This English translation is only for reference

PRIME MINISTER

THE SOCIALIST REPUBLIC OF VIETNAM

Independence-Freedom-Happiness

No: 126/QĐ-TTg

Ha Noi, 2\textsuperscript{nd} February 2012

DECISION ON

Pilot policy on benefit sharing mechanism (BSM) in management, protection and development of special-use forests (SUFs)

PRIME MINISTER

Pursuant to the Law on organization of the Government dated 25/12/2001;

Pursuant to the Law on Forest protection and development dated 23/12/2004;

Pursuant to the Law on Biodiversity dated 13/11/2008;

Pursuant to the Decree 117/2010/NĐ-CP, dated 24/12/2010 on organizing and managing SUFs;

Based on the proposal of the Minister of MARD,

DECIDES:

Chapter I

GENERAL PROVISIONS

Article 1. The implementation of the pilot on BSM in management, protection and development of SUFs covers following main contents:

1. Objectives

To set up a background for the legal framework of BSM, rights and responsibilities of MBs of SUFs and communities based on co-management principles to manage, protect and sustainably develop SUFs contributing to income generation and improvement of livelihoods for people living inside and in the buffer zone of the SUFs.

2. Scope of adjustment.

This Decision determines the pilot BSM on managing, protecting and sustainably developing some SUFs as stipulated in Item (a), Clause 3, Article 1 of this Decision.

3. Objects of application.

a) SUFs that carry out pilot BSMs of this Decision include Xuan Thuy National Park, Nam Dinh Province and Bach Ma National Park, Thua Thien Hue and Quang Nam Province.
b) MBs of SUFs, local village communities, households, individuals living legally inside the SUFs or in villages adjacent boundaries of the SUFs as specified in Item a, Clause 3, Article 1 of this Decision.

c) Agencies, organizations, individuals relating to the implementation of the pilot policy on BSM regulated in this Decision.

4. Principles of the BSM.

a) To ensure direct and voluntary negotiations among MBs with local village communities through the legal Representatives so-called a Management Council, openness and transparency during the implementation process.

b) To bind responsibilities of stakeholders with their shared benefits.

c) To harvest, use sharable benefits without causing negative impacts on the target conservation of SUFs. Only participants of the agreement who comply with the regulations stipulated in the agreement are able to receive the benefits from the BSM.

5. Sharable benefits.

Sharable benefits include agricultural, forestry and aquatic products in SUFs mentioned in the lists of Annex I and II attached herewith.

6. Management Council

a) The Management Council includes representatives of MBs of SUFs, local village communities, SUF’s FPDs or district’s FPDs, Commune People’s Committees where the BSM is piloted to manage, protect and sustainably develop the SUF.

b) The Management Council has a function and jurisdiction over the development of a benefit sharing agreement, administration and supervision of the implementation of a pilot BSM in managing, protecting and developing the SUF sustainably. Based on a specific case, one SUF can have one or many Management Councils.

c) The Management Council is to include at least 5 members representing for stakeholders as provided in Item (a), Clause 6, of this Article. The chairperson of the Management Council is the Director of the SUF, Vice Chairperson are representatives of the Commune People’s Committees and SUF’s FPDs or district’s FPDs. If the pilot BSM has been implemented for 1 year, the Management Council would re-elect its positions of Chairperson and Vice Chairpersons.

In case, many participants from many communes and local village communities are involved in the Benefit Sharing Agreement (BSA), each commune will appoint one leader of its Commune People’s Committee as a Vice Chairperson of the Management Council and each local village community has one member who takes part in the Management Council.
d) The MB of SUF would be in charge of and co-operate with the Commune People’s Committee to establish the Management Council and also co-submit for the endorsement of the District People’s Committee.

e) The Management Council develops its operational regulations approving by the District People’s Committee and operates following of democratic and equal principles among its members and makes decisions based on majority consensus.

7. Benefit sharing plans.

a) The MB of SUF would be in charge of and co-operates with the Management Council to develop benefit sharing plans to submit to the MARD for approval.

b. The plans of benefit sharing must indicate adequately following detailed contents: status of natural resources, a list of sharable benefits, quantity, time, methods and measures of harvest, objects of BSM; management and monitoring, evaluation of impacts caused by the harvest, prevention measures, mitigation of potential negative impacts, risks during the harvest.

8. Benefit sharing agreement (BSA).

a) The benefit sharing agreement is a document showing the consensus of the Management Council on responsibilities and rights of participants.

b) The main contents of the agreement would include a list of members of the Management Council, local village communities, participatory households and individuals of the benefits sharing agreement; a plan of sharing benefits specified in Clause 7 of this Article; rights and responsibilities of stakeholders; dispute settlement; and other relevant issues.

9. Rights and responsibilities of participants of the agreement.

a. A MB of a SUF

- Rights: To perform as an owner of a forest in managing and protecting the SUF according to legal regulations; agree with a list of people who can share benefits with the Management Council; grant an organization or individual award for their excellent achievement in forest protection and sustainable development of the SUF.

- Responsibilities: To support the Management Council for implementing the BSM and making payments for benefits as specified in this Decision and the Resolution of the Management Council; To monitor and supervise the harvest of sharable resources; To raise awareness, disseminate information and set up training courses for environmental protection, the development of the SUF and nature conservation. To detect, prevent, handle illegal actions and ensure that local village communities who take part in implementing the BSM will have access to information concerning the agreement, regulations on SUF
management and other pertinent information relating to the execution of the agreement.

b. Local village communities, households, individuals.

- Rights: To harvest and use natural resources or rear animals and grow plants specified in the list of sharable, harvestable resources in the agreement. To take part in, implement agreements and offer suggestions to the Management Council To be trained on the awareness of forest protection, nature conservation and sustainable development of the SUF.

- Responsibilities: To implement the right BSM methods and agreements. Perform activities in terms of forest protection, nature conservation and SUF development according to the laws; To timely inform the Management Board of SUF about infringements, natural resources and newly discovered species. To prevent and co-operate with others to prevent people from encroaching, and the illegal harvestation of forest resources.

c. Management Council.

- Rights: To establish operational regulations, develop, make decisions and carry out the agreement on benefits sharing. The decision will allow the local village communities to harvest in specific quantity, categories, time and site, methods of harvesting and sharable resources that are identified in the agreement. To supervise the execution of methods of BSM for the assurance of rights and responsibilities of all members in the agreement. To be equipped with a meeting room and necessary equipments to carry out their activities by the SUF’s Management Board.

- Responsibilities: To unite all the matters relating to the implementation of the agreement; suggest to the SUF MB to determine the volume, time, site and methods of harvestation, usage in the agreement; To receive applications of sharing benefit from individuals, households, communities and make a list of participants in the Agreement. To publicize the agreement and other information related to the implementation of the agreement at the village. To share information with other programmes in the area relating to making decisions on the methods of implement the agreement. To monitor and supervise the implementation of BSM in accordance with the agreement.

d. District People’s Committee.

- Rights: To ask stakeholders for necessary information relating to the implementation of BSM and to manage and supervise the execution of the BSM.

- Responsibilities: To give approval for the establishment and operational regulations of the Management Council. To consent to methods of BSM and Direct the Commune’s People’s Committee to carry out this Decision.

d. Commune People’s Committee.

- Rights: To ask stakeholders to provide necessary information in relation to the execution of the BSM. To receive benefits according to the Agreement
and co-operate with the MB of SUF and the Management Council to manage, supervise the implementation of the BSM.

- Responsibilities: To select its representatives to take part in the Management Council and perform the regulations provided in this Decision. To propagandize, publicize and raise the awareness of local village communities on BSM.

10. Registration for a BSM.

a. Local village communities, households, individuals living legally inside SUF and its buffer zones having a demand for taking part in the BSM provided in this Decision, should apply for registration with the Management Council.

b. The Management Council will review, make a list and agree with the SUF’s Management Board on the list of participants.

c. The Management Council will then inform the selected people and guide them on the necessary conditions (agreement, plans etc).

11. Supervision of the agreement implementation.

a. To organize the supervision.

- The SUF MB support and co-operate with the Management Council to monitor, comprehensively facilitate the implementation of the BSM.

- The Management Council will have the responsibilities to establish the programmes, plans for annual supervision and control the implementation of the BSM in the agreement.

b. Task of supervision.

- To monitor comprehensively the performance of each party.

- To comply with the regulations relating to the agreement; monitor the settlement and execution of measures to deal with matters of each party.

- To detect and inform in a timely manner to the authorized officers of the SUF MB about violations against the agreement and recommend solutions to these problems.


a. The settlement of violations in compliance with the customary practices of village communities without breaking laws will be as follows:

- To be reprimanded under the witness of local community at village level;

- To confiscate the tools used to conduct the violations which are caught red-handed and the immediate transfer of the case to the competent state authorities.

- To temporarily remove the right to have access to sharable resources.

- To make reports to the competent authorities who directly manage the SUF if the infringement is related to the SUF’s Management Board.
b, The competence to impose sanctions for violations of the Agreement shall be provided for as follows:

- The Management Council will decide and co-operate with local village communities to issue violators with a reprimand under the witness of the local community and make reports to the competent authorities who directly manage the SUF if the infringement is related to the SUF’s Management Board.

- The SUF MB will confiscate the tools used to conduct the violations which are caught red-handed and immediately transfer of the case to the competent state authorities and temporarily remove the right to have access to sharable resources.

13. Dispute settlements.

Disputes arising among local village communities, households, individuals and MBs of SUFs should be settled by the Management Council in a mediatory way or resolved in meetings of the Management Council.

14. Funding the BSM pilots.

a, The fund for the implementation of BSM pilots stated in this Decision will include:

- Annual Government budget of the SUFs;
- The Viet Nam Conservation Fund and support from any domestic and international organization and individual.
- Other legal funding.

b, Contents of the cost are as follows:

- Implementation of the Decision;
- Development and execution of benefit sharing plans;
- Operations of the Management Council;
- Development and implementation of benefit sharing models;
- Workshops, meetings, training courses for the implementation of the BSM;
- Reporting, management, monitoring, supervision and evaluation of impacts, prevention and mitigation measures during the execution of this Decision.

Article 2. Responsibilities of relevant Ministries, state agencies and local authorities.

1. Ministries and state central agencies:

a, The Ministry of Agriculture and Rural Development: To steer and provide guidance on the implementation of this Decision. To organize a wrap-up meeting for reviewing how the pilot BSM has been implemented. Simultaneously, it is necessary to improve, complete the policy and mechanism of benefit sharing to submit to the Prime Minister for approval and application to the whole country.
b. Relevant ministries, state agencies will co-operate with the MARD to execute this Decision.

2. Pilot provinces

a. To organize propaganda about policies, guidelines on BSM and strategies on forest protection, nature conservation and sustainable forest development.

b. To direct the People’s Committees of the districts and communes and the MB of the pilot SUF for the execution of this Decision.

c. To guide, manage and monitor the implementation of the Decision, draw lessons learned from the performance of the BSM;

3. Reporting requirements

a. Quarterly, SUF’s MB and local authorities (district, commune) make progress reports on the execution of this Decision to Provincial People’s Committee and the Vietnam Administration of Forestry.

b. Annually, the MARD would summarize and report to the Prime Minister on the status of the implementation of this Decision.

Article 3. This Decision becomes effective from the date of signing up to 31/12/2013.

Article 4. Ministers of Ministries: Agriculture and Rural Development, relevant Ministers of MONRE, Finance, Planning and Investment, and Heads of relevant agencies, Chairpersons of the PPCs of Nam Dinh, Thua Thien Hue and Quang Nam Province, Directors of the MBs of the pilot SUFs are responsible for the implementation of this Decision./.

FOR PRIME MINISTER

VICE PRIME MINISTER

(Signed and sealed)

HOANG TRUNG HAI
ANNEX I BENEFIT SHARING MECHANISM PILOT IN BACH MA NATIONAL PARK
(Issued following the Decision No 126/QĐ-TTg dated 02/02/2012 of the Prime Minister)

1. Villages that can implement pilot models: 6 villages: Ta Rin (village 1), Lap Village (village 2), Ta lu (village 3), A Sach (village 4), A Tin (village 5), La Vân (village 6) which are located in Thuong Nhat Commune, Nam Dong District, Thua Thien Hue Province.

2. A list of forest products that are sharable:

<table>
<thead>
<tr>
<th>No</th>
<th>Name of species</th>
<th>Harvest season</th>
<th>Sustainable harvesting methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rattan</td>
<td>Mainly in March, September and other months, November, February</td>
<td>Use knife to cut a tree with the length of at least 3 meters, do not cut young trees, the safe height to cut a tree is 40-50 cm above the ground. There should be a plan for the area and time of harvest for villages. Do not cut young rattan for food.</td>
</tr>
<tr>
<td>2</td>
<td>Bamboo species</td>
<td>3-8</td>
<td>Use knife to cut old trees, do not cut young ones that impact on bamboo shoots. Bamboo should be cut from the ground.</td>
</tr>
<tr>
<td>3</td>
<td>Palm leaves</td>
<td>All year round</td>
<td>Use knife to cut leaves, do not dig out the tree or take young leaves.</td>
</tr>
<tr>
<td>4</td>
<td>Honey</td>
<td>3-7</td>
<td>Set fire to beehive on the tree to take honey, do not cut the tree. If there is a sign on the tree, it is better not to take honey. Do not use fire to burn bees for honey.</td>
</tr>
<tr>
<td>5</td>
<td>Scaphium lychnophorum seed</td>
<td>8-9</td>
<td>Do not cut the tree. It is possible to make a fence for the tree by steel, waiting for the seed to drop so as to pick up the seed. Destroy the fence when there is no seed to drop. Climb up or use a bamboo-made rod to get the seed.</td>
</tr>
<tr>
<td>6</td>
<td>Orchid</td>
<td>1-2</td>
<td>Take the whole tree (branch of the orchid flower), it is forbidden to cut tree.</td>
</tr>
<tr>
<td>7</td>
<td>Thysanolaenna</td>
<td>1-2</td>
<td>Use a sickle to cut flowers, do not take the whole clump.</td>
</tr>
<tr>
<td>8</td>
<td>Sipunculus nudus</td>
<td>As above</td>
<td>Use a knife to cut leaves, thin out the bark, or use a mattock to dig for roots, it depends on what part of medicinal plants needs to be collected. When</td>
</tr>
<tr>
<td>No.</td>
<td>Common Name</td>
<td>Collection Season</td>
<td>Harvesting Method</td>
</tr>
<tr>
<td>-----</td>
<td>-------------</td>
<td>-------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>9</td>
<td>Homalomena affaromatica Roxb.</td>
<td>As above</td>
<td>As above</td>
</tr>
<tr>
<td>10</td>
<td>Mushroom</td>
<td>3 – 5</td>
<td>Use hands and knife to cut branches; do not cut the main stem. Be aware of toxic mushrooms.</td>
</tr>
<tr>
<td>11</td>
<td>Bamboo shoot</td>
<td>8-10</td>
<td>Use a knife to cut young bamboo shoots with the height of 20-40 centimetres. It is required to retain 3-4 young bamboo shoots for the bamboo tree to grow.</td>
</tr>
<tr>
<td>12</td>
<td>Wild pepper</td>
<td>Harvesting season</td>
<td>Only harvest through picking up and it is strictly forbidden to cut tree.</td>
</tr>
<tr>
<td>13</td>
<td>Phrynium placentarium</td>
<td>12-2</td>
<td>Cut only leaves, and not the tree</td>
</tr>
<tr>
<td>14</td>
<td>Wild banana</td>
<td>All year round</td>
<td>Use a knife to cut the banana flower, and leave some trees for seeding.</td>
</tr>
<tr>
<td>15</td>
<td>Strawberry</td>
<td>7-8</td>
<td>Use a knife to cut ripe fruits, only climb up the tree for picking of fruits. It is prohibited to cut trees for fruits.</td>
</tr>
<tr>
<td>16</td>
<td>Schismatoglottis calyprata (Roxb.) Zoll et Mor</td>
<td>As above</td>
<td>Use a mattock to collect tuber and leave some old trees for seeding. Earth up trees after digging.</td>
</tr>
<tr>
<td>17</td>
<td>Smilax begelii</td>
<td>All year round</td>
<td>Use a mattock to collect root. Can thin out branches with the diameter less than 10 cm. Do not cut tree.</td>
</tr>
<tr>
<td>18</td>
<td>Wild rambutan</td>
<td>6-10</td>
<td>Use a knife, climbing for fruit. Do not cut tree for fruit.</td>
</tr>
<tr>
<td>19</td>
<td>Coscinium fenestratum</td>
<td>As above</td>
<td>Use a knife to cut the stem. Do not dig for root.</td>
</tr>
<tr>
<td>20</td>
<td>Dioscorea persimilis</td>
<td>As above</td>
<td>Use a mattock for tuber. Leave the root for seeding. Earth up the tree after digging.</td>
</tr>
<tr>
<td>21</td>
<td>A kind of tree for dying</td>
<td>T 3 - T 5</td>
<td>Use hands, knife to harvest</td>
</tr>
<tr>
<td>22</td>
<td>Arrenga sacchariferasp</td>
<td>All year round</td>
<td>Catch water following the traditional process.</td>
</tr>
<tr>
<td>23</td>
<td>Wild pig</td>
<td>All year round</td>
<td>Use a trap for hunting and it is forbidden to hunt during the breeding season. It is possible to hunt for raising the pig as approved in plans.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>24</td>
<td>Hare</td>
<td>All year round</td>
<td>As above</td>
</tr>
<tr>
<td>25</td>
<td>Jungle fowl</td>
<td>All year round</td>
<td>As above. It is required not to take the wrong ones and trapping some species, namely Rheinardia ocellata, Lophura edwardsi, Lophura nycthemera, Arborophila merlini, Lophura nycthemera Elliot. It is possible to raise and the breed fowl following approved plans.</td>
</tr>
<tr>
<td>26</td>
<td>Snake</td>
<td>All year round</td>
<td>Use hands and specialized tools to catch. It is forbidden to catch species listed in the Red book.</td>
</tr>
<tr>
<td>27</td>
<td>Rat</td>
<td></td>
<td>Use hands and specialized tools made by bamboo to catch.</td>
</tr>
<tr>
<td>28</td>
<td>Gecko, salamander</td>
<td></td>
<td>Use hands and specialized tools made by bamboo to catch. It is possible to raise and breed following approved plans.</td>
</tr>
<tr>
<td>29</td>
<td>Weasel</td>
<td>All year round</td>
<td>Use traps for hunting and it is strictly prohibited to hunt during breeding season.</td>
</tr>
<tr>
<td>30</td>
<td>Fish, shrimp, snail</td>
<td>All year round</td>
<td>Catch by traditional tools (bamboo trap, rod..) Do not use electricity, explosives. Do not catch Anguilla marmorata</td>
</tr>
</tbody>
</table>

3. All kinds of plants, crops and aquatic animals are planted or grown under the forest canopy and bare land in the ERZ of Bach Ma NP according to the approved proposals.

4. Payments from environmental services such as Thuong Nhat Hydropower service, trading of carbon credit (REDD+)…
## ANNEX II BENEFIT SHARING MECHANISM PILOT IN XUAN THUY NATIONAL PARK

*(Issued following the Decision No 126/QĐ-TTg dated 02/02/2012 of the Prime Minister)*

<table>
<thead>
<tr>
<th>No</th>
<th>Name of models</th>
<th>Location</th>
<th>Area</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Co-management in using Veneridae wisely and sustainably in seasonal wetland areas in the estuary of the Red River in Xuan Thuy NP.</td>
<td>In fresh water dam of Red river estuary and the mid-land of Con Lu-C.Ngan of Xuan Thuy NP.</td>
<td>About 1500 ha (Pilot (already conducted):700ha in Red River estuary)</td>
<td>Proposal approved by the MARD and the Provincial People’s Committee in 2006. Up to now, this model has been carried out successfully.</td>
</tr>
<tr>
<td>2</td>
<td>Local village communities take part in mangrove forest protection (People who take part in forest protection contract do not receive money but get benefit of aquatic products from the natural mangrove forest shade (shrimp, crab, fish, molluscous))</td>
<td>Mangrove forest for protection in the buffer zone (Giao An-Giao Lac&amp; Giao Xuan Communes)</td>
<td>About 1000 ha</td>
<td>This model has been piloted in 01 commune and received a certificate of satisfactory of progress in Scientific-Technical Initiative Competition of Nam Dinh Province in 2011</td>
</tr>
<tr>
<td>3</td>
<td>Local village communities use wisely and sustainably aquatic products from mangrove forest shade (shrimp, crab, fish, molluscous) of Xuan Thuy NP.</td>
<td>Area of mangrove forest in the NP.</td>
<td>About 1000 ha</td>
<td>There has been a project funded by the IUCN and Mangrove for future to be implemented in 2011.</td>
</tr>
<tr>
<td>4</td>
<td>Co-management in using sustainably Veneridae extensive culture area and well-controlled important bird area in the locality to set up a sustainable financial mechanism for Xuan Thuy NP.</td>
<td>ERZ is also considered as Con Lu important bird area of Xuan Thuy NP.</td>
<td>About 1300 ha</td>
<td>There was an idea in the OMP up to 2020 of Xuan Thuy NP approved by the PPC in 2005.</td>
</tr>
<tr>
<td>5</td>
<td>Sustainable use of medicinal herbs (Cyperus rotundus), Bupleurum sinense DC,Sipunculus nudus, Pandanus tectorius Sol) in Casuarinaceae forest in Con Lu- Xuan Thuy NP.</td>
<td>Casuarinaceae forest in Con Lu.</td>
<td>About 200 ha</td>
<td>Not yet implemented. Local people harvest by themselves.</td>
</tr>
</tbody>
</table>