DECISION

Approval of the Vietnam Forestry Development Strategy

2006 - 2020

PRIME MINISTER

Pursuant to the Governmental Organization Law issued 25 December 2001, Pursuant to the Forest Protection and Development Law issued 3 December 2004, and At the proposal of the Minister of Agriculture and Rural Development via Statement No. 3309/TTr-BNN-LN, dated 12 December 2006,

DECIDES:

Article 1. Approval of the Vietnam Forestry Development Strategy 2006-2020, including the major contents as follows:

1. Current status of the forest sector

As of 31 December 2005, the country’s forest area is 12.61 million (mil.) hectares (ha) including about 10.28 mil. ha of natural forests and 2.33 mil. ha of plantations, equivalent to 37% of forest coverage. The total volume of timber is about 813.3 mil. cubic meters (m$^3$) (94% of natural forests) while there are about 8.5 billion bamboo trees. The area of forests is increasing but the quality of both natural forests and plantations is low: it cannot meet sufficiently the production and protection requirements. Currently, the area of unused land is 6.76 mil. ha, including 6.16 mil. ha of bare land and denuded hills, occupying 18.59% of physical area of the country. Such land area is mainly degraded, which is considered as both a potential and a challenge for forestry development.

2. Forestry production 1996–2005

• Major achievements of the forest sector:

At the national scale, substantial progress has been achieved in forest protection and development, which has prevented the degradation of both forest area and quality, resulting in the increase of forest area from 9.30 mil. ha in 1995 to 11.31 mil. ha in 2005 (increasing, on average, 0.3 mil. ha each year). At present, an average of 200,000 ha of forests have been
planted annually. Plantation-based timber harvesting yields reached 2,000,000 m³ annually, aimed to provide materials for export-based forest product processing and domestic consumption.

The timber and forest product processing sector has gained outstanding progress, which gradually meets domestic demands, contributing substantially to export turnover and creating opportunities for development of material plantations. The value of timber-based export turnover has increased from 61 mil. USD in 1996, to 1,035 mil. USD in 2004, and 1,570 mil. USD in 2005.

Production operations of the forest sector have been changing remarkably from state-owned forestry with centralized planning to socialized forestry, which allows a multi-stakeholder economic structure and follows market economy mechanisms. Thus, the forest sector has been actively involved in employment creation and livelihood improvement for nearly 25% of the Vietnamese people who live near forest and mountainous regions, thus contributing to the assurance of social and political security and the creation of a driving-force for the overall development of the country in recent years.

- **Shortcomings and weaknesses**

Although the forest area is increasing, the quality and biodiversity of the natural forests have been continuously reduced. In many locations, forest areas have been increasingly damaged; meanwhile, production plantations under the 661 Program have not met the expected objectives.

The forest sector’s growth is low and unsustainable. It is low in profit, weak in competitiveness, and the potential of forest resources has not been properly and comprehensively exploited, particularly for non-timber forest products (NTFPs) and environmental services.


Forestry is a specific technical economic sector, including all activities connected with commodity production and services from the forest, such as reforestation / afforestation, harvesting, transportation, production and processing of forest products, and providing environmental services related to forests. The forestry sector plays a very important role in the protection of the environment, biodiversity conservation, and poverty reduction, particularly for people in the mountainous areas, and contributes to social stability and to national defense security.

- **Development viewpoints:**

  - Forestry development is to integrate the management, protection, and appropriate utilization of resources, starting from afforestation and reforestation, to the harvesting, processing of forest products, environmental services, ecotourism, etc.
• Forestry development is to make significant contributions to economic growth, poverty reduction and environmental protection.
• Sustainable management, utilization and development of forests are the foundation for forestry development.
• Forestry development has to base on speeding up and making more profound the policy related to socialization of forestry activities, and attracting investment resources for forest protection and development.

b. Objectives to 2020

To sustainably establish, manage, protect, develop and use 16.24 million ha of land planned for forestry; to increase the ratio of land with forest up to 42 – 43% by the year 2010 and 47% by 2020; to ensure a wider participation from various economic sectors and social organizations in forest development, to increase their contributions to socioeconomic development, environmental protection, biodiversity conservation and environmental services supply, to reduce poverty and improve the livelihoods of rural mountainous people, and to contribute to national defense and security.

c. Economic tasks

• The rate of forestry production growth (including forest products processing industry and environmental services) will be from 4 – 5%/year. Efforts will be made to increase the forestry sector’s contribution to the national GDP to 2-3% by 2020.
• 8.4 million ha production forest, to include 4.15 million ha plantation forests, both concentrated industrial plantations and NTFPs, and 3.63 million ha natural production forest, should be managed sustainably and effectively. The area of regenerated natural forest and agro-forestry area is 0.62 million ha. Efforts will be made to get forest certification of 30% of the production forest areas. (Those areas will be assessed and issued certification for meeting sustainable forest management standards.) Appropriate planning, management and effective use of the protection forest system, of approximately 5.68 million ha, and 2.16 million ha of special-use forests.
• 1.0 million ha of new plantation will be established by 2010 and 1.0 million ha for the next phase. 0.3 million ha/year will be reforested after harvesting. Zoning for regeneration of 0.8 million ha of forest. Scattered tree planting: 200 million trees/year.
• Domestic harvested timber volume will be 20-24 million m³/year (including 10 million m³ large timber), basically meeting the demand of raw material for forest products, pulp processing industry and export.
• Fuel wood harvest for the rural areas will be maintained at a level of 25-26 million m³/year.
• Forest products annual export values will increase to over USD 7.8 billion (including USD 7 billion of timber products and USD 0.8 billion from export of NTFPs).
• Annual revenue from forest environmental values will increase, reaching USD 2 billion by 2020, through clean development mechanism (CDM), ecotourism, erosion control, water sources protection, etc.
d. **Tasks for solving social problems**

- Generate more jobs for forestry laborers (including timber and NTFP processing sector and traditional art handicraft villages);
- Improve income, contribute to poverty alleviation and reduce by 70% the number of poor households in key forest areas;
- Complete allocation and lease forests and forest land to organizations, enterprises, households, individuals, and communities, before 2010.
- Increase the number of laborers receiving vocational training up to 50%, with special focus on ethnic groups, poor households and women in remote and isolated areas.

e. **Tasks for securing environmental stability**

- Forest protection, natural protection and biodiversity conservation are aimed to effectively contribute to watershed, coastal and urban protection, natural disaster mitigation, erosion control, protection of water sources and environmental protection, and to create income sources from environmental services (environmental fees, CO2 market, ecotourism, etc.) for the national economy.
- Forest cover will be increased to 42 - 43% by 2010 and to 47% by 2020;
- 0.25 million ha of protection and special-use forest will be planted by 2010.
- Forest-related violations will be minimized. Slash-and-burn cultivation should be limited on forest land.

4. **Development orientation**

a. **Orientation on planning of 3 forest categories and forest land**

- For protection forest: review and rearrange the system of national protection forests with the area of around 5.68 million ha, including 5.28 million ha of watershed protection forest, 0.18 million ha of wave-break and sea encroachment protection forest; 0.15 million ha of wind-and sand-shielding protection forest, and 70,000 ha of environmental protection forest for big cities and industrial zones. According to critical levels, [i.e., how “critical” is the rating of the protection functions of the protection forest], it should integrate protection with agriculture-aquaculture production, landscape preservation, ecotourism, and other benefits of protection forests.
- For special–use forest: review and consolidate the system of existing national special–use forests with the area not to exceed 2.16 mil. ha, aiming to improve forest quality and biodiversity value.
- For production forest: The total area of planned production forest is 8.4 million ha, of which 3.63 million ha is natural forest and 4.15 million ha is plantation forest, with a focus on establishment of concentrated raw material areas of forest for industry. Sustainable management should aim at multi-purpose use. The remaining land area planned for production forest development is 0.62 million ha and will be used for reforestation and agroforestry.
Prime Minister’s Decision Approving the Vietnam Forestry Development Strategy (2006-2020)  

**b. Orientation on forest management, protection, development and utilization**

- Forest management: A total of 16.24 million ha of forest and forest land will be managed in a unified manner, on the basis of establishment of the national permanent forest estate with the block, compartment and plot system delineated on maps and demarcated in the field. By 2010, all forest areas and forest land basically have to be allocated and leased to forest owners belonging to various economic entities on the basis of the planning, and forest protection and development plan approved by competent authorities and in accordance with State policies and mechanisms. Modernization of forest management work should be based on widespread application of information technology and remote sensing images, in statistics, inventory, up-dating this information, and monitoring of forest resources and forest land.

- Forest protection: forest protection awareness should be changed from purely protection of forest trees to protection of continuous developing ecosystems as well as to ensure an optimal way for forest regeneration and utilization capacity in line with the principle of considering development as a way of protection. Special attention should be paid to dissemination and awareness improvement for different levels, sectors, and the people as a whole.

The People’s Committees at different levels are responsible for implementation arrangements for forest protection and for any uncontrollable violations of the Forest Protection and Development Law happening in their localities. Special attention should be paid to the development and strengthening of full-time and part-time forest rangers of various forest owners and village communities for building sufficient capacity, in order to quickly respond to violations of forest law and natural disasters, such as forest fires, pests and diseases. Efforts have to be focused on controlling the harvesting of forest products on the forest sites; checking and controlling the transportation and disposal of forest products are complementary measures to forest protection.

The forest protection force should be rearranged in order to strengthen its advisory role in forest protection and development and law enforcement on forestry by authorities of different levels of provinces, districts and communes. Incentives and promotional policies should be provided to local forest rangers, in collaboration with local authorities, to assist local people in implementing forest protection and development down to the [forest] block and compartment level.

- **Forest development:**
  - Planning, classifying and having development plans for 3 forest categories (special-use, protection and production forests); conservation and protection in association with development of ecotourism, outdoor recreation, and other environmental services.

  - Special–use forest: Development of special-use forests will be mainly through the preservation of current status, creation of most suitable habitats for endemic flora and fauna species, specific eco-systems in order to protect the genetic sources and biodiversity that serve as socio–economic development requirements of the country currently and in the future.
Protection forest: Planning and development of protection forest are to ensure the ultimate protection requirements, contribute to biodiversity conservation, ensure the stable environmental balance for land (against erosion, desertification, residues of harmful chemical substances), water and climate, prevention of, and fighting against, natural disasters, and ensure sustainable national socio-economic development.

Production forest: Planning of production forests is mainly developed in the direction of intensive cultivation, creation of centralized material zones on medium- and large-scales in order to ensure sufficient materials for processing, and increase land-use efficiency focusing on productivity and quality; it should be combined with agriculture, forestry and aquaculture production.

- The Ministry of Agriculture and Rural Development should take the leading role, in collaboration with other ministries and sectors, in submitting proposals to the Government to issue incentives and promotional policies to attract the investments of different economic entities in forest development. Priority policies will support research on the development of tree seedlings, wild faunal species, research on intensive cultivation and animal husbandry techniques, development of forestry infrastructure, and systems for preventing and fighting forest fires and pests. These policies should be appropriate to the international agreements to which Vietnam is a signatory.

Advanced scientific achievements and technologies should be applied together with local people’s experiences in forestry production. Two main research directions should be promoted for forest development, i.e., forest tree breeding and silvicultural measures.

Scattered tree planting should be strongly developed, to meet, in an effective and timely manner, the subsistence needs of local households for timber and fuel wood, especially in the delta and coastal areas. It should strengthen the cultivation and development of non-timber forest products (NTFPs) (bamboo, rattan, medical herbs, etc.) to meet material requirements for production of handicrafts that are highly competitive, for both local consumption and export.

- Forest utilization and development of forest product processing industry
  - Forest harvest and use
    Appropriately forest harvest and utilization are silvicultural measures that can be used to regenerate and improve forest quality, meanwhile maximum exploitation of environmental services from forests can create income for forest protection and development. Sustainable harvesting and utilization of natural forests should be based on a forest management plan.

For natural production forests, attention should be paid to the continuous zoning of forests for regeneration and enrichment to improve forest quality aiming to create supply sources of large timber, and other forest products as well as environmental services after 2010. The major principles should be that the main harvest will be conducted in rich-quality production forests, with the appropriate harvest level depending upon the mean annual increment (forest
growth rate). For medium- and poor-quality production forests, the main intervention will be harvest aiming at regeneration and enrichment of forests. Planting and using of NTFPs should be strengthened, focusing on advantageous products, such as bamboo, rattan, raisin, medical herbs, and foodstuffs, and encouraging the domestication of forest animals. Legal mechanisms should be available to allow forest owners to manage, harvest and use NTFPs in accordance with legal regulations.

Plantation and agricultural waste (i.e., branches after thinning) as well as other materials, will be encouraged for use as fuels in order to minimize the use of fuel wood from natural forests.

- **Development of the forest product processing industry**

The forest products processing industry and trade must become key economic factors of the forestry sector, developed in line with market mechanisms based on advanced technologies and maximum efficiency in forest product utilization to meet the needs for domestic consumption and export. Various economic entities play an important role and are encouraged to invest in the development of the forest product processing industry.

Product development should focus on those with high comparative advantages, such as indoor and outdoor furniture, wooden art handicrafts and other products made from bamboo and rattan. From now to 2015, efforts should focus on the review, consolidation and upgrading of the system of small- and medium-scale forest product processing factories and the development of the large-scale forest product processing industry after 2015.

Forest products processing industry zones should be developed and expanded in areas that could sufficiently conveniently and stably provide materials. Besides enhancing large-scale processing industry modernization, due attention should be paid to the development and modernization of small-scale forest product processing industries in rural areas and traditional handicraft villages. Construction of integrated plantation-based timber and NTFP processing units should be encouraged. The processing of wood-based panels and pulp should be enhanced, to reduce gradually processing of woodchip for exports. Utilization of products made from artificial wood-based panels and timber from plantation forest should be promoted.

- **Orientation on forest product export and import**

  - Import of materials should be arranged well, associated with strengthening of large timber and NTFP plantation establishment, to gradually meet the demands for material for processing, and reduce the dependence on imported materials.
  - Diversification and continuous improvement of the quality and designs of processed products is needed to meet the interests of national and international customers, while paying special attention to strengthen forest certification and develop trade brands for export items.
5. Solutions for implementation of the Strategy

a. Solutions on policy and legislation

Policies on forests and forest land management
- Develop a legal corridor/framework for establishing the national permanent forest estate, which will be demarcated in the field. Revise and complete the allocation and lease policy for forest and forest land. The priority will be given to land allocation, and allocation, and contracting protection forests to communities, cooperatives, and households for long-term protection, management and utilization according to approved planning and plans.
- Step-by-step, favorable conditions will be created for land tenure rights, use and ownership of forest following the laws of production and trading activities, and the laws of commodities production, such that forests will become commodities, and thus a real fund source for forestry development. Accumulation of land for the formation of concentrated material plantation forests through lease, or providing forest use and forest land tenure rights as shares for the households and individuals, is encouraged.
- Continued testing and scaling-up of models of community forest management, and regulations for forest management and multiple stakeholder benefit-sharing should be finalized. The legal basis for allocation, or lease, of special-use forests to all economic sectors for business activities, particularly for ecotourism and outdoor recreation activities will be piloted and developed.
- Review, development and finalization of legal documents on forest management, protection, development and utilization should be strengthened, and insufficient, troubling administrative procedures should be eradicated. Positive local custom and customary practices should be considered in the development of forest protection and development regulations in the region.
- Further decentralize the state management of forests to district and commune administration levels. Regulate clearly the responsibilities and rights of forest owners, the government at different levels, law enforcement agencies and forest protection forces by the forest owners as well as villages and communes, regarding the loss and destruction of forests in their areas.
- Strengthen the legal dissemination and education to improve the awareness and responsibilities of different levels, sectors, each forest owner, each person and the entire society for forest protection and development, in parallel with the enhancement of state management, institutions and legislation.

Finance and credit policies
- Specific investment policies related to civil works for the forestry sector should be developed, and the State investment practices in the sector should be renovated according to the forest protection and development plan, instead of allocation of budget on the basis of the current cost norms.
- Develop insurance and security mechanisms for all the economic entities involved in forestry production to have equal access to long-term loans, appropriate to forest tree production cycles, from investment and credit sources.
• Policies should be available to redirect state investments from direct investments to indirect ones (infrastructure, tree breeding/seed, science and technology etc.). More state budget investments should be provided for management, protection and development of special-use, protection, and production forests, scientific research, forestry extension, and training of human resources, together with adequate investments provided for development of forestry infrastructure.

• Develop incentives and promotional policies to attract economic entities’ investments in forest protection, development, and utilization as well as forest product processing on the basis of collaboration and sharing of benefits with communities. Establish a transparent and stable investment environment to attract investors, especially foreign investment; ensure clear industrial ownership rights, land tenure rights, long-term forest use and ownership rights, support establishment of forestry insurance fund, reduce and exempt some taxes for forest owners, forest–related business enterprises, and simplify procedures on enterprise establishment.

• Forestry development planning should be made available to the public, and to pilot and scale up the tendering on leasing production forest, protection and special-use forests for ecotourism and outdoor recreation purposes depending on forest functions. The State will strengthen the planning work and support to develop some projects on concentrated plantations areas for industrial raw materials, to call for domestic and foreign investments.

• Develop and step-by-step implement mechanisms for fee collection for environmental services, wherein organizations and individuals that are getting benefits have the responsibility to pay the fees, in order to create new financial sources for re-investing in forestry. Carry out collection of watershed protection fees from hydropower works and clean water supply schemes, and pilot developing plantation projects on the basis of Clean Development Mechanism.

• For special-use and protection forests, the annual State budget allocates administrative budget for management boards and operational costs for commune and village forest protection groups. For production forests, the State provides support for planting of rare and valuable species with long rotation and for forestry infrastructure construction, particularly forestry roads, facilities and equipment for forest fire prevention and fighting, pest and diseases control, with priority given to centralized material plantation areas.

• The State strengthens contract-based protection for protection forests, by promoting getting direct benefits from forests and other income sources, including payments for environmental services, so as to replace the current contract mechanism, which uses money from the state budget.

• For households involved in forest protection and development, especially poor households, and ethnic minorities in remote and isolated areas, the State provides support mechanisms, such as preferential loans, supply of food, seedlings, and fertilizers, for establishment of small-scale production plantations, and development of agroforestry production -- while the households are awaiting income from the forests, and which also aim to minimize slash-and-burn cultivation.

• Strengthen forest valuation work and use it as the basis for forest transactions. Establish the Forest Protection and Development Fund at central and local levels from different funding sources, together with appropriate management and utilization mechanisms for
this fund in order to accelerate the process of socialization of the forest sector and forest sector activities.

**b. Renovation of organizing forest production and business and encouragement of economic entities participating in forest protection and development**

- Policies and mechanisms should be in place to facilitate renovation of State Forest Enterprises (SFEs) to become State Forest Companies with diversified production and business connected to processing industries and trade of forest products. Those companies will be the core element for sector development and then will be equitized together with development of various kinds of joint-venture and collaboration among economic categories in forestry production, business and forest product processing.
- Pay attention to development of forestry production businesses by households, forest farms, village communities and cooperatives. The State provides support mechanisms for ethnic and mountainous households involved in material plantations, centralized industrial tree plantations and small-scale forest product processing in various enterprises and forest farms to create more jobs and improve incomes.

**c. Solutions on planning, plan and monitoring**

- Review planning of 3 forest types, identify the national permanent forest estate and carry out boundary demarcation in the field.
- Carry out forest resource inventory, statistics work and monitoring linked with land statistics and inventory. Develop and update databases on forest resources management, and apply advanced technology to improve the quality of forest inventory and planning.
- Improve the quality of planning development and implementation arrangements of forest protection and development plans by different levels. While developing the planning and protection plans for special-use forests, the planning and protection and development plans for buffer zones and biodiversity corridors should also be developed. Forestry projects have to be integrated with programs and projects on poverty reduction, agriculture and rural development at the local sites, and in remote and mountainous areas. Management boards for special-use, protection forest and forestry companies should participate in providing support services, or in management of local socio-economic development projects.
- Carry out planning and develop forest product processing industrial zones and trade, linked to review and building up of centralized production areas for industrial raw materials. Plans to replace low-productivity plantation forests should be available. Attention will be paid to development planning for handicraft villages, small-scale forest product processing and forest farms.
- Renovate methodologies and improve the quality of planning in the direction of strengthening inter-sectoral linkages, using inter-sectoral information and promoting the participation of relevant agencies.
- Consolidate the forest sector information and monitoring system to serve for monitoring and evaluation of implementation of the Forestry Development Strategy, aimed to meet sectoral administration and international integration requirements.
d. **Solutions on sectoral organization and management**

- Quickly develop a road map for renovating the organizational structure of the forest sector with the aim of reaching a unified state administration organization system on forestry that is strong enough from central to local levels, linked with administration reform and international integration. Establishment of state management organizations and strengthening managerial staff for forestry at districts and communes with forests should be considered as first priority within the next five years. Forestry staff will be arranged in communes having forests.

- Encourage and support the establishment of groups and associations, such as associations of people involved in forestry production, business, processing and exporting and importing forest products.

- Establish long-term coordination mechanisms among research, training, education and extension organizations and forest owners, enterprises and communities, in order to integrate research, training and extension into forestry production and business.

e. **Solutions on science and technology**

- Scientific technological research activities need to meet the production and market requirements while involving participation of forest owners and enterprises.

- Review and complete technical guidelines, curricula and procedures.

- Develop and implement the Forestry Research Strategy for the period 2006-2020 with a focus on break-through research within the sector, such as on biotechnology, technology for refining NTFPs, high-yielding afforestation, improvement of poor natural forests, etc.

- Develop and implement the 2006-2020 forest tree seed and seedling strategy in order initially to meet demands for high-quality seeds and seedlings used for afforestation under the Project 661 and other programs and projects.

- Develop and implement the National Strategy on NTFP Development and Conservation during the period 2006-2020.

- Establish national standards for sustainable forest management and Chain of Custody (CoC); develop national standards for wood and NTFP products.

- Strengthen equipment and technical facilities for research organizations. Promote the application of modern and environmentally–friendly technologies and equipment for forest product processing and production. Foreign investment should be considered as a modern technology transfer channel.

- Forestry extension organizations are established from central level to provinces and districts having a large area of forest (provinces with more than 50,000 ha of forests and forest land) under the agriculture extension system at different levels. Communes that possess much forest will have a full-time or part-time forestry extension staff member. Quickly develop voluntary forestry extension organizations for the communes and villages, particularly in remote, isolated areas, where it is difficult for the state agricultural system to access. The State should provide the necessary support for voluntary organizations working in forestry extension.

- Step-by-step renovate the activities and capacity-strengthening for forestry institutes, universities, and schools to become qualified consultancy organizations meeting the requirements of forestry sector. Establishment of technology transfer centers, scientific technological consultancy centers and intensive training centers under research and
education institutions is encouraged. Mechanisms will be developed for research, training and forestry extension institutes to increase their self-responsibility and independence concerning the quality and quantity of outputs.

f. Solutions on training of human resources

- Develop and implement a training strategy and improve capacities for forestry staff at all levels, particularly at the commune level. Focus on training and forestry extension activities for the poor, particularly ethnic minorities and women, and training for forestry staff in remote, isolated areas. Pay attention to forestry extension training and education activities for the poor.
- Enhance management capacities for management staff, enterprises, communities and households working in forestry through on-site short courses and forestry extension to assist them in developing, implementing and monitoring forest protection and development plans gradually.
- Improve capacities and technical facilities of forestry training units. Develop a proposal on comprehensively renovating the forestry education-training system in terms of structure, curricula, contents, teaching methods and management mechanisms to improve the training quality. Efforts need to be made so that by 2020 some forestry institutes, universities, or schools will achieve international standards in research and training.
- Encourage domestic forestry training and extension organizations, NGOs and international projects to support training and extension activities.
- Develop planning and provide opportunities for intensive training to scientists and senior teaching staff in different fields of forestry, with a particular focus on forest economics, and create favorable conditions to attract young researchers to be involved in scientific research and teaching.
- Develop distance-learning modalities to satisfy the increasing training needs. Forest environmental education should be soon introduced to the teaching program of all schools in the entire country.

g. Solutions on international cooperation

- Strengthen the international economic integration of the forestry sector through active participation and close regional and bilateral cooperation with international forestry organizations.
- Strengthen mobilizing, attracting and utilizing ODA funds strategically and effectively. Manage and utilize effectively funds of the Trust Fund for Forests (TFF) and the Vietnam Conservation Fund (VCF). Gradually develop a favorable “legal corridor” (enabling environment) and improve the investment environment to attract Foreign Direct Investment (FDI) from foreign investors, especially for industrial material plantation establishment, forest product processing and technology transfer.
- Consolidate and strengthen activities of the Forest Sector Support Partnership (FSSP) and the Partnership Steering Committee to coordinate international funding sources supporting implementation of programs under the Forestry Development Strategy.
- Take initiative and cooperate actively with advanced regional and international countries, institutes and universities in order to accelerate a quick accessibility to standards of
forestry science and technology, to develop human resources and to upgrade equipment for the sector.

- Continue to implement multilateral environment agreements and international commitments related to forestry, for which Vietnam is a signatory, to improve the status of Vietnam in the world and in the region, and also to seek new support from funding sources.

6. Programs and major tasks

a. Sustainable forest management and development program

- Establish the national permanent forest estate for three forest types.
- All forests and forest lands are to be allocated, or leased, to forest management entities before 2010 while capacity building for forest owners is conducted.
- Sustainable forest management is implemented. Forest owners with business production operations have their forest management plans developed and implemented, of which at least 30% of production forests are certified.
- Afforest 1.0 million ha of new forests by the year 2010 and 1.5 million ha for the next phase, improve plantation productivity; enrich 0.5 million ha of poor degraded forests; plant 200 mil scattered trees annually.
- Stabilize domestic wood production with the targets of reaching 9.7 million m³/year by 2010 and 20 - 24 million m³/year by 2020 (including 10 million m³ large timber).
- Provide small timber for pulp processing: 3.4 million m³/year by 2010, and 8.3 million m³/year by 2020.
- Invest in equipment to modernize forest management work; undertake forest inventory periodically; consolidate and update databases of forest resources.

b. Program on forest protection, biodiversity conservation, and environmental services development

- Protect effectively 16.24 mil. ha of forests and forest land area of 3 forest categories (special-use, protection, and production forest).
- One hundred percent of documents regulating forest protection are disseminated to forest owners and local people.
- Reduce by 80% the cases of violations of the Forest Protection and Development Law.
- 100% of forest owners, villages, and communes having forests will arrange their forest protection forces and 100% forest rangers at communes and forest protection forces will be trained to improve capacity, especially field staff.
- Strengthen investment in infrastructure, equipment, operational costs for protection, forest fire prevention and control, and pest and disease control.
- Develop and consolidate the protection forest system with a total area of about 5.68 million ha and special-use forest system with a total area not exceeding 2.16 million ha.
- Continue to pilot and scale-up community-based forest management modality and other modalities.
- Study on the valuation of the forest environmental services and develop mechanisms for payment of environmental services for the forest sector. The Forest Protection and Development Fund will be established and implemented starting from 2007.
c. **Timber and forest product processing and trade program**

- Reorganize the wood and NTFPs processing industries.
- Strengthen the production capacity of forest product processing industry to meet the basic demands for domestic consumption and for export, which are:
  - Total capacity of sawn timber: 6 million m3/year
  - Particle board: 320,000 m3 of products/year
  - MDF board: 220,000 m3 of products/year
  - Value of exported wood products: 7.0 billion USD (3.5 million m3 of products)
  - NTFPs for export: 0.8 billion USD
- By 2020, NTFPs will become one of the main production commodities, accounting for more than 20% of the total value of forestry production, the average exported NTFP value will increase 15-20%, attracting 1.5 million laborers and incomes from NTFPs will comprise 15-20% of the rural household economy.

d. **Program on Research, Education, Training and Forestry Extension (RETE)**

- Focus research on some key areas, such as bio-technology, technologies for refining NTFPs, high-yielding plantations, agro forestry, and rehabilitation of poor degraded natural forests. Improve technologies and equipment for the forest product processing industry, in order to enhance its competitive capacity and to meet the requirements of international economic integration. Undertake research, on a scientific and practical basis, to develop break-through policies within the forestry sector.
- An average of 5000 students per year will be trained in full-time programs, and additional training will be provided to key staff for capacity improvement. Vocational training will be conducted for farmers working on forestry activities and those from handicraft villages with forest product processing. Environmental and forest protection subjects will be introduced into the training curriculum for all primary and secondary schools from 2008. 80% of local forest management staff will be trained in forest inventory and development and implementation of forest protection and management plans. Improve the capacity of the teaching staff and provide basic equipment for forestry institutes and schools. Complete and update the training curriculum and textbooks to meet requirements of renovation and international economic integration. Enhance the linkages between the forestry training and forestry extension systems. One or two forestry training schools will meet international standards by 2020.
- Attract 50% of forestry-related private sector entities and mass organizations to be involved in forestry extension activities. Improve the professional level on forest protection and management for 80% farmer households. At least one full-time or part-time forestry extension agent will be arranged for each commune having large areas of forest; a voluntary extension system is developed and its capacity should be strengthened. Improve and update the issues and methodology for forestry extension to be suitable for the levels of the farmers. Develop linkages between forestry extension and training systems with forest owners and forest product processing enterprises.
e. Program on renovating the forest sector institutions, policy, planning and monitoring

- Develop and update the policy, legal and forestry institutional systems, to be more decentralized to local levels and to develop the forestry sector sustainably, according to the market orientation and socialization of forestry activities.
- Develop mechanisms and policies to create momentum to encourage the participation of various economic entities in forest protection and development, and to stimulate development of the forestry economy among domestic and international economic entities.
- Reorganize and improve the effectiveness of the state management system in forestry aiming at unified forest management, protection, utilization and development functions; clarify the functions and tasks of forestry organizations at all levels and diversify the modalities of forestry services.
- Develop mechanisms and policies for State Forest Enterprises (SFEs), which were reorganized and renovated as forestry companies with effective production and business operations; move gradually towards equitization of forestry business enterprises; facilitate forestry companies to be operated according to the market mechanisms. Develop, implement and scale-up modalities related to management and protection of community forests. Establish the state forest extension system at different levels and provide supporting mechanisms for voluntary extension organizations in communes and villages having forests.
- Establish specialized units in monitoring and evaluation, to be linked with consolidation of the sectoral planning system at all levels.

Orientation for planning of forest and forest land areas, implementation of the Vietnam Forestry Development Strategy, and implementation of priorities for 2007–2010

- Implement the orientations for planning of forest and forest land areas, with targets for 2010 and 2020, as specified in Table 2 in the Strategy.
- Implement the Strategy in 2006–2010, following the major tasks and targets for 2010, as specified in Table 3 in the Strategy.
- Implement the priorities for 2007–2010, as shown in Table 4 in the Strategy.

7. Estimated budget requirements and funding sources in 2006 – 2010

   (unit: Billion VND)

   a. Total funds needed: 33,885.34

Including:

- Sustainable forest management and development program: 16,214.55
- Forest protection, biodiversity conservation, and environmental services development program: 3,871.00
- Timber and forest product processing and trade program: 10,428.07
- Research, education, training and forestry extension program: 546.98
- Renovation of forest sector institutions, policy, planning and monitoring program: 885.57
b. Recurrent costs for activities

- Forest management and protection: 1,939.17

c. Percentage of investments for the strategy in 2006 – 2010

- State budget: 23.9%
- State credit: 15.6%
- Official Development Assistance (ODA): 13.1%
- State enterprises and cooperatives: 11.3%
- Households and private sector: 11.2%
- Foreign Direct Investment (FDI): 24.5%
- Others: 0.4%

Article 2. Implementation arrangements

1. The Ministry of Agriculture and Rural Development (MARD) is assigned to:
   - Be the focal point organization with the tasks to coordinate and cooperate with other ministries, branches and People’s Committees of the provinces and municipalities under the central government to organize the implementation of the Vietnam Forestry Development Strategy (VFDS), and incorporating VFDS issues into the national Socio-Economic Development Plans and plans of ministries, branches and local levels.
   - Establish Coordination Sub-committees to implement Strategy programs with members representing relevant agencies, units, communities, enterprises and international partners, and projects concerned with, and involved voluntarily in, programs.
   - Annually MARD, in collaboration with other ministries, sectors and provinces, will organize an assessment on the strategy implementation and submit a report to the Prime Minister. The issue of forest protection and development is considered as an important part of the annual report of Government to the National Assembly.

2. The Ministry of Planning and Investment (MPI) and Ministry of Finance (MoFi), in cooperation with MARD, will balance and allocate funds by calculating the revenue sources from the state budget and other fund sources to implement the Strategy issues effectively.

3. The Ministry of Natural Resources and Environment (MONRE), together with MARD, will provide guidance to local levels to review the land use planning, allocation and leasing of forest land in line with objectives and tasks of the Vietnam Forestry Development Strategy and develop a proposal to establish the linkage between the forest and land inventories, which are carried out every 5-years nationwide.

4. The General Statistics Office (GSO), together with MARD and related agencies, will identify the contents, criteria and indicators to be used for monitoring and evaluation of forestry sector; steer and provide guidance to local levels to collect statistics, conduct forest inventory and studies on the forestry contribution to the economy, environment, etc., in line with criteria appropriate to requirements of renovation and international integration of the forest sector. It will aim to submit proposals to Government for revision and amendment on the forestry sub-sector as regulated in the Decree 75/ CP dated 27 October 1973.
5. Ministries, ministerial agencies, Governmental bodies, heads of relevant units, municipal and provincial People’s Committees implement certain tasks assigned within the Strategy, and periodically report, in collaboration with MARD, to the Prime Minister.

**Article 3.** This decision shall come to affect after 15 days after it is published in the Official Gazette.

**Article 4.** Ministers, leaders of ministerial agencies, heads of governmental bodies, heads of relevant agencies and Chairpersons of municipal and provincial People’s Committees shall be responsible for implementing this decision.

**Destination:**
- Central Party’s Secretariat Board;
- Prime Minister, Deputy Prime Ministers of the Government;
- Ministries, Ministerial agencies, Governmental bodies;
- People’s Councils, People’s Committees of provinces and municipalities under the central Government;
- Central Office and the Party’s boards;
- Office of National Assembly;
- Office of the State President;
- Ethnic Minority Council and committees of National Assembly;
- People’s Supreme Court;
- People’s Supreme Procuracy;
- Central agencies and organizations;
- National Administration Institute;
- Office of Government: Minister, Chairman and Deputy Chairmen of Research Committee, Governmental website, Spokespersons of Prime Minister, departments and its units, and Official Gazette;
- For archive: (3 copies).

**PRIME MINISTER**

Nguyen Tan Dung