

Forest Governance Learning Group (FGLG) Vietnam

**Community Forestry and Poverty Alleviation:
A Synthesis of Project Findings from Field Activities**

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List of Abbreviations

AFST	(Dak Lak) Association for Forestry Science and Technology
BoM	Board of Monitors
CF	Community Forest
CFM	Community Forest Management
CPC	Communal People's Committee
DARD	Department of Agriculture and Rural Development
FGLG	Forest Governance Learning Group
FLA	Forest Land Allocation
FPDL	Forest Protection and Development Law
FPT	Forest Protection Team
HUAF	Hue University of Agriculture and Forestry
IIED	International Institute for Environment and Development
MARD	Ministry of Agriculture and Rural Development
NTFP	Non Timber Forest Products
RBC	Red Book Certificate (landuse title)
RECOFTC	Regional Community Forestry Training Center for Asia and the Pacific
SFM	Sustainable Forest Management
US\$	United States Dollar
VFMB	Village Forest Management Board
VFPDR	Village Forest Protection and Development Regulation
VND	Vietnamese Dong (national currency)

1 Background

The Forest Governance Learning Group (FGLG) Vietnam is part of an international project funded by the European Union, with supplementary funding from the Netherlands Ministry of Foreign Affairs. The International Institute for Environment and Development (IIED) coordinates project activities at the international level. The Regional Community Forestry Training Center for the Asia and Pacific (RECOFTC) is in charge of the regional coordination for Asia. At the international level, the project aims to address the challenge of not what but how to put the right leadership, institutions, policy decisions and practical systems in place. Both at national level and through international exchanging of experience, the project expects to (i) spread learning about workable approaches to good forest governance (ii) make measurable progress in improving sustainable local returns to livelihoods from law enforcement, private sector responsibility and enhanced local ownership and access rights and (iii) build long-term capacity to spread these improvements.

FGLG Vietnam started in September 2006 after a period of scoping and preparation (February to August 2006). It focuses on sharing experience and learning on poverty alleviation and community forestry (CF). The focus is on poverty alleviation because till date it is still unclear to what extent forestry has contributed to lifting poor people out of poverty and the impacts of forestry on the poor have been vague. FGLG Vietnam also pays attention to CF because since the approval of CF by national law, through a national pilot project on community forest management (known as CFM Pilot Project¹) the Department of Forestry (DOF) has been trying out CF policy in ten provinces and prepare national CF guidelines to implement in the whole country. FGLG expects to provide contribution to this work with concrete examples of how CF works at local level and what benefit sharing arrangements are in use in existing CF experiences from on-going projects or traditional cases. FGLG's contribution will focus on how future state policy on community forest management (CFM) can contribute to alleviate poverty in the forest area through equitable and sustainable benefit sharing arrangements. With such focus, FGLG Vietnam expects to contribute to the cause of poverty alleviation of the nation in general and of the forestry sector in particular.

The document at hand provides a synthesis of findings from project activities carried out between September 2006 and March 2009. The next section presents a description of FGLG Vietnam, including the project phasing, focus areas, sites, approach and organizational setup. After that, Section 3 provides an overview of FGLG achievements over the project period. In Section 4, findings about the first area of focus - the legality of CFM – are discussed. Section 5 goes into details on conditions for forest to be managed under CFM, which is the second focus area of FGLG Vietnam. After that, findings on the third focus area – forest management and benefit sharing under CFM – are elaborated in Section 6. Section 7 concludes the document with a summary of findings and a discussion of their policy implications.

¹ The CFM Pilot Project is implemented in ten provinces, namely Dien Bien, Son La, Yen Bai, Cao Bang, Lang Son, Nghe An, Quang Tri, Thua Thien Hue, Dak Nong and Gia Lai.

2 Description of Forest Governance Learning Group Vietnam

2.1 Project phasing

The total timeline of FGLG Vietnam is 30 months, from September 2006 through March 2009. The whole project is split into three phases (see also FGLG Vietnam 2006):

Phase 1 (September 2006 – August 2007): the main objective of this phase was to get a clear idea of the status of CFM at the local level and its connection with poverty alleviation in the Dak Lak and Thua Thien Hue provinces. Main activities of this phase included:

- Set up the country team
- Survey existing CFM examples in Dak Lak and Thua Thien Hue province,
- Organize provincial and national workshops to discuss CFM survey findings and future FGLG activities, and
- Prepare CFM reports and revise project workplan.

Outputs of this phase were used to guide the direction for the next phase (see more detailed discussion on project achievements in Section 3).

Phase 2 (September 2007 – August 2008): This phase focused on promoting mutual learning among local communities (through cross-site exchange visits and study tours) and more pro-poor distribution of forest benefits. Major activities in this phase included:

- Prepare a policy brief based on findings from CFM survey in phase 1
- Organize visits to local communities in project provinces and neighbouring provinces
- Provide technical support to one village in Thua Thien Hue province to improve the capacity of local people
- Conduct a study on potential for community timber certification in one village in Dak Lak province
- Prepare a forestry legal handbook, addressing key issues confronted by the local communities.
- Share lessons learned and experiences with regional and international audiences

Phase 3 (September 2008 – March 2009): this last phase focused on documenting lessons learnt, preparing recommendations for the refinement of the CF guideline and discussing them with key policy-makers, and disseminating findings from the project to relevant audiences. Main activities of this phase included:

- Organize provincial and national workshops to discuss lessons learned and recommendations with different stakeholders,
- Document lessons learned from field experience and prepare policy recommendations
- Prepare and disseminate final findings and results (reports and policy brief) to relevant audiences.

2.2 Focus of FGLG Vietnam

Based on findings from CFM surveys conducted by the project team in Thua Thien Hue and Dak Lak provinces in the first phase and consultations with different stakeholders during workshops in Thua Thien Hue, Dak Lak and Hanoi between May and August 2007, the following three concrete areas were identified as the focus of FGLG Vietnam (see FGLG Vietnam 2008):

1. Legality of CFM: CFM survey findings showed that it was not clear if forest land use title was of any help for local communities managing forest. On the one hand, a community forest Red Book Certificate (RBC) might not convey as many rights as that of an individual (2004 Forest Protection and Development Law). On the other hand, survey findings indicated that local people in traditional CFM villages had so far taken care of the forest and benefited from it, without any legal recognition from the state. FGLG took this issue into account. It collected evidence, analyzed it and provided policy advice on whether a community should be given forest RBC and why.
2. Allocation of forest for community management: while there was no doubt about the state's plan to devolve more forest to local people for management, it was not clear what management form should apply under what (natural, cultural, biophysical, etc.) conditions. Within its scope of activities, FGLG aimed to draw out further lessons from the field on 1) the kind of forest (natural or plantation forest; production or protection forest; timber or bamboo forest; rich, medium or poor forest) should be allocated to community for management, and 2) necessary characteristics a community must have to manage forest under a community regime.
3. Forest management and benefit sharing: this was a big issue that encompassed four smaller aspects. The first one was the governance structure for good CFM. CFM survey findings indicated that a similar structure of governance had been recommended by government to all villages receiving forest under the same management form, which was not a useful way to move forward. Within its scope of activities, FGLG Vietnam purposefully aimed to draw out lessons on suitable structures of forest governance at the community level.

Secondly, the issue of (pro-poor) benefit sharing arrangements was explored. Survey results showed that the introduced forms of CFM had not paid appropriate attention to the internal mechanism of benefit distribution, which was needed to attract participation of all community members in CFM related activities. FGLG explored existing CFM experience and analyzed the factors influencing creation and operation of pro-poor benefit sharing arrangements.

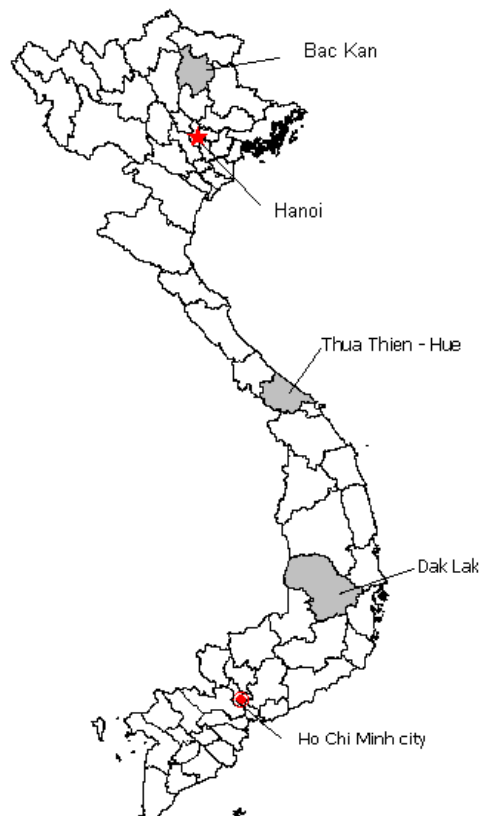
The third issue was whether the development of sustainable forest composition models could be developed such that they are a basis for regular collection of forest products (particularly timber) without negatively affecting the structure of the forest. This was more a technical than a governance aspect of forestry, yet it directly related to the possibility for local communities to benefit from the forest regularly and in a sustainable way.

The fourth issue was about what and how external support should be available to back up local communities in case of need. Survey findings indicated that good support could help produce good outcomes of CFM, yet extreme intervention may lead to reverse effects. FGLG documented and analyzed lessons on what support should be available and how to best use it for the sake of the local community.

2.3 Project areas

Initially, FGLG Vietnam started working in two provinces: one with CFM Pilot Project (Thua Thien Hue province in the Central Coastal Region) and one without it (Dak Lak province in the Central Highlands Region) – see Figure 1. The two provinces provide different pictures of CFM: Dak Lak has numerous official CFM villages and Thua Thien Hue has various traditional CFM examples. In the second phase of work (starting September 2007), a third province, Bac Kan in the Northeast Mountain Region, was included and present at FGLG’s learning and sharing events. An overview of the three provinces follows. A summary of basic information about the three provinces is presented in Table 1.

Figure 1: Location of the project sites



Bac Kan is a mountainous province located in the Northeastern Region of Vietnam, 190 km from Hanoi. Its total physical area is around 486,000 ha. The province is inhabited by 301,500 people from seven different ethnic groups, namely Tay, Kinh, Dao, Nung, Hmong, Hoa, and San Chay. The province is rich in natural resources, particularly forest. Of the total physical area, around 80% (388,000 ha) are classified as forestry land. With 265,000 ha of forested area, the current forest cover in the province is 54%. Around 172,000 ha or 65% of the total forested land are classified as production forest. Protection forest accounts for 26% (69,000 ha) and special-use forest is only 9% (24,000 ha).

Thua Thien Hue is located in the Central Coastal region of Vietnam. The province’s total population is 1.14 million people, most of whom are the mainstream Vietnamese (the Kinh group). Indigenous people (e.g. Ta Oi, Ka Tu, Pa Ko, Pa Hy, Van Kieu) account for around 4% of the total provincial population. Thua Thien Hue covers an area of 505,000 ha. Forest covers an area of around 287,000 ha or 57% of the total land. Production forest accounts

for 35% (101,000 ha) of the total forested land. Around 20% (57,000 ha) of the forest is classified as special use forest and 45% (129,000 ha) is protection forest.

Dak Lak is located in the center of Central Highlands region. Its population is 1.74 million people, most of whom have arrived in Dak Lak over the last three decades. There are around 44 different ethnic groups in the province with the Kinh being the largest group (over 70% of the total population). Indigenous groups (e.g. the Ede, Jarai, M'ngong) account for around 20% of the total population. Total physical area of the province is around 1.3 million ha, of which 609,000 ha are forested land. There are around 252,000 ha (42% of total forested area) classified as production forest. Protection forest accounts for 21% (129,000 ha) and special use forest is 37% (220,000 ha).

Table 1: Summary of key socio-economic indicators of the project sites

Indicators	Bac Kan	Thua Thien Hue	Dak Lak
No of administrative units (district level)	8	9	13
Physical area (thousand ha)	486	505	1,313
Forest area (thousand ha) and forest cover (%)	265 (54%)	280 (55%)	614 (47%)
Population (thousand people)	301.5	1,143.5	1,737
Rural population (% over total)	85%	69%	78%
Ethnicity	7 groups	Over 6 groups	44 groups
Most populous ethnic group	Tay	Kinh (over 95%)	Kinh (around 72%)
GDP per capita per year	3.8 mil VND (238USD)	Est. 580USD	5.95 mil VND (370USD)
Poverty rate (as of 2004 - VHLSS)	50%	15%	35%

Note: data are of 2006, unless otherwise indicated

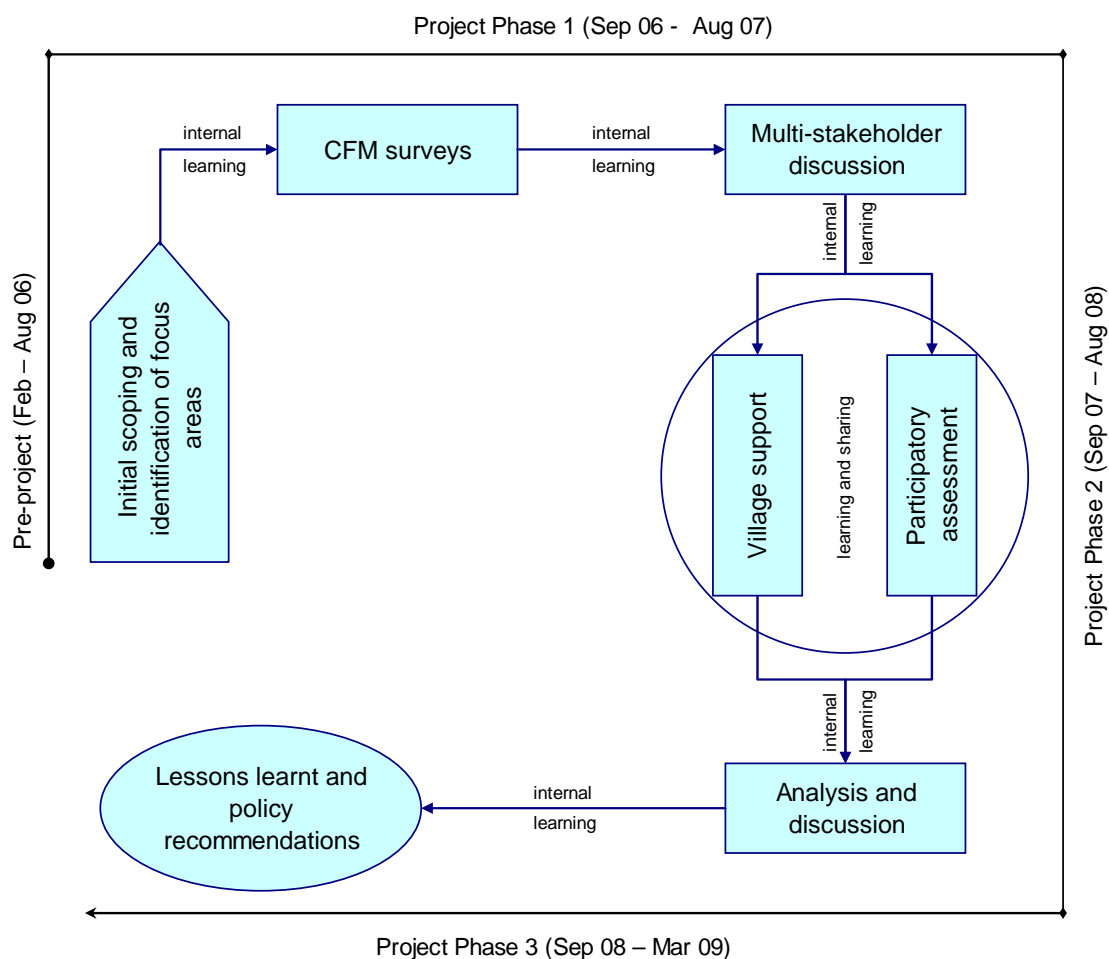
2.4 Project approach

As its name suggests and as briefly presented in sub-section 2.1, FGLG is about learning and sharing. FGLG Vietnam employs an approach that promotes mutual learning among the team members and sharing information with the others throughout the whole project (see Figure 2).

It is important to note that the core point of mutual learning is to learn from failure. FGLG Vietnam tried to learn from not only strengths but also weaknesses of each CFM example. FGLG Vietnam encouraged local people to share their success as well as failure stories.

During the second phase (September 2007 – August 2008), FGLG Vietnam employed a participatory assessment approach, which allowed collection of data and information needed to address the focus areas of the project through exchange visits and study tours to the villages. For each community visited, participants (e.g. FGLG members, decision makers at the national, provincial and district levels and local farmers) were asked to provide their assessments/ opinions with regard to the focus areas of the project. FGLG team member(s) in charge of the visit then summarized the assessments and prepared a report for the community visited.

Figure 2: FGLG Vietnam learning process



2.5 Organization of FGLG Vietnam

An independent researcher with experience in forest livelihoods, governance, devolution and poverty alleviation acted as the convener of the country team. Membership of FGLG Vietnam was not based on organizational representation but on individuals’ experience and commitment to having a better forest governance structure for the benefit of the forest (poor) people (see Table 2). An expert from MARD involving in forest policy formulation was involved as a link between FGLG and policy makers. There were sub-teams at provincial level in Bac Kan, Dak Lak and Thua Thien Hue provinces, each of which comprised people from various backgrounds. Community members were also involved in Dak Lak and Thua Thien Hue groups during the course of the second phase.

Table 2: Key members of FGLG Vietnam at national and provincial levels

Name and title	Background/ Affiliation
National level	
Dr. Nguyen Quang Tan	Resource economist, independent researcher
Dr. Pham Xuan Phuong	Agricultural Economist, senior planning expert and vice director of Legal Department under MARD
Bac Kan province	

Prof. Dr. Nguyen Ba Ngai Agricultural Economist, Director of Bac Kan Department of Agriculture and Rural Development (DARD)

Mr. Nguyen Duy Thanh Forester, Head of Planning Section, Bac Kan DARD

Thua Thien Hue province

Dr. Duong Viet Tinh Forester, Dean of Forestry Faculty, Hue University of Agriculture and Forestry (HUAF)

Mr. Hoang Huy Tuan Forester, lecturer of HUAF

Ms. Nguyen Thi Hong Mai Rural development, lecturer of HUAF

Mr. Nguyen Huu Huy Forester, expert from Thua Thien Hue Sub-Department of Forestry

Dak Lak province

Dr. Tran Ngoc Thanh Forester, head of Agriculture and Forest Product Processing Unit of Dak Lak DARD and Secretary of Dak Lak Association for Forestry Science and Technology (AFST)

Mr. Ho Viet Sac Forester, expert of Dak Lak AFST

Mr. Tran Dang Khoa Forester, expert of Dak Lak AFST

Ms. Tran Ngoc Dan Thuy Environmentalist, expert of Agriculture and Forest Product Processing Unit of Dak Lak DARD

Mr. Do Viet Thu Forester, expert of Dak Lak AFST

Mr. Tran Quang Huy Forester, expert of Dak Lak AFST

FGLG Vietnam team received support from RECOFTC and IIED in the course of the project implementation. The two organizations brought to the Vietnam team experience and lessons learned from outside the country. They also facilitated the communication between FGLG Vietnam and other country teams. RECOFTC also provided editorial and design support for publications from Vietnam.

3 Overview of achievements of FGLG Vietnam

This section provides an overview of the activities carried out by FGLG Vietnam between September 2006 and March 2009. A summary of these achievements is presented in Table 3. In the following sections, main findings related to three focus areas of FGLG Vietnam will be discussed in details (see also section 2.2)

As presented in Sub-section 2.1, four major activities were carried out in the first phase of the project. In the first three months of the project, the project team was set up at national level and in Dak Lak and Thua Thien Hue provinces. Terms of reference for each member were also discussed and agreed upon. After that, two surveys were conducted in Dak Lak and Thua Thien Hue between December 2006 and May 2007 to gain better understanding of the existing CFM models in the two respective provinces. Findings from the survey were documented into provincial reports, which were shared and discussed with different stakeholders at provincial workshops in Hue (May 2007) and Dak Lak (June 2007). A synthesis of CFM survey findings from two provinces were prepared in a national report and discussed at a workshop in Hanoi (August 2007) along with proposed focus areas for the project to work on in the second phase (see Nguyen, Tran, and Hoang 2008a). After these workshops, a detailed workplan for FGLG Vietnam was developed on the basis of the original workplan prepared in the pre-project phase (see FGLG Vietnam 2006, 2008).

In the second phase, achievements were made in six areas. First of all, a policy brief was prepared to convey key policy implications from CFM survey in phase 1 (see Nguyen et al. 2008). The brief was prepared in both English and Vietnamese languages to provide a better outreach to audience. Secondly, a series of field visits were conducted to not only project sites (Dak Lak, Thua Thien Hue and Bac Kan provinces) but also to other provinces where good examples of forest management by local communities existed. Altogether, there were 16 trips organized by the project with over 250 participants, visiting 25 different villages. Participants in these events varied from policy makers at national level to provincial officials, district technicians and local people. Thirdly, a village with an introduced form of CFM in Thua Thien Hue province was supported by the Thua Thien Hue FGLG team in terms of training on forest management and forest based livelihoods development. This was a pilot experiment aiming to strengthen the capacity and livelihoods of the communities, following the findings from the CFM survey in phase 1. Fourthly, a study was conducted in a village with an introduced form of CFM in Dak Lak to assess the possibility to have FSC certified timber from their community forest. The study also outlined the major work to be undertaken for the village to achieve FSC certification. Fifthly, a handbook documenting important legal procedures and issues that community members should be aware of was prepared. The rationale for development of this handbook was also from the CFM survey findings, which indicated that there was a lack of legal knowledge at the community level. Last but not least, experience gathered by FGLG Vietnam was shared with interested audiences at various locations. FGLG Vietnam members made presentations at FGLG global gatherings in Uganda (2006), India (2007) and Malawi (2008). In addition, presentations on FGLG Vietnam were made at international conferences in Bangkok (Thailand) in September 2007 and in Cheltenham (the United Kingdom) in July 2008 (Nguyen, Tran, and Hoang 2007, 2008b). Policy briefs and other documents were also shared during various events.

In the last phase, three main activities were done. First of all, three workshops were organized at national and provincial levels to share lessons learnt from field activities in phase 2 and to learn more from participants from other organizations. The national workshop was hosted by Bac Kan DARD in Bac Kan town on 14-15 November 2008. A

field visit to one CFM model in Na Ri district of Bac Kan province was also organized as part of the workshop. The provincial workshop in Thua Thien Hue province was held on 12 January 2009 and in Dak Lak province on 13 January 2009. Secondly, findings from field visits and work done in the second phase were analyzed and documented into provincial reports. These included two reports prepared by Dak Lak and Thua Thien Hue teams summarizing the learning experiences from the field visits organized by their teams, a report by Thua Thien Hue team on the support provided to the village with introduced form of CFM, and a report prepared by Dak Lak on the possibility for community timber certification. The third activity was synthesis of lessons learnt across provinces. This resulted in this national synthesis report and a policy brief with most important policy implications based on field findings.

Table 3: Summary of main activities and outputs of FGLG Vietnam

Activities	Outputs
Phase 1:	
1. Set up the FGLG Vietnam team at national and provincial levels	Terms of reference for team members discussed and agreed upon
2. CFM survey in two provinces	Provincial CFM survey reports in Vietnamese (draft report in English) National synthesis report on CFM survey findings in English and Vietnamese
3. Consultation workshops at provincial and national levels	Workshops in Hue (May 2007), Dak Lak (June 2007) and Hanoi (August 2007)
4. Development of detail work plan for the rest of the project	Revised project workplan Activities plan for 2008
Phase 2	
5. Preparation and publication of policy brief based on CFM survey findings	Policy brief
6. Visits to CFM communities in Thua Thien Hue, Quang Binh, Quang Tri, Dak Lak, Gia Lai, Dak Nong and Bac Kan	Sixteen visits to 25 villages with over 250 participants Two provincial reports on field visits prepared by Dak Lak and Thua Thien Hue teams (in phase 3)
7. Support to one community in Thua Thien Hue on forest management and livelihood development	Report on support provided (prepared in phase 3)
8. Study on possibility for community timber certification in a CFM village in Dak Lak	Report on possibility for community timber certification in T'Ly village of Dak Lak province (prepared in phase 3)
9. Development of legal forestry handbook for community members	Handbook available in Vietnamese
10. Sharing of experience from FGLG to other countries	Presentation in FGLG global meetings in Uganda, India and Malawi Presentations of FGLG Vietnam findings at workshops in Thailand and the UK. Distribution of FGLG publications at various events

Phase 3

11. Provincial and national workshops	National workshop in Bac Kan in November 2008 Provincial workshops in Hue and Dak Lak in January 2009
12. Documentation of findings	Reports on field visits (by Dak Lak and Thua Thien Hue teams), support to community (Thua Thien Hue) and community timber certification (Dak Lak)
13. Synthesis of findings and preparation of policy recommendations	Synthesis report on major findings from the project Policy brief

4 The legality of community forest

This section discusses findings from project activities on the first area of focus: the legality of community forest and its connection with forest management and rights and benefits of the local communities. Based on findings from the village visits, this section argues that while there is an unclear relationship between the holding of legal rights to forest and effective forest management, legal rights do entitle communities to significant benefits, which they would not have otherwise. Although in some cases, forest title may not be important for community members, such legal proof is crucial when conflicts arise and villagers have to protect their rights to forest. The discussion in this section highlights the situations in which legal forest title may be useful for forest communities. The first sub-section shows that the linkage between legal forest title and effective forest management is not clear. The subsequent four sub-sections illustrate the benefits that forest title could bring to local communities.

4.1 Relation between legal rights and effectiveness of forest management

Of the villages visited, over half have received official forest land use title (Red book certificate). In some others, issuance of forest title is on-going. In the remaining villages, forest has not been officially allocated to the villagers; thus no forest title is to be issued in the short run. According to the current Forest Protection and Development Law (FPDL), communities with official forest title are entitled to long term forest use rights, benefits from their inputs in the forest, (technical and financial) assistance from outside and compensation for the investment in the forest should the state reclaim their forest for public uses (see Box 1).

Box 1: Legal rights to forest by village communities

(for village communities receiving forest from the State)

- To be entitled to legal long-term forest use rights
- To exploit and use forest products and other forest services for public purpose and for the benefits of community members, and to perform forestry, agricultural, fishery production according to provisions of existing law and regulations;
- To enjoy the fruits of their labour and investment in the allocated forest areas;
- To receive technical guidance and capital support and any other benefits from forest protection and improvement works;
- To receive compensation for their labour and investment in forest protection and development when their forest is reclaimed by the State.

Source: According to Clause 1, Article 30 of Forest Protection and Development Law

Nevertheless, it remains unclear whether legal rights to forest could unambiguously contribute to making forest management more effective. In some cases, community members have developed their village forest protection regulations and manage the forest for their community interest. For example, in Thon 4 village of Thuong Quang commune (Thua Thien Hue) local people have developed their forest management planning and set aside an area - officially classified as production forest by the state - for protection of their water sources. Another example is from Van Minh commune of Bac Kan province where, after receiving forest title, villagers have organized to protect the forest which they formerly encroached.

However, not all villages with legal rights to forest have managed their forest appropriately. In many cases, information on the forest title is not commonly known by the community members as only a small number of them have access to it. This is because the community forest land use title is kept by the village leader and only people in the village management board and forest patrol team have access to it. Moreover, four villages with legal forest title in Lak district of Dak Lak province have had to return their title to the state, as they were not able to protect the forest under their management from encroachment by timber logging and agricultural land conversion (Tran and Tran 2008) (see also Sub-section 4.2 below). By contrast, in some communities where no legal title to forest has been granted, local people still organize themselves to manage their forest resources in a sustainable way. Pho Trach village in Phong Dien district of Thua Thien Hue province is a good example of this (see 6.3.2 for more details).

4.2 Forest title as a legal basis for exclusion of outsiders

Legal forest title can serve as a relevant basis for the community to exclude outsiders from encroaching their forest resources. In Thon 4 village of Nam Dong district (Thua Thien Hue province), the villagers have been able to exclude people from other villages from using their community forest resources. Fines have been collected and are used to pay for the forest patrols. In addition, villagers were able to collect fees from the local state owned protection forest management board for the use of the community forest land for transportation of wood and seedlings (see Box 2). In other villages, community members have also conducted forest patrols and stop unauthorized uses of their forest resources.

Box 2: Resolution of conflict in forest uses in Thon 4 of Thua Thien Hue

Thon 4 village is located in Thuy Duong commune in Thua Thien Hue province. Forest land allocation took place in 2005 and the village received title for their forest in the same year. However, logging by local Protection Forest Management Board (PFMB) still took place in the forest area allocated to the village. The reason was logging was permitted by the provincial DARD before the district allocated the forest to Thon 4 village. No revision was made with regard to the logging area and the FPMB continued with their logging in Thon 4.

The village suspended the logging of the FPMB, claiming that the forest was now their property and no outsiders would be allowed to use their forest without their consent. Local FPMB had to negotiate with the villagers and agreed to pay the village a 'logging' fee to complete their concession.

By contrast, absence of legally recognized rights to forest puts community members in a weak position regarding encroachment of their forest. In Pho Trach village of Thua Thien Hue province, 50 ha of the forest that the community has managed for hundreds of years were reclaimed by the state and allocated to a company. Community members were in a weak position to protect this forest area for their use as they could not prove their legal rights. In addition, they did not have the legal basis which would otherwise enable them to claim compensation (see more discussion in 4.4).

Nevertheless, it does not necessarily mean that only legal title to forest will be sufficient for local people to prevent forest encroachment. Community members will need to organize themselves, backed-up by local authorities, to make a collective decision and take action to stop encroachment. When this is not the case, local forest managers may become a factor contributing to the deforestation. This point is illustrated in the four villages in Lak district of Dak Lak province. As villagers were not able to stop unauthorized logging by people from outside (and also inside) these villages, they rushed to forest to get their share and accelerated the deforestation process (see Box 3).

Box 3: Deforestation in four villages in Lak district of Dak Lak province

Nam, Dumah, Tlong and Dung villages are located in Dak Phoi commune, Lak district in Dak Lak province. Forest land allocation took place in the four villages in 2001 with 1,923ha of forest being allocated to 266 individual households. However, till date all the timber in the allocated forest in these villages has been logged and most of the land has been used for agricultural production. The remaining forest is mostly bamboo area.

There are various actors involved in the logging of the timber from the villages' forest. The most important group is people from neighboring villages who have logging permits from local authorities for house construction. The second group is households in the same villages who do not have legal rights to forest (some of them have logging permits for housing, some do not). The third group is the forest managers themselves, who think they need to get their share of the timber in the forest before it is completely gone.

4.3 Forest title as a pre-condition for external assistance

Another benefit for forest title holder is the access to external assistance (technical and financial)². The 2004 FPDL clearly specifies the right to community to this kind of support when they receive forest from the state (Clause 1 of Article 30, see Box 1). Rural development projects and programs also see state recognized forest title as a pre-condition for their successful support to local people. In their approach they always try to make sure that their target groups have legally recognized rights. The main reason for this is tenure security. Although in some cases locally recognized rights to forest may be more important than the rights granted by the state, it is commonly seen that possession of legal rights is influential to both the harvest from and investment in forest resources. In addition, as people have secured rights to the forest, they tend to think more about sustainability (Schlager and Ostrom 1992). In the visited villages, external support for forestry provided to local people only occurred in villages where there is forest title, or where issuance of such title is in progress.

However, it does not necessarily mean that holding of forest title will automatically lead to external support. Most importantly, the holding of forest title is not sufficiently eligible for loans from local financial institutions. Banks are often reluctant to take forest title as mortgage for loans due to the potentially high transaction costs that they have to bear. For example, in the four villages in Lak district of Dak Lak province where forest title holders are individual households, title holders have tried unsuccessfully to get loans from the local bank. Those with community forest title are even more unlikely to get bank loans as the community is not recognized as a legal entity under civil law, and thus is not in a position to enter business transactions.

4.4 Right to claim compensation

Legally recognized rights to forest land can be of significant importance when the state claims back the land. It happens when the state wants to use the land for public purposes (e.g. construction of road, dam or other public works) or economic development (e.g. establishment of an economic zone). In this case, the holder of legal forest title is entitled to compensation for the land, the value of which depends on the land price set by the provincial authorities. Without legal title to the forest land, it is hard for local communities to claim such compensation.

² External support does not necessarily mean only that from international donors. It also includes assistance from national projects/ programs and loans from local institutions – see Nguyen et al. (2008)

The case of Pho Trach village provides a good illustration. Although the villagers have managed around 200ha of sandy forest for generations (see also sub-section 6.3.2), no legally recognized rights to the forest have been granted to them. In 2004, the local authority reclaimed 50ha of the 200ha of forest under the village's management to allocate to a silicon company. The company paid villagers 47 million VND as reimbursement for the Acacia trees planted on the reclaimed land. Absence of legally recognized rights to this forest has disqualified the villagers from receiving proper compensation for the reclaimed land. The reimbursement for the trees on the land was only a small part of the full compensation that the villagers may have been able to receive, had they had legal rights to the forest. While it is complicated to calculate the exact amount of this full compensation, it is estimated that it should not be less than 400 million VND for the 50 ha of reclaimed forest³. This necessarily implies that the community received less than 12.5% of the compensation they could have been given if they had had legal forest title.

4.5 Information on forest resources

Another benefit for forest title holders, as expressed by local people, is access to information related to the forest resources. Along with the forest title, local forest managers also receive a copy of the data on existing forest resources from local authorities⁴, which provides the title holder(s) an understanding on the kinds of resources in the forest. In addition, through forest land allocation local people also have a better idea of the forest boundary and the concrete location of their forest.

³ This estimation is based on the Circular No 145/1998-TT-BTC dated 4 November 1998 of Ministry of Finance and Decree No 188/2004/ND-CP dated 16 November 2004 of the Government.

⁴ The data is based prepared by either district Forest Protection Unit or local State Forestry Company

5 Conditions for forest to be managed under community forestry

This section discusses the second area of focus of FGLG Vietnam: characteristics of the community and of the forest resources for forest to be managed under a community forestry regime. Article 29 of the 2004 FPDL provides framework conditions for forest to be allocated under CFM and community to receive forest for community management (see Box 4). These conditions must be in place for community to receive forest according to the existing law, unless in pilot projects whose objective is to try out new conditions for CFM. See also Annex 2 for a list of attributes for resources and users for self-organized forest management being discussed in literature on common pool resources.

Box 4: Legal conditions of community and forest for community forestry

Conditions of the communities:

- have customs, practices and traditions that are closely connected with forest in their production, life, culture and belief
- are capable of managing forests
- have desire to receive forest for community management

Conditions of the forests:

- forests that have been efficiently managed by the community,
- forests protecting the water sources for the community or other communal interests and cannot be allocated for management by organizations, households or individuals,
- forests in the boundary between villages, communes or district that cannot be allocated for management by organizations, households or individuals.

Source: from Article 29 of Forest Protection and Development Law

This section brings in lessons on characteristics of forests and of community that work or do not work in the field. The first part of the section focuses on the characteristics of the community and the second part on the forest resources. It is important to note that the characteristics discussed in this section need to be treated with flexibility as there is no blue-print copy of CFM in all conditions and there may be other factors that influence the success of CFM that have not been observed.

5.1 Conditions of the forest resources

The forest conditions stated in Article 29 of the FPDL mainly see forests to be managed by community as sources of public service (e.g. water resource protection). Nevertheless, experience gained during the field visits clearly shows that community members also want their forests to generate (cash) income for them, in addition to the public/ environmental services. The discussion that follows in this sub-section will centre around the conditions of the forest resources that can make important economic contributions to the communities.

5.1.1 Forest quality

The quality of forest under community management can be an important factor as it directly influences the quantity of economic benefits that community members can generate and most importantly when they can acquire such benefits. When forest allocated to a community is of low quality, it takes a long time for community members to benefit from such forest. On the other hand, allocation of good quality forest to communities may

be ineffective as the forest will be under high pressure of unauthorized uses and the community may not have developed the necessary organizational structure to effectively protect the forest.

As a result, it is more important to develop a benefit sharing policy framework that suits different classes of forest quality, to make sure that community members may be able to benefit as soon as possible from the forest and to develop necessary structure to protect forest resources. For example, poor forest community members should be entitled to use the forest land for agricultural production or be given support to develop non-timber forest products (NTFP) for short term income. The logging policy should also allow selected cutting for commercial purposes. In villages with good forest quality, support from the state should focus on development and enforcement of the local forest management structure so that the community can prevent unauthorized forest exploitation by both outsiders and insiders.

Findings from the visited villages show that in villages with similar forest quality, those with support from outside in the protection of forest, development of NTFP and/ or timber logging tend to have higher income from forest and organize better forest management work. T'Ly and Diet villages, for example, are in the same commune and have been allocated similar forest type and quality. T'Ly village was given a lot of support in forest protection and timber logging and have been able to derived significant income from the forest (see Sub-section 6.2) whereas little has been gained by Diet villagers.

5.1.2 Forest type

Through discussion with community members during the visits, it appears that production forest is preferred to protection forest as the current state regulation gives few, if any, opportunities for economic production to the latter. A community would agree to take protection forest (for protection purposes) only when it goes with a larger area of production forest.

Communities prefer natural forest of mixed species (timber and non timber) to forest with one or two dominant species, as the former has different uses connected with the forest. Nevertheless, the latter can also be allocated to communities particularly when there is support to enrich forest resources. Forest of mixed types and quality should also be allocated to communities to avoid inequity when allocating to individual households or household groups.

5.1.3 Forest location

Discussion with villagers during the field visits indicates that there are different, even conflicting points of view on the location of the forest and its allocation to the community. Forest close to the village is easy for villagers to patrol but vulnerable to unauthorized use (e.g. forest in four villages in Lak district of Dak Lak province). On the contrary, forest located far away from populated areas is difficult to patrol but less susceptible to destruction (e.g. the case of Tul and Echo villages Dak Lak province). In general, however, people would not be happy to take forest in a remote and inaccessible location.

Forests of non-continuous and separated patches should not be allocated to communities. In other words, forest to be allocated to communities should be of one continuous patch and not disrupted by areas of settlement or agriculture. Non-continuous forest areas should be allocated to household groups or individual households.

5.1.4 Forest size

Forest size appears to be of less importance than the other factors discussed above. The concept of large or small forest size is very fluid, depending very much on the availability of the forest in the local area, even within one province. In Dak Lak, for example, forest size can vary from over 1,000 ha per community (Cham village has 1,804 ha, T'Ly village manages 1,127 ha of forest, and Tul village has 1,216 ha) to less than one hundred ha as in Hiao 1 village. In most communities visited, local people want to have larger forest area, even in the villages with over 1,000ha of forest. Nevertheless, the limited forest area available makes it almost impossible to give more forest to each community. In addition, the forest size under the management of each community should not be too large as it may exceed their capacity for efficient management, and pose an inequity issue with other (neighboring) villages.

5.2 Conditions of the communities

5.2.1 Community solidarity

The most important condition for forest to be managed under CFM is that the community has to have a high degree of solidarity. That is, the community has developed and practised a set of informal rules on the conduct of community members for common interest and mutual respect. In such communities, members follow collective decisions and respect their tradition. They also have a long tradition of living in harmony with the surrounding environment and have developed the institutions necessary for self-governed (forest) resource management. Many (if not all) of these communities may have successfully managed forest for their common interest for generations before nationalization of forest took place. It is therefore expected that these communities can practise their forest management traditions again when they have the chance to receive forest from the state.

Nevertheless, such community practices are being eroded by various factors, including economic growth and immigration. People in Pho Trach village of Thua Thien Hue province indicate that their forest management work has somewhat declined for the last few years, partly due to the erosion of solidarity within the community. Therefore, for community forest management to work, even in villages with a good forest management tradition, it is necessary to not only look at the past and present situation within the community, but also to pay attention to monitoring the possible impacts on local traditions.

5.2.2 Organizational skills

Organizational skills of the community (leadership) are an important factor for self-organized forest management. For CFM to work, the community must have at least one person among their leadership (usually the state elected village head or traditional village leader) with the ability to organize members for different types of work, including:

- forest patrol: organize community members into small teams and work out the patrolling timetable among these teams.
- sanctioning of violations: reach consensus within the community on the kind of sanction to apply to each case of violation, particularly the serious ones.
- conflict resolution: organize meeting of actors involved and reach consensus among these actors on the solution(s) to the conflict
- benefits distribution: organize community members to distribute benefits from forest in an equitable way and for the sake of the whole community.

Without such skills, a community may not be able to manage their forest effectively. In T'Ly village, for example, since the previous village leader retired the community has lacked a person with necessary organizational skills to organize forest patrol and to manage the teams. This has significantly contributed to the decline in effectiveness of the forest management work in recent years.

Organizational skills can be developed through time. They can also be introduced and strengthened through continuous backup and capacity building activities. This again raises the importance of external support for the community in managing forest in an effective way.

5.2.3 Prior connection with the forest

Discussion with villagers in the study sites indicated that local people want to receive forest that was well connected with them in the past. The reason is such forest used to be an important part of their life. It may have provided them food, wildlife, farming land, and even shelter. Such connection is found in almost every village visited. Community members also expression their unwillingness to receive forest that has been (historically) connected with another (neighbouring) village as they respect the traditional claim the other village has had on the forest. Box 5 provides an illustration of a case of Cham B village in Dak Lak province. Although the village had both legal and customary rights to the allocated forest, they were not able to exclude people from the neighbouring village as the latter also had prior connection to the allocated forest.

Box 5: 'Encroachment' of forest in Cham B

Cham B village is located in Krong Bong district of Dak Lak province. In 2000-2001, the village was allocated 568ha of forest for management. The forest used to be an important part of life for local people in Cham B and those in neighbouring village of Cham A, who used to live in the same village with Cham B. The forest used to provide food, farming land and shelter for people in both villages during the wartime period.

As only Cham B people were given the legal rights to forest, villagers in Cham A also wanted to reclaim their customary rights to their former farming land in this forest. Soon after the forest was allocated to Cham B, Cham A people returned to the forest and cleared what used to be their (or their parents') farming land. Cham B people were not able to exclude Cham A from the forest as the latter also had their historical connection to the forest. In the end, the encroachment by Cham A people in Cham B forest had to be resolved by local authorities.

5.2.4 Shared understanding of the importance of forest resources

A shared understanding about the importance of the forest among community members is important to collective decision-making and action. This is because managing forest under community forestry means the forest will be shared by a large number of actors who may have different interests in the forest. Pho Trach village in Thua Thien Hue province is a good example. Local people have a common understanding of the role of their forest in protecting water resources for daily use and production. They have actively participated in the conservation of the forest, though the direct material benefit that they get is just fuelwood (see also sub-section 6.3.2).

By contrast, without a common understanding of the importance of forest for the community, there is a risk that community members may not participate in the forest patrol and prevention of forest loss. Cham village in Ea Hleo district of Dak Lak province is an example. Lack of common understanding on the allocated forest resources has contributed

to the villagers' failure to conserve their own forest, even with support from development projects. Furthermore, villagers even violated their own forest protection regulations in terms of conversion of forest into agricultural land outside the designated area and logging of timber without justifiable demand.

5.2.5 Demographic conditions of the community

Last but not least, discussion with local people also reveals two demographic conditions of the community that are also connected to managing forest under CFM regime. First of all, the village size (number of households and people in the village) needs to be big enough for the village to have capacity to take care of the forest. A village with big number of households and people should be broken down into smaller groups for easier management. Secondly, the ethnic composition of the village should be as homogeneous as possible. The reason is different ethnic groups have different customs and practices. As a result, there is a high potential of overlapping rules and interests concerning the forest, which may influence community solidarity and their collective decision making and action.

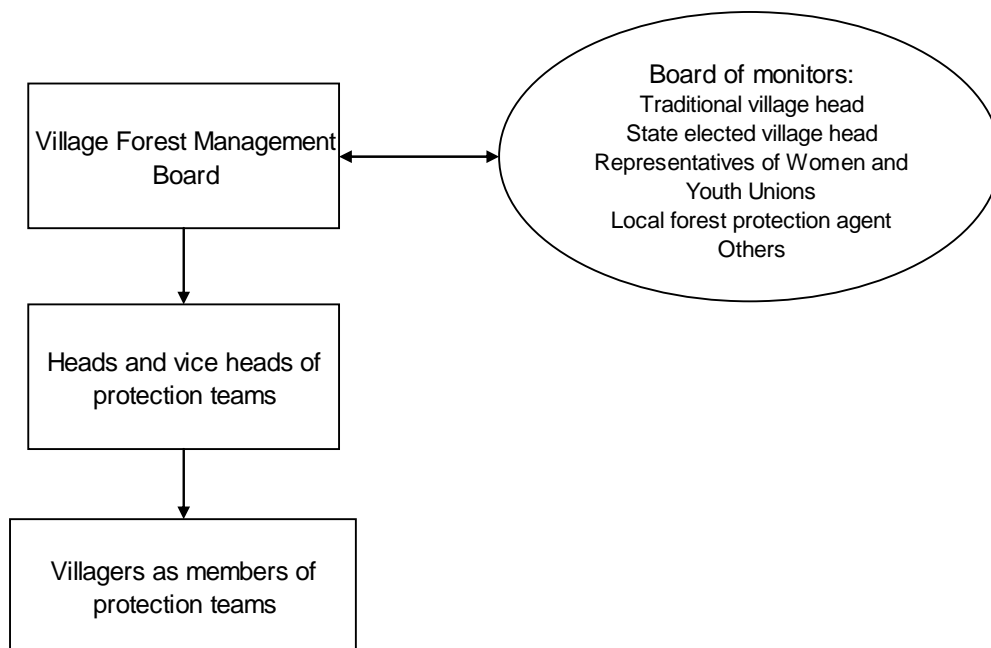
6 Management of forests and benefit sharing

This section discusses four main themes related to forest management and pro-poor benefit sharing based on findings from the visited sites. In the first part of the section, issues related to organizational structure of forest management at village level are discussed. This is followed by a description of the benefit sharing arrangements in the study sites, focusing on the pro-poor component of these arrangements. After that, some models on sustainable forest management will be presented. Finally, issues related to external supports for local villages to manage forest under CFM will be elaborated.

6.1 Organizational structure

From the experience of the visited villages, a structure for village forest management should take into account the socio-economic and cultural conditions in the village, particularly the customary practices and structure of forest management. In general, a structure that works needs to involve all concerned stakeholders in the village. The discussion that follows centres around the main components of a village forest management structure (Figure 3), which is compiled based on the structures in use by communities visited. Depending on specific local conditions, modifications of this structure can be made.

Figure 3: Major components of a village forest management structure



In this structure, the whole village is organized in different forest protection teams or FPT for short. Each team should have between 8-10 members and the number of teams depends on the size of the village. FPTs have the task to patrol the forest in turn and report to the Village Forest Management Board (VFMB) any violations of the village forest management regulation (VFMR). FPT members come from all households in the village. Depending on specific conditions, households may be exempted from contributing to forest patrol. FPTs are led by a team head and vice head whose role is to assign team members to patrol the forest and to communicate with VFMB.

The VFMB consists of around three to four people elected by the villagers. The suggested term for VFMB members is three years⁵. VFMB has the role to assign FPTs to patrol the forest according to agreed time table, to keep track of forest patrol work, and to communicate with the Board of Monitors (BoM), communal authorities and other concerned (state) bodies. VFMB also keeps records of all related events and report to Communal People's Committee (CPC). Most importantly, VFMB is responsible for organizing the distribution of forest benefits among the villagers and resolving any conflicts related to forest and forest management.

The BoM consists of the leadership (state elected head and traditional village head, if there is one in the village), representatives of Youth and Women's Unions, and an official from the district Forest Protection Unit (FPU) stationed in the commune or village and other relevant actors. The role of this board is to monitor the operations of the VFMB to make sure that the VFMR is complied with. It also provides necessary support (e.g. communication to concerned actors, technical guidance, conflict resolution, and legal information) to VFMB and FPTs when needed.

It is also possible that forest patrol is done by a full-time patrol team. An example comes from Thon 6 village of Quang Tam commune, Dak Nong province. In the past, the village had eight FPTs who patrolled the forest in turn. Since 2007, patrolling of forest has been done by a team of 20 members who work on a full-time basis. This system appears to work well in the village but it is important to note that up-scaling of this model in other villages needs to take into account the fact that villagers are often busy with other (farm) work and may not be able to work full-time as forest patrol team members.

Frequency of forest patrolling varies across sites and by time of year. In villages with difficult conditions, the forest patrol takes place one a month on average. However, it is common that patrolling occurs every two weeks. In villages with rich forest resources or high threat from outsiders, villagers must patrol their forest two to three times per week during the dry season and one to two times per week in the rainy season.

For any forest management structure to work, it is important that the following conditions are in place:

- *Payment for the time spent patrolling the forest:* it is important that the time local people spent on patrolling the forest be compensated sooner or later either in cash or kind. Payment for forest patrol comes from two main sources: the fine collected from the violators and the products (timber or NTFPs) from the forest.
- *Book keeping:* this is not done properly in most of the villages visited. As a result, it is difficult for new members of the VFMB to know what has happened and what is the current state of the forest. It is particularly important to do book-keeping to keep track of the time local people spent on patrolling the forest so that reimbursement can be done in a proper way.
- *Village forest management regulation:* the regulation should contain information on what rights and duties the community and its members have with regard to the forest. It should also provide clear guidance on award for merit and sanction of wrong doing. The regulation must be developed in a participatory way with the villagers to make sure that all community members have good understanding of the regulation and comply accordingly.

⁵ In the visited villages, the term ranges from one to five years.

- *Forest development plans*: there should be clear long term (five year) plans and annual plans for the forest so that people know what is going to happen, and when.
- *Legal backup*: External legal support is very important for the community to realize the rights (e.g. get necessary permission for timber logging) and duties (e.g. stop outsiders from encroaching the forest).

6.2 Pro-poor benefit sharing mechanism

Till date, there are three major sources of benefits from the community forest, namely a) timber for domestic use (house building) and, in some cases, for commercial purpose, b) non-timber forest products, and c) cash collected from fines or from sale of confiscated products (timber). In most villages, the cash income from forest (fines and/ or sale of forest products) is used according to the following priorities:

1. Payment for tax and costs associated with income (e.g. costs of logging and transportation)
2. Contribution to communal forest development fund
3. Payment for the time of FPT and VFMB members spend patrolling the forest and related work
4. Contribution to community fund and/ or construction of community public works
5. Distribution to all members in the community.

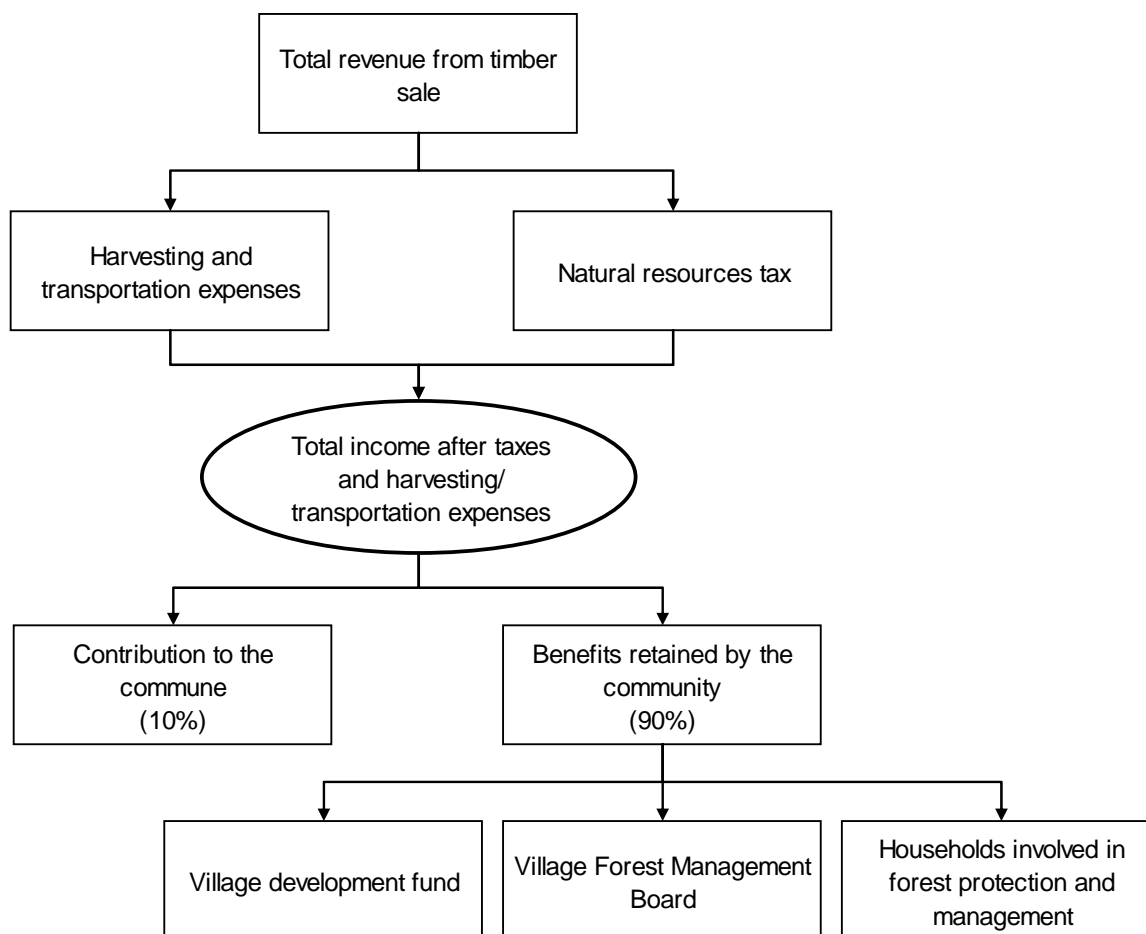
Figure 4 illustrates the distribution of cash income from timber sale in Thon 6 village of Dak Nong province. First of all, natural resource tax and harvesting and transportation costs are paid from the total revenue received. After that, 10% of the income goes to the commune to pay for their efforts in CFM related tasks and to contribute to communal forest development fund. The rest of the money is retained by the village. Of this amount, one part goes to village development fund, the remainder is divided among local households and members of the VFMB (see also 6.3.1).

For in-kind benefits collected from the forest, the distribution varies. Plans for timber logging for domestic use are often discussed and reviewed by the community before the actual collection can take place. For NTFPs (e.g. forest leaves, tubers, fruits and resin) and fuelwood, collection is often more open. Yet, massive collection of such products is also controlled. In Pho Trach village in Thua Thien Hue where fuelwood is the only major product that can be taken from the forest, collection can only be done from designated areas at certain times of the year. All the fuelwood collected from the forest is divided equally among all community members (see also sub-section 6.3.2)

Little attention is given to the poor in benefit distribution in the visited villages. There is often no specific statement of priorities to be given to the poor in the distribution of forest benefits in VFPR. In contrast, there is a tendency to give priority to more powerful actors in benefit distribution. In Thon 6 village of Quang Tam commune (Dak Nong province), when distributing the cash income from timber sale among community members in 2007 larger shares are given to members of the VFMB and head and vice head of the forest patrol team: head of the VFMB receives 140% that of a community member, other members of VFMB receive 130%, head of the FPT receives 120% and the vice head of FPT 110% (see also 6.3.1).

However, there are also some exceptional cases where the poor are given attention. In T'Ly village of Dak Lak province, for example, there is positive discrimination towards poor households concerning the use of money from the timber sale (see Box 6).

Figure 4: Flows of cash from timber sale in Thon 6 of Dak Nong province



Source: (Bao Huy 2007).

Box 6: Distribution of benefits from commercial logging in T'Ly village

T'Ly village in Dak Lak province is well known in Vietnam as the first example of commercial logging from natural forest by a community. In August 2006, T'Ly villagers harvested 368 cubic meters of round logs from their allocated forest. The timber was then sold at the price of 616 million VND (around US\$38,500). After payment of taxes and transaction costs, the village was still left with a net benefit of VND283 million (approximately US\$17,700).

The community used income from the timber sale to pay for the forest patrol and to contribute to the community development fund. Poor households in the village have also been able to benefit from this cash. VND20 million (US\$1,250) have been used as loans to support five poor households; each household received VND4 million for economic development activities. The rest of the money is deposited in the saving account in the local bank.

Field discussions indicate that the following issues need to be taken into account in order to make community forestry more pro-poor:

- *Better representation in village forest management structure:* poverty is not just about material goods, it is also about voice and representation. To empower poor people, it is

important that they are proactively selected to participate in the (forest) management structure of the village.

- *Appropriate capacity building for the poor:* the poor should be given priority participating in capacity building events. This will be particularly helpful for poor people in the village management structure. Appropriate communication methods should be used to make sure that the language and contents of the training are well understood by the poor.
- *Farmed land for the poor:* For the poor households who lack production land, it is important to give them priority to use the bare and unused land in the forest area for agricultural production.
- *Timber for housing:* priority should also be given to poor households in logging timber for their new house. In addition, the community should also support these poor households in logging, transportation and even building the house.
- *Other benefits from forest:* in addition to timber for housing and farmed land, poor households should also be shown positive discrimination in the distribution of other (material) forest benefits, such as fuelwood and NTFPs. They should also be given priority in participating in forest patrols (when they have time) to increase their cash income.
- *Participation in rural development project:* priority should be given to poor communities to participate in rural development projects, particularly those related to forest management. Within communities, poor households should have better opportunities to be involved in these projects.

6.3 Sustainable forest management

Findings from field visits indicate that there are various models of sustainable forest management being practised by local people. This sub-section introduces two models: one from newly introduced form of CFM and the other from traditional CFM village. In the first model, SFM was introduced by outsider while in the second one local people have developed their own way of managing forest in a sustainable way. In both cases, local people have been able to receive material benefits from the resources.

6.3.1 Sustainable forest management in Quang Tam commune

Thon 6 village (also known as Bur No) in Quang Tam commune of Dak Nong province received 1,016 ha of forest in 2000. In 2006, with the support of the Extension Training Support Project for Agriculture and Forestry in the Upland (ETSP) a village forest management regulation was developed along with a five year forest development plan. Both the regulation and plan were approved by the district authority. In early 2007, provincial DARD approved the village's pilot of sustainable forest development model.

Accordingly, a sustainable forest model (SFM) is set up in the village, which determines the number of trees of each diameter class (10-20cm, 20-30cm, 30-40cm, and above 40cm) that must be retained for the forest to develop sustainably. The surplus per diameter class compared to the sustainable forest model can be harvested without changing the structure of the forest. This principle can be applied in the first management period after forest land allocation, allowing communities to realize immediate benefit from the forest.

In this model, forest inventory is done every five years to determine the actual growth-rate and the allowable cut. Villagers can actively participate in such inventory, with little training, as they simply need to count the number of trees in each diameter class.

According to the SFM model, the first timber logging can be done in 2007. The village's proposal for commercial logging in the pilot model was approved by local authority. Between April and September 2007, the village harvested 476 m³ of round logs from the forest. The wood was sold at the total revenue of 668,122,000 VND (around US\$42,000). After paying the tax and harvesting cost, a total income for the village was 423,350,747 VND (around US\$26,500). The money was paid to the commune, village development fund, and village forest management board. The rest was distributed among villagers (see Table 4 for details. See also Figure 4 for further information).

Table 4: Use of income from timber sale in Thon 6 of Dak Nong province

Items	Expenses in VND	Expenses in US\$
Total revenue from timber sale:	668,122,000	41,758
▪ Logging and transportation costs	141,486,780	8,843
▪ Natural resource tax	103,127,754	6,445
Total income after tax and logging costs:	423,507,466	26,469
▪ Contribution to commune	42,350,747	2,647
▪ Contribution to village development fund	36,940,875	2,309
▪ Payment to VFMB	6,000,000	375
▪ Distribution among villagers	338,215,844	21,138

Source: (Bao Huy 2007)

6.3.2 Sustainable forest management in Pho Trach

Pho Trach village is located in Phong Dien district of Thua Thien Hue province. The community currently manages around 150 ha of sandy forest (used to be 200ha in the past but 50 ha has been reclaimed by the state – see discussion in Section 4). The community claims to have been practising its set of village forest management regulations for over 500 years. While local peoples' rights to the forest have not been legally recognized, so far these resources have been well protected.

The forest protects the local water source and also serves as an important source of fuelwood for the villagers. To manage these resources, village regulations divide the forest into four lots, each of which rotates as the site for fuelwood collection every year. Rights to collect fuelwood are granted to all villagers aged 18 or over on an equal basis. Collection of fuelwood from the forest can only be done within two days in February or March (concrete dates are announced in advance). Collecting fuelwood on other days or from outside the designated area is considered a violation of village regulations and will be punished accordingly.

Anyone who collects fuelwood has to contribute to the cost of patrolling the forest, which is between 2-5kg of rice per person, depending on the size of forest designated for collection (and thus the quantity of fuelwood available for harvest). Forest patrol is currently delegated to a forest protection team of five members selected and contracted through a biennial open-bidding process.

6.4 External support

Findings from the project activities indicate that external support may play a very important role in the management of community forests, particularly in the villages with official CFM arrangements. Local people are more inclined to engage in forest management and derive benefits from local forest resources when government agencies and other external service providers adequately address their support needs. Villages with introduced forms of CFM are likely to fail in meeting the objectives of forest protection and livelihood improvement if no (adequate legal) support is provided to strengthen the capabilities of local people and to sustain the implementation of newly endowed rights and duties. For example, villagers may have trouble in exercising their new rights over other groups of stakeholders who are also interested in the allocated forest. Support from local (forest) authorities would better enable legal forest owners to protect community forests from unauthorized uses. The case of four villages in Lak district of Dak Lak province provides a vivid illustration for this point.

It is important to note that external support does not necessarily mean international support. Support may derive from the national or provincial government, or from private companies working in the local area. In fact, the external support from international projects in T'Ly or Thon 6 villages would not be successful without the cooperation and support from local (forest) authorities.

Field experience indicates that the following types of external support are needed by local communities with both traditional and introduced forms of CFM to manage and benefit from their forest resources:

- *Institutional support*: perhaps the most important support for local community is to set up an appropriate forest governance structure and make it work. In most cases, there are existing capacities within the village to do good forest management. What is needed is a good facilitator so that people can organize themselves, develop necessary structure and rules and put them into practice. Support should also be provided to improve the necessary capacities in the community in development, implementation, monitoring and assessment of the village (forest) development plan.
- *Legal support*: Legal support is needed in realization of their forest rights and duties. Villages with traditional CFM need legal recognition of the rights to forest in order to protect themselves in case of conflicts. In general, legal education is necessary for all stakeholders in the village to know what rights and duties they have with regard to their forest and where they should get advice on what matter. Support is needed when forest encroachment happens and villagers have to exclude encroachers from the forest. Most importantly, when it is possible to harvest timber from forest local people need support to do necessary procedures to get logging permission, harvesting the timber, certifying its source and selling it in the market.
- *Technical support*: In the implementation of the forest development plan, villagers need training in timber and non timber forest products development, harvesting and processing. It is important that the language and methods used in such training is appropriate to the cultural and educational level of the local people.
- *Financial support*: Financial support is needed to boost investment in the forest. As forest title is not good enough for loans, local people would need an organization acting as collateral to borrow money. Financial support can also be in terms of seed money to kick start a village development fund (if it is not available). In addition,

financial support should also include capacity building of local people in financial management.

Nevertheless, it is important to note that support should be appropriate. As indicated above, too little or no support is not good for the community. Similarly, too much support may not be a good thing for the local people either, as they may develop a tendency to depend on outside support, which is even worse than no support at all. It is however difficult to define how much support is appropriate. In the ideal situation, external support should play the role of mobilizing existing resources in the community and facilitating the use of these resources for CFM. Support should by no means replace local resources.

7 Summary and policy implications

This report discussed major findings from the FGLG Vietnam. The ultimate aim of the project is to promote learning and sharing of experience on poverty alleviation and community forestry. Through learning and sharing of experience, FGLG Vietnam expected to shed light on the following focus areas:

1. Legality of CFM: assessing the benefits of forest land use title for local communities.
2. Allocation of forests for community management: identifying appropriate conditions of the forest and of the community for forest to be managed under CFM.
3. Forest management and benefit sharing: exploring four issues: (i) governance structures for good CFM; (ii) pro-poor benefit sharing arrangements; (iii) sustainable forest management models; and (iv) the external support needed to back up local communities for a pro-poor CFM.

The discussion in the report indicated interesting findings. On the legality of CFM, findings suggest that while there is an unclear relationship between the holding of legal rights to forest and effective forest management, legal forest title is crucial when conflicts arise and villagers have to protect their rights to forest. In addition, there are significant benefits that local communities would not have, if they did not have legal rights to forest. Forest title can serve as the legal basis for exclusion of outsiders from encroaching the forest. It is also considered a pre-condition for getting external support. Legal title also entitles the local community to receive compensation for the forest land when it is reclaimed by the state for public purposes. Finally, there is also different information, such as data on forest resources, forest boundary and location, made known to the community when legal title is granted to them.

Concerning allocation of forest for community management, the discussion centred around five conditions of the community (community solidarity, organizational skills, prior connection with the forest, shared understanding on the importance of forest resources, and demographic conditions) and four conditions of forest (forest quality, forest type, forest location and forest size). Unlike the conditions stated in Article 29 of the FPD, which mainly see forests to be managed by the community as sources of public services, the discussion in the paper emphasized the economic aspect of the forest conditions as the community will also want their forests to generate (cash) income for them, in addition to the public/ environmental services.

With regard to four issues related to forest management and benefit sharing, discussion in the report indicated that a workable organizational structure for CFM should take into account the socio-economic and cultural conditions in the village, particularly the customary practices on forest management. It should also involve all concerned stakeholders in the village, particularly the poor and less powerful groups. For any CFM organizational structure to function, some conditions must be in place, which include financial resource to pay for the time spent patrolling the forest, clear book keeping, village forest management regulation, forest development plans, and legal backup from local authorities. On benefit sharing, little attention has been given to the poor in benefit distribution in the visited villages. There is often no specific statement of priority to be given to the poor in the distribution of forest benefits in VFPR. There is even a tendency to give priority to more powerful actors. Nevertheless, there are also a few instances where

the poor receive positive discrimination in the distribution of forest benefits, such as the case of T'Ly village.

Concerning sustainable forest management, there are various models of sustainable forest management being practised by local people. The paper presented two models. In the first one, SFM was introduced by a development project while in the second model local people have developed their own way of managing forest in a sustainable way. In both cases, local people have been able to receive material benefits from the resources. Finally, external support can play a very important role in the management of community forests, particularly in the villages with official CFM arrangements. Villages with introduced forms of CFM are likely to fail in meeting the objectives of forest protection and livelihood improvement if no adequate support is provided to strengthen their capabilities and to sustain the implementation of newly endowed rights and duties.

Findings from the project activities have following implications for the CFM policy in Vietnam:

- *Provision of legal title to community forest:* the experience gained during the course of the project clearly suggest that local communities would be at loss if they did not have legal title to their forest. It is therefore necessary to provide legal title (Red Book certificate) for communities managing forest under CFM. Such title is particularly useful for communities to protect their rights and the investment they have put into the forest when there is a conflict or overlapping claim on the forest. In addition, when Vietnam applies a payment for environmental services (PES) policy on wider scale, legal title to forest can also entitle local community cash benefit. Similarly, communities with legal forest title may also receive cash income from Reducing Emission from Deforestation and forest Degradation (REDD) schemes in the future.
- *Attention to economic benefits from community forest:* Local people rely on forest for not only the environmental services but also on the material benefits (timber, NTFP, etc.) from the forest. It is therefore suggested that forest to be allocated to a local community for CFM can also be used for economic production. In addition, the local community should also be able to get material benefits from their forest as early as possible, as the longer they have to wait the less they are willing to engage in forest management.
- *Sociological aspects of community forestry:* community forestry is dissimilar to state forestry as its focus is not on silviculture techniques but on the relationship between the forest and people living in and around the forest. It is therefore important to take into account the sociological appropriateness of the community to manage forest under CFM, which includes the historical, cultural, demographic, and socio-economic conditions. If such conditions are not suitable for CFM, other form of forest management should be applied.
- *Flexible forest management structure at the village level:* As CFM is related to the local conditions, it is suggested that flexibility be applied in establishing a village level forest management structure. There should not be just one structure introduced for all villages. Establishment of a village structure should take into account local practices, customs, and representation of different stakeholders to make sure that the setup fits the village conditions. In addition, it is also important to note that for a right forest management structure to work, certain conditions need to be in place, including (self) financing mechanism, clear rules and targets, and timely and adequate support from local authorities.

- *Benefit sharing needs to be more pro-poor:* The current benefit sharing arrangements at the village level should be improved to better benefit the poor. More specifically, the poor should be shown positive discrimination in the distribution of forest benefits. The poor should also be given priority in access to capacity building, development support and public services in order to narrow or at least maintain the gap between them and the rich. In addition, attention should be given to ensuring proper representation of the poorer groups in the village structure, to make sure that their voice is heard.
- *Promote local initiatives in CFM:* local communities have been living with the forest for generations and have developed important practices to manage forest resources in a sustainable way. For CFM to work, it is important that state policy encourages development of local initiatives. Scientific knowledge from outside may complement any gap that exists in these local initiatives to promote SFM.
- *Proper external support:* Findings from the project indicated that when there is too little or no support, a local community may fail to meet the objectives of livelihood improvement and sustainable forest management. However, too much support may create dependency among community members. External support should mobilize the existing resources in the community and develop these resources but not replace them.

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Annex 1: List of villages visited by FGLG team

To be completed

Village name	Location	Forest management form
1. T'Ly	Ea Sol commune, Ea Hleo district, Dak Lak province	Community
2. Diet		Community
3. Cham		Community
4. Kary		Community
5. Hiao 1	Ea Hiao commune, Ea Hleo district, Dak Lak province	Community
6. Bir		HH groups
7. Krai		HH groups
8. Ka ra		Community
9. Cham B	Cu Dram commune, Krong Bong district, Dak Lak province	HH groups
10. Thon 1		HH groups
11. Thon 2		HH groups
12. Tul	Yang Mao commune, Krong Bong district, Dak Lak province	Community
13. E Cho		Community
14. Du Mah	Dak Phoi commune, Lak district, Dak Lak province	Individual HH
15. Nam		Individual HH
16. Dung		Individual HH
17. T'long		Individual HH
18. Thon 6	Quang Tam commune, Tuy Duc district, Dak Nong province	HH groups
19. De Ta	Kon Chieng commune, Man Yang district, Gia Lai province	Community
20. Pho Trach	Phong Dien district, Thua Thien Hue province	Community
21. Thuy Yen Thuong		Community
22. Thon 4		
23.		

Annex 2: Attributes for self-organized forest management

Attributes of the Resource:

- R1. Feasible improvement: The resource is not at a point of deterioration such that it is useless to organize or so underutilized that little advantage results from organizing.
- R2. Indicators: Reliable and valid information about the general condition of the resource is available at reasonable costs.
- R3. Predictability: The availability of resource units is relatively predictable.
- R4. Spatial extent: The resource is sufficiently small, given the transportation and communication technology in use, that users can develop accurate knowledge of external boundaries and internal microenvironments.

Attributes of the Users:

- A1. Salience: Users are dependent on the resource for a major portion of their livelihood or other variables of importance to them.
- A2. Common understanding: Users have a shared image of the resource and how their actions affect each other and the resource.
- A3. Discount rate: Users have a sufficiently low discount rate in relation to future benefits to be achieved from the resource.
- A4. Distribution of interests: Users with higher economic and political assets are similarly affected by a current pattern of use.
- A5. Trust: Users trust each other to keep promises and relate to one another with reciprocity.
- A6. Autonomy: Users are able to determine access and harvesting rules without external authorities countermanding them.
- A7. Prior organizational experience: Users have learned at least minimal skills of organization through participation in other local associations or learning about ways that neighbouring groups have organized.

Source: Ostrom (1999)