contents: survey and measurement of every forest plot on the field with regard to forests subject to non-exploitation and exploitation.

Article 11.- Identification of management and use purposes for each type of forest

1. Forests which must be protected and not opened for logging, including:

- a/ Special-use forests such as forests in service of cultural and spiritual life (holy, ghost forests...).

- b/ Protection forests (protection forests of water sources, anti-erosion forests and protection forests of other works).

2. Forests for timber production and forest product exploitation

- a/ Forests reaching the principal exploitation standards, including:

- Natural forests with reserves.

- Plantation forests reaching the technological exploitation age.

- b/ Forests not yet reaching the principal exploitation standards:

- Impoverished natural forests, young forests and forests zoned off for regeneration.

- Forests not yet reaching the technological exploitation age.

Article 12.- Identification of villages' needs for timber, firewood and forest products

1. Needs to be identified include:

- a/ Need for house construction.

- b/ Needs for construction of breeding facilities, dams, schools and for firewood.

- c/ Other needs.

2. Methods of identification: To comply with the regulations in Appendix I to this Instruction.

Article 13.- Data synthesis and analysis

1. Synthesizing data from sample blocs of measurement forms, converting the indicators of calculation into units of hectare for each plot, and recording statistical figures on a general table.

- a/ Calculating reserves of timber and forest products permitted for annual and five-year exploitation.

- b/ Determining forest plots and total forest areas eligible for exploitation and the exploitable volume.

2. Determining forest plots and total areas requiring forestation.

3. Determining forest plots and total areas which can be zoned off for rearing into forests.

4. Determining forest plots and total forest areas to be reared.

5. Balancing the needs for timber and forest products with forest capacity.

6. Determining the use purposes and specific measures of intervention for each forest plot.

Article 14.- Elaboration of annual and five-year

forest management plans

1. Elaborating plans for forestation, forest rehabilitation and forest protection

The plans on forestation, forest rehabilitation (zoning off for rearing, forest rearing for enrichment, improvement of impoverished forests) and forest protection should clearly state the positions (of forest plots); total areas requiring measures of intervention, areas to be intervened annually and major technical measures to be applied.

2. Elaborating plans for exploitation of timber from natural forests

a/ Exploitation norms, applying either of the following two methods:

- Method 1: To identify forests to be exploited; the maximum annual exploitable volume, the exploitation cycles and frequency.

- Method 2: To apply the structure of numbers of trees according to diameter class.

b/ Elaborating exploitation plans: The plans must state the exploitation location (name of the plot), exploitation areas, characteristics of the forest plots (tree diameter, average height, average reserves/ha, if any) and the annual exploitable volume (in trees and cubic meters).

3. Elaborating plans for bamboo exploitation

a/ Technical norms: To determine the exploitation cycles, exploitation frequency, the age of trees to be exploited, exploitable volume and the exploitation time in a year.

b/ Elaborating exploitation plans: The plans must clearly state the exploitation locations (according to plots), exploitation areas and exploitable volume (expressed in the number of trees).

4. Elaborating plans for exploitation of timber from plantation forests: To identify the location (plot), area and exploitable volume, including thinning exploitation and principal exploitation.

5. Elaborating plans for full exploitation and full use of timber, exploitation of non-timber forest products: To

identify the exploitation location, area and exploitable volume according to product types.

6. Other production plans

a/ Plan on agro-fishery production: To clearly identify the location, area, kinds of crops and domestic animals.

b/ Plan on tourist services (if any).

c/ Other production activities.

7. Phasing of forest management plans

a/ A five-year forest management plan is divided into annual plans.

b/ A forest management plan of the first year is divided for months or quarters of the year.

8. Identifying resources and measures to mobilize resources for implementation of plans for community forest management, clarifying measures for maximum mobilization of resources within the community.

Article 15.- Approving plans for management of community forests

1. Approving five-year plans for community forest management

a/ Forest management plans shall be elaborated by communities, approved by commune-level People's Committees and reported to district-level People's Committees for implementation monitoring and assistance.

b/ Particularly for plans on exploitation of timber from natural forests: Commune-level People's Committees shall sum up the timber exploitation plans of communities in their respective communes and submit them to district-level People's Committees for approval.

2. Approving annual community forest management plans

Based on the approved five-year forest management plans, communities shall elaborate annual forest management plans and submit them to commune-level People's Committees for approval.

3. The exploitation of timber from natural forests for commercial purposes must comply with the provisions

of Decision No. 40/2005/QĐ-BNN of July 7, 2005, of the Ministry of Agriculture and Rural Development, promulgating the Regulation on exploitation of timber and other forest products.

Chapter IV

FORMULATION OF CONVENTIONS ON COMMUNITY FOREST PROTECTION AND DEVELOPMENT

Article 16.- Requirements of the conventions on community forest protection and development

a/ The provisions of the conventions must be compatible with law and concurrently inherit and promote local traditions and customs.

b/ Abolishing superstitious practices, sanctioning violations of law and acts of breaking the community unity

c/ Having clear, understandable and easy-to-implement provisions.

Article 17.- Major contents of the conventions

a/ The rights and obligations of community members in forest protection and development.

b/ Milpa farming in villages.

c/ Regulations on forest protection and mobilization of internal resources of communities for tending, rearing and developing forest blocks allocated by the State to communities for management (important forest blocks for protection of water sources, historical, landscape and religious forest blocks of communities).

d/ The exploitation, trading, transportation of timber and forest products.

e/ The protection of forest animals.

f/ The rearing of livestock in forests.

g/ Forest-fire prevention and fighting, the use of fires in forests and the prevention and fighting of pests harmful to forests.

h/ The detection and prevention of factors harmful to forests, prevention of people coming from other

places to destroy forests for milpa farming, to illegally exploit, trade in, transport and hunt forest animals in villages, and acts of covering up those illegal acts.

i/ Mutual assistance among members in the forest protection and development and provision of services on production and product consumption.

j/ Coordination among villages for efficient forest protection and development.

k/ Handling of violations of regulations on forest protection and development.

l/ Establishment, management and use of village forest protection and development funds.

m/ Specific regulations on sharing profits among communities.

Article 18.- Formulation of forest protection and development conventions

1. Step 1: Preparatory work

a/ The local forest ranger official may suggest and discuss with village chiefs, village patriarchs and representatives of mass organizations in the village to determine and select main contents of protection and development of the village's forests.

b/ Organizing village meetings to discuss and vote on the formulation of the convention.

2. Step 2: Formulation of the convention

a/ The village chief convenes a village meeting in either of the following two forms: plenary meeting of all villagers or meeting of family representatives to discuss the contents of the draft convention, publicly vote on every content of the convention and the whole convention. The minutes of the meeting and the draft convention shall be sent to the commune-level People's Council and People's Committee. If the contents of the convention are voted for by two-thirds or more of the participants, the commune-level People's Committee shall propose the district-level People's Committee to approve it.

b/ After the district-level People's Committee approves the convention, the commune-level People's Committee shall organize a village meeting to

disseminate the contents and measures for implementation of the convention.

c/ Upon the appearance of disputes over, or violations of regulations on, forest protection and development within a community which have been provided for in its convention, the community shall repeatedly call the attention of the involved parties and settle them in the spirit of conciliation within the community; if, due to their severity, the acts of violation are subject to administrative sanction or penal liability examination as provided for by law, the village chief shall make records thereon and report them to the commune-level People's Committee and, at the same time, notify the local forest ranger thereof for handling.

d/ Resolutions of village meeting on settlement of violations of conventions are valid only when they are approved by more than half of the number of participants and do not contravene the State's regulations.

Chapter V

RIGHTS AND OBLIGATIONS OF COMMUNITIES ALLOCATED FORESTS BY THE STATE

Article 19.- Rights to enjoy benefits from forests

1. Product sharing mechanism: To enjoy the whole volumes of timber and non-timber forest products exploited on the forest areas allocated by the State to the communities (Appendix IV).

The exploitation shall be conducted under the provisions of Clauses 2, 3, 4 and 5 of Article 14 and Clause 3 of Article 15 of this Instruction.

2. To conduct other production activities on the forest areas allocated to communities by the State, specifically.

a/ To use part of bare land areas planned for forestry for agro-fishery production. Concretely, for submerged land, 25% of the bare areas, and for other land, 20% of the bare areas, can be used.

b/ To organize service-tourist activities on the forest areas allocated by the State.

3. To receive money and supplies according to regulations of programs or projects if the community

forest blocks are covered by those programs or projects. Concretely:

a/ Under the Project on planting of 5 million hectares of new forests, to be supported with money and supplies under the Prime Minister's Decision No. 661/QĐ-TTg of July 29, 1998, on the objectives, tasks, policies and organization of the implementation of the Project on planting of five million hectares of new forests.

b/ Under the Prime Minister's Decision No. 304/2005/QĐ-TTg of November 23, 2005, applicable to hamlet communities of ethnic minority people in the Central Highlands provinces, to be supported with forest tree varieties for forestation.

c/ Under such forestry programs or projects as the forestation project financed by the Government of the Federal Republic of Germany; the project on forestry blocks and management of headwater forests in Thanh Hoa, Quang Tri, Phu Yen and Gia Lai; the project under Decision No. 1641/QĐ-BNN and other programs and projects on forestry, communities are provided with money and supplies according to regulations of those programs or projects.

4. Upon forest recovery by the State, to be compensated for labor fruits and investment results for forest protection and development according to the provisions of the Law on Forest Protection and Development and other relevant provisions of law.

Article 20.- Obligations of communities

1. To formulate plans on forest management, formulate conventions on forest protection and development according to Articles 13, 14 and 20 of this Instruction and organize the implementation of those plans and conventions.

2. To use forests for proper purposes stated in the forest allocation decisions, to periodically report on developments of forest resources and activities related to the forest blocks under the guidance of commune-level People's Committees.

3. To formulate and implement plans on management, use and sharing of forest products within communities.

4. To fulfill financial and other obligations as provided for by law.

5. To return forests when the State issues decisions to recover the forests.

6. Not to divide forests to community members; not to exchange, assign, donate, lease, mortgage, use as guarantee or contribute business capital with the value of the rights to use the allocated forests.

7. Other obligations as specified by forestry programs or projects (Appendix IV).

8. Village chiefs, inspection teams and people in villages shall themselves supervise and evaluate the implementation of forest management plans; annually make reports on evaluation of the implementation results and matters to be settled in the subsequent year.

Article 21.- Common use of money, supplies, forest products and other benefits from forests

1. Principles:

a/ The use and sharing of benefits from forests must comply with the forest protection and development conventions of communities and be participated by households in the communities.

b/ The sharing of benefits must ensure equitability and consistency among households, with priority given to households entitled to state policies.

c/ The rights to enjoy benefits and the sharing of benefits from forests must be publicized to all households in the communities.

2. Supplies and money provided by the State, forestry programs or projects as supports for communities and forest products exploited from community forests are managed and used as follows:

a/ For supplies (plant varieties, fertilizers,...): To be wholly used for planting and tending forests of communities.

b/ For money and food (if any): To be divided to households on the principle that those households contributing more workdays shall enjoy more and those households contributing less workdays shall enjoy less.

c/ For forest products: Timber and non-timber forest products shall be used for commercial purposes, used for public facilities of communities or divided to members in villages under decisions of communities (Appendix II).

d/ For other products, including agricultural products such as agro-forestry products; proceeds from tourist services..., after the subtraction of expenses, the remainder shall be remitted into the community funds.

3. The regulations mentioned in Clause 2 of this Article shall be agreed upon in village meetings and recorded in the communities' conventions or plans on sharing of benefits from forests.

Chapter VI

ESTABLISHMENT OF COMMUNITY FOREST PROTECTION AND DEVELOPMENT FUNDS

Article 22.- Purposes of community forest protection and development funds

a/ Community forest protection and development funds are established by communities themselves.

b/ Community forest protection and development funds mainly serve forestry activities of communities: forest protection, forestation, forest tending, zoning off for regeneration, forest enrichment, forest product exploitation and forest management,...

Article 23.- Financial sources for establishment of funds

1. Funding from sources of support (if any).

2. State budget supports (if any).

3. Contributions of communities.

4. Revenues from other sources (revenue sources are detailed in Appendix III).

Article 24.- Mechanism for operations of funds

1. Elaboration of annual plans on operations of funds: The elaboration of plans on operations of funds must be carried out simultaneously with the elaboration of

plans on forest protection and development and common socio-economic plans of communities, which is considered as an important part of those plans. The elaboration of the plan of a fund must identify the following contents:

a/ Activities to be carried out in the plan year, the spending level for each activity, which are arranged in a priority order.

b/ Existing capital sources and amounts which may be collected in the year.

c/ The revenue-expenditure balance, serving as a basis for selecting official activities to be included in the plan.

2. Presentation and approval of financial plans before communities.

3. In the course of implementing the plans, clear records must be kept. Funds are subject to inspection and supervision by community inspection teams, village chiefs and communal administrations.

4. Reporting on revenues and expenditures to communities on a monthly, quarterly and annual basis.

Article 25.- Organization and management of funds

1. The fund organization

a/ Establishment of a fund management board, community forest management boards may also act as fund management boards; if a fund is large, a separate fund management board may be set up. A fund management board is composed of 3-5 persons (a village leader acts as its head, 2-4 representatives of mass organizations, including one deputy-leader and one cashier) elected by villagers.

b/ Responsibilities of a fund management board:

- To mobilize resources for and develop the fund;
- To make revenues and expenditures in accordance with the Regulation on fund management;
- To elaborate annual plans on revenues and expenditures; balance revenues and expenditures for adoption at village meetings;
- To organize the implementation of the plans;

- To coordinate credit and service activities;

- To periodically (monthly or quarterly and annually) report to communities on, and ensure transparency in, revenues and expenditures of the fund;

- To submit to the inspection and supervision by community inspection teams, local administrations and mass organizations.

2. Formulating the Regulation on fund management with the following contents: identification of revenue sources, permitted expenditures (Appendix III), responsibilities and interests of community members in contributing to the establishment and use of the fund, responsibilities of the fund management board, operation mechanisms and spending limits.

Article 26.- Supports of the State, administrations at all levels and other organizations for the funds

1. Support in legal matters, policies, mechanisms and capital (if any).

2. Training to raise the financial management capacity of community cadres.

3. Assistance and creation of favorable conditions for operations of the funds, and supervision in the course of implementation.

Chapter VII

ORGANIZATION OF MANAGEMENT, SUPERVISION AND EVALUATION

Article 27.- Establishment of community forest management boards

1. The community forest management boards are set up by villages and reported to commune-level People's Committees for recognition. A forest management board is composed of a village leader and 3-5 members selected by the community from such organizations as the village Party organization, Youth Union, Peasants' Association, Women's Union, War Veterans' Society,...

2. Tasks of a community forest management board

a/ To elaborate plans for community forest management;

b/ To divide households into groups and assign household groups to implement the forest management plans; each household group has the group leader and a deputy leader;

c/ To mobilize capital and human resources for implementation of forest management plans;

d/ To inspect the implementation of forest management plans; the exploitation of forests and non-timber forest products and the sharing of benefits from forests of communities;

e/ To elaborate and implement plans on expenditures of the forest protection and development fund;

f/ To periodically report on the results of management of community forests to the commune.

4. Village chiefs or village patriarchs shall act as heads of community forest management boards. They shall administer and inspect forestry activities in their respective villages as provided for in the Regulation on community forest protection and development.

Article 28.- Establishment of full-time community forest management teams

1. Depending on their specific conditions, communities may set up full-time silviculture groups or silviculture hobby teams (for forest protection, planting, exploitation...).

2. Establishment of forestry inspection teams, which have the following two tasks:

a/ To assist the village chiefs in inspecting production activities of communities, settling disputes and verifying violation cases.

b/ To represent the people in supervising activities of village leaders, and operations of the village forest protection and development funds.

Article 29.- Contents of supervision and evaluation

1. Supervision of plan implementation, including:

a/ The forest exploitation (in strict accordance with locations, areas, volumes and techniques);

b/ The management of forest protection (fighting tree felling, forest fires, forest burning for milpa farming, forest fire prevention and fighting, forest pest prevention and control);

c/ Other forestry plans (volume, technique, quality and efficiency).

2. Supervision of the observance of forest protection and development conventions (violations, handling of violations and sharing of benefits...).

3. Supervision of forest protection and development funds: Sources of revenue and expenditure, use efficiency of the funds (investment in forest protection, building and development; supports for production, production services, credit...).

Article 30.- Basic evaluation criteria

1. The evaluation of community forest management is based on:

a/ Economic criteria.

b/ Forestry and environmental protection criteria.

c/ Social criteria.

2. Depending on their capability and specific conditions, communities shall select suitable evaluation criteria (Appendix IV).

Chapter VIII

ORGANIZATION OF IMPLEMENTATION

Article 31.- Responsibilities of provincial-level People's Committees

1. To promulgate mechanisms, policies and guiding documents relating to community-forest management, covering forest allocation, elaboration of forest management plans, benefit sharing mechanisms, regulations on formulation of forest protection and development conventions.

2. To direct district-level People's Committees and

concerned agencies in their respective provinces to conduct forest allocation to communities and oversee the implementation of forest management plans by communities.

3. To direct the formulation of, or incorporation of community forest blocks into, forestry programs or projects.

Article 32.- Responsibilities of district-level People's Committees

1. To consider and decide on the forest allocation to communities, to approve five-year plans on exploitation of timber from natural forests and community forest protection and development conventions.

2. To direct specialized land and forestry management bodies and relevant agencies of their districts to conduct the allocation of forests to communities and support communities in implementation of forest management plans.

3. To consider and decide on the addition or incorporation of community forest blocks into local forestry programs or projects and incorporate community activities on forestry into annual plans of such programs or projects.

4. To direct commune-level People's Committees and relevant agencies in supervising and evaluating community forest management.

Article 33.- Responsibilities of commune-level People's Committees

1. To disseminate and guide the state policies on forest allocation as well as regulations on forest protection and development to communities.

2. To consider and propose district-level People's Committees to decide on, approve documents relating to community forest management such as decisions on allocation of forests to communities and approval of conventions on community forest protection and development.

3. To guide communities in setting up forest

management boards; guide and monitor the sharing of forest products within communities according to the plans already approved by district-level People's Committees.

4. To organize the delivery of forests to communities; to urge communities to fulfill their financial obligations (if any); to manage and use money amounts paid by communities into the community budgets according to the provisions of the State Budget Law or paid into the communes' forest protection and development funds according to regulations.

5. To direct the commune forestry boards and commune forestry officials to guide and assist communities in forest management, protection and development.

6. To supervise and evaluate forest protection and development activities of communities.

7. To coordinate with socio-political organizations, village or commune professional associations in mobilizing communities to implement forest management plans and forest protection and development conventions of communities.

Article 34.- Responsibilities of provincial/municipal Agriculture and Rural Development Services

1. To advise provincial-level People's Committees on promulgating documents on community forest management; to formulate forestry programs or projects which communities may participate in.

2. To direct district-level forestry agencies to coordinate with commune-level People's Committees in assigning forests to communities.

3. To direct forestry and agricultural extension centers and guide and support communities in building forestry, agricultural or agro-forestry production and management models.

4. To formulate criteria and targets for supervision and evaluation, and guide the evaluation of community forest management.

Article 35.- Responsibilities of Forest Ranger Sub-Departments

1. To coordinate with Forestry Sub-Departments in reporting to provincial/municipal Services of Agriculture and Rural Development in order to advise provincial-level People's Committees on forest allocation and promulgation of policies related to community forest management.

2. To direct Forest Ranger Divisions to coordinate with district-level functional sections and advise district-level People's Committees on guiding communities in formulating forest protection and development conventions; to guide, inspect and supervise the forest product exploitation by communities; to assign local forest ranger officials to conduct forest allocation to communities according to this Instruction.

Article 36.- Responsibilities of district-level Sections for Agriculture and Rural Development

1. To advise district-level People's Committees on materializing the community forest management contents: appraising forest allocation schemes, submitting them to district-level People's Committees for allocation of forests to communities; guiding communities in formulating and implementing forest management plans, forest product management, use and sharing schemes and forest protection and development conventions.

2. To direct and assign local forestry and forest ranger officials to advise and guide communities on formulating and implementing forest management plans.

3. To supervise and evaluate forest-related activities of communities:

a/ District-level forestry sections and cadastral offices shall supervise the implementation of land use plans and community forest protection and development plans.

b/ Forest Ranger Divisions shall supervise the

observance of the law and conventions on forest protection and development, prevent and handle violations.

**For the Minister of
Agriculture and Rural Development
Vice Minister
HUA DUC NHI**

Appendices I to IV

(Promulgated together with Decision No. 106/2006/QĐ-BNN of November 27, 2006, of the Minister of Agriculture and Rural Development)

Appendix I

METHODS OF DETERMINING TIMBER AND FOREST PRODUCT NEEDS

1. Determination of timber needs for house construction: In a village, to select three typical houses (big, medium and small houses), then technical cadres and local people count the number of pillars, beams, rafters, lathes, planks and the average volume of timber needed for each house.

2. Determination of breeding facilities: In a village, to select three households with large-, medium- or small-scale husbandry, then calculate the average timber volume for each breeding facility.

3. Determination of the number of dams in a village and the volume of timber needed for each dam.

4. Determination of firewood needs: In a village, to select three typical households (large, medium and small households) for assessment of the daily use of firewood by each household.

5. Discussion with local people about five-year and annual needs for timber for repair and construction of houses, breeding facilities, schools and health stations.

Appendix II

BENEFIT SHARING MECHANISM AND DISTRIBUTION OF FOREST PRODUCTS WITHIN COMMUNITIES

1. Benefit sharing mechanism

The benefit sharing mechanism is applied under the provisions of Clauses 1, 2 and 5 of Article 5 of the Prime Minister's Decision No. 304/2005/QĐ-TTg of November 23, 2005, on allocating forests and contracting forest protection to ethnic minority households, individual communities in villages and hamlets of the Central Highland provinces. Specifically:

"1. To enjoy all products harvested from the allocated forest areas.

2. To be supported in forest tree varieties according to the process of planting production forests and supported in agricultural production under the State's agricultural and forestry extension policies.

3. To be entitled to other preferential policies according to current regulations of the State."

2. Use and distribution of forest products and other benefits from forests

a/ Non-timber forest products

Depending on the supply capacity of forests, village or hamlet meetings shall provide a specific volume or number of forest products to be exploited by each household for use in a month, a harvest or a year (the number of bamboo trees, firewood bundles, the volume of bamboo shoots...).

b/ Timber for common use by communities

Timber for use in village or hamlet facilities or as

support for commune facilities shall be decided by village or hamlet meetings in terms of timber volumes and timber categories.

Timber (or other forest products) exploited for commercial purposes: The village or hamlet communities shall themselves decide on customers and the selling prices of forest products. The proceeds from forest product sale, after the subtraction of costs (for exploitation, transportation, taxes, if any), are remitted into the community funds.

c/ Timber for use by households within a community

The volume of exploited timber must be based on the supply capacity of forests and needs of households. Timber covers timber for domestic use and house construction. For the exploitation of timber for house construction, depending on the management capacity of communities and economic capabilities of households, communities may themselves opt for one of the following forms of settlement:

First, to supply timber to households having needs for timber on the principle that households expressing their needs first shall be supplied first and in the following priority order: households hit by natural calamities, for house repair, for house construction due to separation of households.

Second, to sell timber to households in villages that have needs therefor; the volume, types and selling prices of timber are decided by communities themselves; the proceeds from timber sale are remitted into the community funds.

Third, other forms suitable to the common aspirations of communities.

The village or hamlet meetings shall decide on the lists of households permitted to exploit timber in a year.

d/ Forest products exploited for commercial purposes: If the volume of exploited forest products surpasses the needs of communities, the communities may sell the excessive volume and themselves decide on the buyers and selling prices of such forest products. The remainder of proceeds from forest product sale

(after the subtraction of costs for management, exploitation, transportation, taxes (if any)) shall be remitted into the community funds for forest protection and development.

d/ Other benefits

Products harvested from agro-fishery production, proceeds from tourist services..., after the subtraction of expenses, are remitted into the communities' funds.

f/ Publicity of forest product use and sharing

The above regulations are agreed upon in village meetings and recorded in communities' conventions or in plans on product sharing within communities.

Appendix III

COMMUNITY FOREST PROTECTION AND DEVELOPMENT FUNDS

a/ Communities meet to reach agreement on the establishment of funds. The commune forestry officials must clearly explain the purposes and significance of the funds, raise issues for discussion regarding the establishment, management and use of funds, and elect the fund management boards.

b/ A fund management board is composed of 3-5 persons, including the head, a deputy-head and a cashier.

c/ Formulation of fund management regulations: The fund management board makes the draft fund management regulations covering the following contents: sources of revenue, permitted expenditures, responsibilities and obligations of community members on contributing to the establishment and use of funds, responsibilities of the fund management board, operation mechanisms and spending limits.

When the draft fund management regulations are available, village meetings will be convened for comments, finalization and adoption for observance by the entire communities.

d/ Other revenue sources, including:

- Revenues from within the communities: voluntary contributions by community members; fees paid for exploitation of forest products in community forests; compensations for damage caused by violations of forest protection within villages; proceeds from sale of forest products exploited in community forests, credit interests, service charges, etc.

- Revenues from outside the communities: deductions from investments of state projects and international projects; supports from domestic and foreign organizations and individuals, etc.

e/ Permitted expenditures, including:

- Expenditures on forest protection and development: payment of remunerations to persons directly engaged in forest protection, forest fire prevention and fighting, forest pest prevention and control, forestation, additional forestation, forest enrichment and fostering.

- Expenditures on supplies, services, credit in support of production, income raising and difficulty alleviation for poor households, pressure reduction for forests. The form of lending purchased supplies (strains, fertilizers, insecticides) can be applied in order to advance the supplies to borrowers (according to levels prescribed in the regulations and needs of households in the communities). After their harvests, the borrowers shall repay in cash at low interest rates (already agreed upon by communities in the fund use regulations) in order to stabilize and develop the funds.

Appendix IV

COMMUNITY FOREST MANAGEMENT AND EVALUATION CRITERIA

1. Economic criteria, including:

a/ Areas of forests already planted, protected, zoned off for rearing, additionally planted; quality of forests;

total investments (with capital of communities, other capital sources)

b/ Areas of forests contracted to communities for forestation, protection, zoning off for rearing, additional forestation; total funding contracted.

c/ Volume of forest products exploited from forests (timber, firewood, non-timber forest products) for consumption, for sale.

d/ Pecuniary incomes of communities from forest product exploitation, execution of projects of the State and organizations, from contracts signed with other forest owners.

e/ The proportion of income from forest to the total incomes of households.

2. Criteria for evaluation of forest environment and environmental protection, including:

a/ Protection of water sources.

b/ Protection and rational use of land.

c/ Maintenance of biodiversity (rare and precious plants protected and regenerated in natural forests; plants rehabilitated).

d/ Improvement of the village or hamlet environment.

e/ A number of evaluation indicators, including:

- The increase of forest areas, forest coverage over the previous year and previous periods.

- Areas of forests protected, not destroyed.

- Technically proper exploitation, non-reduction of forest quality.

- Forest quality increase (many species of valuable trees are regenerated, the average reserve/ha of forest increases...).

- The effect of maintenance of sources of water of streams, ponds and lakes.

- Forest garden areas, the number of scattered trees

in villages.

- The areas of land affected by erosion or landslide.

- Additional plantings of trees, indigenous trees, multi-use trees.

- Areas and species of trees under agro-forestry production, helping protect land, diversify products and increase income.

3. Social criteria, including

a/ Job creation.

b/ Raising of the people's sense for forest protection, building and development.

c/ Contributions to hunger eradication and poverty alleviation.

d/ Contributions to social welfare.

e/ Alleviation of difficulties for communities in daily life and labor.

f/ A number of evaluation indicators, including:

- The number of workdays spent on forestry activities (increase or decrease over the previous periods and compared with other activities)

- The number of training courses, the number of people and women being trained in forest management, in agro-forestry farming techniques,...

- The observance of the forest protection and development convention, the number of violators and violations of the convention.

- Contributions to household incomes from forestry.

- The number of houses, schools, health stations, animal stables, electricity poles... newly built, repaired with timber or bamboo exploited from community forests.

- Mitigation of difficulties in the supply of firewood and forest products for communities.

**THE MINISTRY OF AGRICULTURE AND
RURAL DEVELOPMENT**