



Targets, Tasks, Policies and Organization of the Project on Planting 5 Million hectares of Forests

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Decision No. 661/QD-TTg, 29 July 1998 of the Prime Minister on objectives, policies and implementation arrangement of the 5 million ha reforestation project. New plantation of 5 mil. ha of forest, protection of the existing forest to increase forest cover to 43%; Local people are main force for forest plantation, protection, regeneration and they can enjoy benefit from forest; forest plantation is organized via local projects.

Tasks: effective protection of the existing forest; plantation of 2 mil.ha of protection, special use forest; plantation of 3 mil. ha of production forest.

Policies and solutions:

- Forest land allocation in close connection with forest allocation
- Investments, credit: state budget invested in protection contract of special use, crucial protection of forests; investments in infrastructure, scientific study, agriculture extension.
- Investment credit for organizations, households and individuals engaged in forest plantation, regeneration of less crucial protection forest, production forest.

Benefit sharing policy: prioritize in making contract on protection and special use of forests to households under resettlement, poor households living near the forest. For production forest, households invest in production of forest plantation shall have the rights to decide harvesting period, and methods but they need to replant forest within two years; plantation timber is freely circulated the market.

Tax: preferable conditions applicable to plantation forest; exemption of natural resources tax for products harvested from natural production forest that is rehabilitated via regeneration.

Project 661 has a certain role in forest land allocation and forestry land use. The project contributes to increasing the percentage of forest land which is allocated for use properly. One of the 3 goals of the project is to use effectively barren land and bare hills, creating jobs for people to reduce poverty and stabilize life, production and raise incomes for local people in the rural and mountainous areas. Besides the achievements gained on the forest protection and development, the results on poverty reduction target are small compared to other programs. Percentage of forest land allocated for the purpose of forestry production is quite low. This depends on the ability of investments from various sources including investments of projects 661. According to MARD, project 661 can only perform successfully on forest land which has specific owner, therefore, the target groups can be invested in terms of forest protection or afforestation of project 661 on allocated land which have specific owners. This is a reasonable policy and has focus on investment perspective. However, until now, many areas have been allocated but not used or re-used for agricultural purposes and crops. One of the reasons is the limited investment budget of project 661. Many farmers are aware that forest land for protection forest, or when protective forest is allocated to households or the community, then they will be invested by the state. While there is no investment from project 661, farmers temporarily do not use the forests for food production and planting crops.

Project 661 has not considered the development of non-timber forest products (NTFPs) and has no clear answer about the position of non-timber products in investments and development of forests. This project focuses on forest protection in order to create jobs, but not paying attention to the exploitation and processing of forest products and providing services.

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