

DECENTRALIZATION AND DEVOLUTION OF FOREST MANAGEMENT IN VIETNAM: A CASE STUDY OF EA HLEO AND CU JUT FOREST ENTERPRISES, DAK LAK PROVINCE.

By
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Abstract:

Dak Lak is the largest province of Vietnam, which contains the largest remaining natural forest of the whole country and also is the traditional homeland of many ethnic minorities. The fact that deforestation has been taken place rapidly in the years since liberation day has led to land use changes and land use conflicts. So far, the forest has been owned by the government (state forest enterprise), a system, which has not been congruent with the traditional way of the indigenous communities to manage their forest.

Being aware of the importance of the forest resources to social and economic development, Dak Lak province has gone further than the national policy and played a pioneering role in allocating forested land to the indigenous households and communities with a long-term land use right. This is the only area in Vietnam where this type of forest land allocation is occurring, which offers a unique chance for policy-relevant research.

This paper analyzes this local experiment, and investigates how state law is being adapted to the local reality of Dak Lak. The paper will also explore the political interests of the decision-making bodies at province and downward to the grass root level, including foreign donors/project and in particular the State Forest Enterprises, which currently manage almost all of the forest in the region. The paper will conclude with a look at the institutional questions and gender issues with regard to the effects of the new policy on indigenous communities such as the Giarai and Mnong groups.

1 Introduction

In Vietnam, land is owned by the people under the integrated management of the state, which allocates land to users for long term and stable use (Land Law 1993). As the forest resources have been degraded rapidly over the last few decades, (annual forest loss has been around 100 to 40,000 hectares)¹, the government has become aware of the problem caused by the country's decreasing forest cover and has been addressed it by embarking on forestry policy reform programs. During the 1990s, Vietnam has been reviewing its approach

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to the management of its natural resources. Forest Land Allocation (FLA) is one important component of the decentralization process in Vietnam's forest management.

Apart from the forest degradation, rural poverty is also a serious problem to be addressed by the local government. Most of the poor and hungry are ethnic minorities and live in remote areas with daily activities related to forest resources, especially, the indigenous ethnic groups who have been living in the central highlands for hundreds of years, but are still very poor and lack land for cultivation. According to a survey in 1999 by the Department of Labor, Invalids and Social Affairs (DOLISA) of Dak Lak province, there were 58,987 households (18.1 percent of the provincial population) classified as poor and hungry in Dak Lak province of which 40 percent were indigenous people. Besides, the population growth rate has been very high in the last decades in Dak Lak province. There were 350,000 people in 1975, which increased to 1.73 million people in the year 2000. Uncontrolled immigrants from other provinces of the country mainly caused this fact. Consequently, indigenous ethnic minorities have been pushed deeper and deeper into the forest driven not only by land encroachment, but also by land transfers and land sales to the new comers.

2 Conceptual framework

The major **objectives** of the forest land allocation program in Vietnam in general and in Dak Lak province in particular are:

- 1) To improve the management and protection of the forests, and
- 2) To improve the livelihood of the local residents.

The local government makes efforts to reach the goals of the FLA as a part of an integrated rural development process. The following guideline questions can be used for the analysis. The explanation following each question shows how different aspects of the FLA process, as indicated in Figure 1, are linked to the different outcome parameters.

Why did the Dak Lak government make this pilot program ?

It is very important to look at the political aspect in FLA pilot project. The local government would try to protect forest resource due to internal and external pressure of environmental protection. Additionally, the Dak Lak government would also want to make promotion or to be famous in political affair.

¹ See IUCN, 2000 Vietnam, conference proceeding

How were the local residents involved in the FLA process and how did they act?

The participation from the local residents in the FLA process plays a vital role, which leads to feasibility and success of FLA. If the local people actively involved at the beginning of the process, it would be a potential way to avoid future conflicts, which might be encountered during the process of devolution.

How were the take holders involved in the process of FLA and what were their roles?

A good coordination and collaboration between the different stakeholders would simplify the complex procedure of FLA. A part from that, the cost of FLA could be reduced, if there is a sound mandate assigned to the main actors in the FLA process.

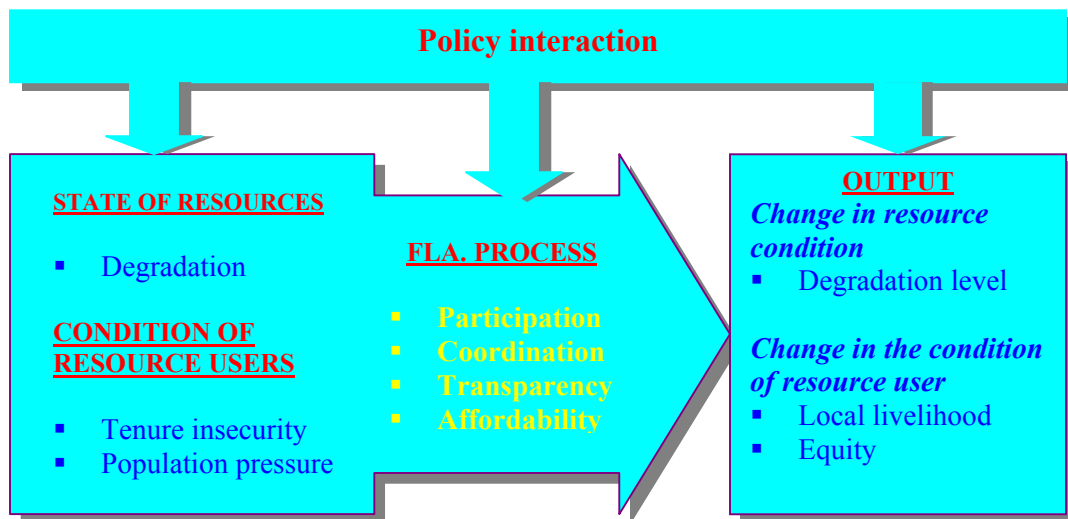


Figure 1: Analytical framework

When does forest land allocation create additional benefits for the households?

As already noted above, that the additional benefits, which arise due to forest land allocation, depend on the quality of the allocated forest, the benefit sharing rules, time preferences, security and the possibility to create new markets for forest products. The expected benefits also depend on the effectiveness by which the households are able to protect the forest they received (see above). Another additional benefit can be seen in the right to mortgage forest land which is entailed in the Red Book Certificate.

3 New policies in the forestry sector

In January, 1994, based on the Decree No. 02/CP and, more recently, in November 1999 by Decree No 163/ND-CP, the government decided to decentralize forest management and allocate forest and forest land to households, individuals and organizations for long-term sustainable usage. So far, mostly bare lands for reforestation have been distributed to agricultural households under this decree. There is still a considerable lack of knowledge and experience concerning successful models of allocating forested land. One major question is under which institutional arrangements forest land should be allocated in order to improve the management and protection of the forests on the one hand and improve the livelihood of rural households on the other hand. Another question is whether land should be allocated to individual households, to groups of households or to communities. Different models have been discussed: leasing out of forest land on a long-term contractual basis, allocation of a bundle of rights (right to use, to mortgage, to transfer, to inherit, right to sell.) on the basis of the Land Use Certificate, a so called “Red Book”², or formation of groups of households for the purpose of forest management, etc.

Against this background, the People’s Committee (PC) of Dak Lak Province has played a pioneering role and started a pilot project of allocating existing natural forest to households, user groups and communities. This strategy goes much beyond the national policy and has not taken place in other provinces. 15,000 ha of stock forest from six State Forest Enterprises (SFEs) were allocated to households, user groups and communities with Red Book certificates. In order to get a successful model of forest management, Dak Lak province tried to devolve forest land to several different economic entities, such as individuals, user groups and communities.

Taking into account that there is still a considerable lack of knowledge and experience concerning successful models of allocating forested land, this pilot project in Dak Lak province offers a unique opportunity for policy-relevant research on forest land allocation. The pilot project allows researchers to study directly the process of Forest Land Allocation in order to evaluate the degree of participation of villagers, the equity and transparency aspects, and the role of the different actors involved in the process. This research will be relevant not only for the regional level in Dak Lak Province, but will also contribute to the further development of forest policies on the national level.

² Land Use Certificate with red cover, in Vietnamese called “Red Book”

4 Research methods

The field study was conducted in two State Forest Enterprises, in Ea Hleo and Cu Jut district, Dak Lak province, Vietnam. These cases have been selected because the Forest Land Allocation process was particularly advanced and these cases were also characterized by a considerable variation of socio-culture conditions and land use systems.

The major focus of the research was the collection of primary data using household interviews and meetings with the stakeholders at various levels (commune, district and province), who are involved in the Forest Land Allocation process. At the village level, the discussions were informally held with the participation of the traditional village headman, official village headman, key informants and representatives of the mass organizations such as the women's union, and veteran's association, who offered an overview of the villages' socio-economic conditions. At the commune level, the People's Committee and the Forestry Board representatives were interviewed using questionnaires. At the district level, interview guidelines were used to interview the following organizations/agencies: People's Committee, Forest Protection Units, Land Management Offices, Agriculture and Rural Development Offices, Agricultural Extension Stations, and State Forest Enterprises.

To construct the sampling frame, a list of all households in the two selected sites was obtained from village headmen and State Forest Enterprises. The poverty status³, recipient status and village affiliation were also defined in this list. Using this list as sampling frame, a stratified random sample was drawn using SPSS (Statistical Package for Social Science) software. In order to get, as far as possible, an unbiased representative field data, recipient status and poverty group were used as stratification criteria. This procedure ensured that the sample represents households of all poverty classes in all villages of the two cases, where Forest Land Allocation took place. The sample comprised 75 recipient and 55 non-recipient households of the Forest Land Allocation program. The proportion of sampled households which received forest land was higher in the sample than in the population because the study focused more on the recipient group. The sample households were interviewed, using a pre-tested standardized questionnaire. The information from the household interviews was encoded and entered into SPSS software for statistical analysis.

Participatory observation of meetings, field visits and Participatory Rural Appraisal (PRA) techniques were also used during the field research. This proved to be very useful to

³ Base on the results of the survey from Poverty Alleviation program

gain a deeper understanding and to cross-check the collected information. Additionally, provincial workshops, and roundtable discussions were held to get comments from stakeholders of Forest Land Allocation. This was another valuable information source for this study.

5 Results and analysis

The results and analysis is based on the household survey and interviews of stakeholders involved in the FLA process at all levels from province downward to village.

Table 1: Household sampling selection

	<i>Ea Sol</i>	<i>Cu Jut</i>	<i>Total</i>	<i>Interviewed</i>	<i>Percent</i>
<i>Total HH⁴</i>	297	122	419	130	31%
<i>Recipient</i>	119	81	200	75	38%
<i>Non-recipient</i>	178	41	219	55	25%

5.1 Stakeholders description

Although, the institutional landscape of FLA is very diverse in the early stages of the program, it can be divided into four main groups

1. Local government with the communal People's Committee
2. Government agencies,
3. User groups, and
4. The private sector and non-government organizations.

It is useful to have a closer look at the vertical and horizontal relationships among these institutions and between these institutions and FLA in terms of decision-making, service provision, resource flows, and accountability.

For the local governments FLA is a process of decentralization as well as devolution of forest management. They, therefore have more power in decision-making compared to in the past. However, they also have more responsibility for forest protection and enforcement of penalties against violations of forest management laws. Local government has tried to devolve forest management to lower levels and to individual

⁴ Total households in FLA area, not for whole commune.

households or user groups. This is a process that can improve the cooperation in forest protection activities and lead to joint forest management. On the other hand, in the early stages of FLA, local people need support from local governments such as basic services like financial assistance, extension, and improvement of infrastructures. The Provincial People's Committee has played an active role in the FLA process and induced the departments at the provincial level to fulfill their mandates. Due to a lack of experienced and trained human resources, however, the local governments at district and commune levels performed ineffectively at the beginning of the FLA process. For example, at the beginning they did not know how to get villagers involve in the process of FLA, and the state forest enterprise did not know how to develop a proper operational plan for FLA process.

Government agencies have changed their role due to the FLA process. Different interests prevailed in different government agencies. Therefore, they have followed different ways in the FLA process. The State Forest Enterprises were assigned to implement the FLA and received the budget for it, so they do FLA as annual assignment. Besides, many state forest enterprises in Dak Lak are eager to allocate forest land to local people/community, because this area is mainly poor or degraded forest, of which they can only make limited profit. In areas with fertile basaltic soils, which are suitable to plant cash crop like coffee and pepper, the state forest enterprises try to keep their land and are resistant to allocate it, in order to do business with cash crop plantations. Other state agencies such as the Land Management Office, the Forest Protection Unit, the Agriculture Extension Station, and the Agriculture and Rural Development Office were not actively involved in the FLA process, because they did not get any benefit from FLA. They participated in FLA process due to their mandates assigned by the local governments.

User Groups of FLA in Dak Lak province include individual households, groups of household and communities. The incentive of the local people to get involved in FLA is to have an official right to use the forest and forest land as well as the related benefits, and to pass it on to their children. For urgent needs, the recipients were allowed to convert some part of forest to agricultural land, if they lacked land for cultivation. In addition, they may get support from local government through the state agencies such as technical services, training programs, and credit schemes. It is expected that FLA would create more investment in forest development by these user groups. However, in view of the long-term nature of the benefits derived from forest production, the user groups face severe difficulties in terms of capital and labor force, if FLA is carried out with individual household recipients. Another danger of

FLA is the potential for forest degradation, conversion or clear-cutting for other purposes due to difficulties in protection by the forest owners, unsuitable economic development policies, and poor monitoring systems of local governments. In addition, people may move to forest areas that belong to other owners or state forest enterprises to log timber or harvest NTFPs. This could create more difficulties for state forest enterprises and the local governments.

In the private sector and Non-government Organizations in Dak Lak province, there is only one foreign project involved in FLA process, which supported state agencies and local governments to apply participatory approaches in FLA. It is too early to identify any private company or organization, who is involved in the FLA in Dak Lak province. So far, almost all forest management activities are undertaken by state agencies. Nevertheless, FLA may give a chance for the private sector to be involved in service provision in the near future.

Role of the foreign project: The Sustainable Management of Resources in the Lower Mekong Basin Project (SMRP) has the objective to support the Mekong River Commission, its member states and relevant partner organizations in “developing, promoting and implementing strategies in participatory natural resource management”. In Dak Lak province, SMRP has focused on pilot projects of developing innovative participatory approaches to land use planning, forest land allocation, and forest management through state agencies with support from Non-Government Organizations (NGOs). SMRP has created a forum and roundtable discussions among departments at provincial and district level, which performed weak coordination in the early stages of the FLA process. SMRP has also financed the “Consultative Working Group” (CWG) of forest land allocation of Dak Lak province which has members from various organizations such as Tay Nguyen University, Land Management Department, Forest Protection Department, etc. The main task of the CWG is to give technical and scientific advise to Department of Agriculture and Rural Development to implement FLA and to monitor, evaluate and document the FLA process. SMRP has contributed significantly to the promotion of participatory approaches and facilitated local authorities and agencies to pay attention to gender issues in the implementation process. In addition, SMRP organized and supported several training courses for local staff in terms of participatory approaches. In reality, the FLA initiative came from the State Forest Enterprises themselves. Only after the FLA process had started, the SMRP came in to facilitate and promote it.

5.2 The roles, incentives and capacity of the stakeholders

Roles: The findings from this study show that the pilot project of FLA in Dak Lak province has achieved initial remarkable initial successes, because of the high need for policy relevant models for FLA. However, there are number of shortcomings that need to be addressed for improvement in further implementation of FLA. For example, the institutional arrangements in the earlier stages were not well organized, mainly due to the low level of collaboration between state agencies. The stakeholders involved in the FLA process all had different interests, and even no interest at all, except just as a duty assigned by local government. It is too early to judge the success of FLA and the degree to which it achieved its objectives. Nevertheless, FLA has initiated a promising trend to the change role of government agencies, from direct management of resources to the provision of a regulatory framework and support services. The role of state forest enterprises, agriculture extension body, and other relevant organizations would change accordingly. For the State Forest Enterprises, FLA would change their role from direct management of forest into service providing agencies. As the research has shown, State Forest Enterprises were very different in their capacity. There are some State Forest Enterprises that have sufficient capacity to do their own business, but many of them have shown a weak capacity to adapt to the new situation. For example, Cu Jut Forest Enterprise has performed ineffectively in the FLA process due to lacking of well trained staff and low level of coordination. The agriculture and forestry extension body will have more chance to do business by providing services to individual households, community in term of forest production and other off-farm enterprises. Because local villagers would have more demands in forestry extension services. In this circumstance, state agencies will also change their behavior due to ownership of forest changed. To do so, State Forest Enterprises and the extension body needs to be trained more in term of technical skills as well as the approaches. The participatory and bottom up approaches should be taken into account during the implementation process. Moreover, a sound and adequate legal framework and mechanism to help state agencies doing business need to be issued by government in order to adapt to the new circumstance.

Participation was taken into account in the implementation process, but it was not followed properly due to lacking of experience in implementation process. Most of state agencies have got used to top down approaches, so far, because they have to follow regulation issued by higher levels instead of demands from local people. Many relevant

organizations and even local people have just been informed about FLA, but they did not know much about the process and especially were not included in the decision making process. This shortcoming may cause conflicts between the state agencies, local government, and among the people who should benefit from the FLA program. Thus, many state forest enterprises were afraid to conduct a FLA program, because they wanted to try to avoid the risk of creating conflicts. Moreover, they do not want to lose benefits caused by handing over property rights to other holders.

Incentives: It is expected that FLA can contribute to halt deforestation as well as to alleviate poverty. In addition, in the administrative reform process, local governments want to reduce the costs of resource management. Besides, government agencies would make some business by providing services to user groups and undertake certain rural development programs on behalf of the government. FLA in Dak Lak could also be a chance for some state forest enterprises to “kick the ball” of responsibility of forest protection to local people, because most of the forest area to be allocated is poor and degraded forest, which cannot be harvested in the coming five or ten years. The pilot project has definitely determined that FLA will get more involvement from local people in forest protection, at least in the allocated areas due to the official regulations in the Red Books. Moreover, under pressure from the demands of environmental protection from national and international levels, the local government tries to overcome deforestation by conducting FLA. In addition, local government of Dak Lak would also like to prove their capacity in process of forest management reform.

Capacity: It is necessary to look at financial, skill/experience and coordination among stakeholders. Related to the financial issue, complete FLA would need a huge budget to be requested from local government. For example, the cost is including forest inventory, issuing Red Book, mapping, ... However, it is feasible to continue allocating forest land because recently the central government spends annually about six billion VND for forest protection. This budget will be spent until government has found a proper solution for forest protection. When will government stop spend this amount for forest protection in Dak Lak is still an open question. However, if government uses six billion VND for FLA, these can allocate approximately 120.000 ha in two or three years⁵. It means that, after two or three years government will not have to spend such amount anymore because forest land will be

⁵ See {Thanh.T.N, Tuan.N.V, et al. 2000}

protected by local people. At that time, government has to support local communities only extension services.

Due to the lack of experience of FLA implementation, the main actors in the pilot area undertook the FLA with learning by doing approaches. This in general can lead to a sound model for devolution of forest management in the transition process of the country's economic development because local actors would have initiatives during the experimentation. Besides, it would be a valuable example for other provinces to draw lessons learnt from implication of policy. However, learning-by-doing takes a long time and is risky for the actors involved, especially for the beneficiaries of the project because of a fear of a failure of policy.

The FLA in Dak Lak can be undertaken by state forest enterprises, because they have the capability in terms of forest inventory and forest development design. Also, they are familiar with the forests that they have managed since the foundation of the forest enterprise. A problem, which needs to be addressed, is coordination and collaboration among government agencies, e.g. among the departments at provincial level, between SFEs and other government agencies at district level. In addition, participatory approaches and gender issues should be taken into account during implementation process as well as decision making at all levels.

5.3 Gender issues

In Ea H'Leo district the FLA has been undertaken in indigenous minority areas where a matriarchal cultural system exists. Therefore, it is of particular importance to pay attention to gender issues. However, the participation of the women in the FLA process does not mirror their importance in every day forest management. As mentioned above, men undertake most of the affairs dealing with outsiders. Related to the FLA program, women's participation in the meetings was much less than men. The field research showed that Gia Rai ethnic group in Ea Sol commune prefers land management systems following the traditional way of matriarchy. The FLA therefore gives them a chance to conserve their own customary law in land management. On the contrary, people in Cu Jut with its majority of Kinh and Thai ethnic groups employ a different system in land management. They do not intend to bequeath allocated plots to daughters, because daughters will get married and move to the

husband's family. However, there are also a number of families, who have the idea that land should be equally divided up to all children.

Nevertheless, most villagers in both study sites registered only the husband's name in the Redbook. They suppose that husband is the 'family owner' and the key person, who deals with most social affairs and with outsiders. Some villagers explained that husbands have better knowledge in law issues and social affairs than wives do. In principle, this would be risky for female villagers in case they divorce or separate the family. In reality, regarding land selling or transferring land use rights in Vietnam, a family want to sell land they must have both husband and wife signatures in the document if they are married.

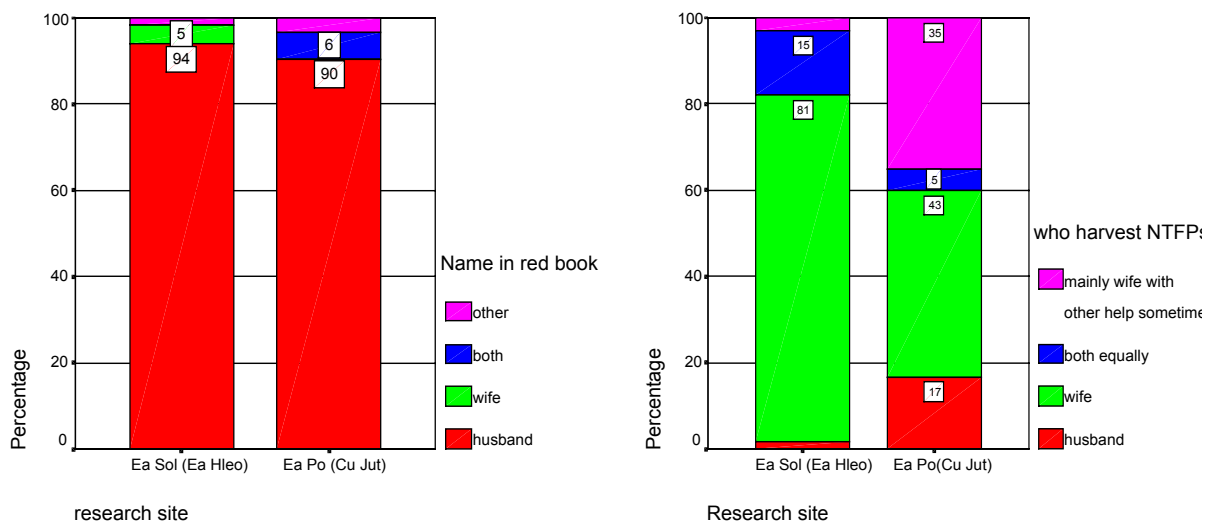


Figure 2: Register name in the Red Book **Figure 3: Collection of NTFPs in two study sites**

However, gender plays a larger role in how forests are used in the study sites. Harvesting of forest products for food and income generation are important activities for villagers in two study sites. The data from field research showed that the collection of non-timber forest products (NTFPs) is mostly done by women.

It is crucial to pay attention to women in aspects related to forest management as women spend considerably more time in the forest than men and are the primary 'forest managers'. Because they are very familiar with the forest, training courses or extension services after FLA could facilitate the use of their skills in forest protection and management. In households of ethnic minorities, women have a substantial knowledge on forest products, because they usually go to harvest NTFPs in the natural forest. For example, many kinds of

medical herbs are only known by women, especially in the indigenous ethnic group of Gia Rai, E de and M'ong people.

6 Conclusion

The pilot project of FLA in Dak Lak province has given a good signal for the reformed process of forest management in Vietnam thanks to many efforts to address the needs of local people. Dak Lak has played a vital role in pioneering experimentation in this field in addressing the needs of local people, which is highly appreciated by the central government. The findings from the study demonstrate that the forest land allocation process in Dak Lak province is extremely important as a pilot project, from which valuable experiences and lessons can be drawn. Studying these experiences could support the future forest land allocation process not only in the region, but also in the whole country. The lessons to be learnt from Dak Lak will help policy makers and organizations involved in the implementation of further development and adjust the policies and implementation process.

However, there have been shortcomings of the implementation process that need to be addressed before FLA is tried in other areas. The participation of villagers in different poverty classes, women and relevant stakeholders was not completely followed properly, especially in the decision making process. The coordination, collaboration among state agencies, and between state agencies with local people was not good at the earlier stage of the implementation process.

Forest Land Allocation gave local farmers a chance to decide what to do with their forest plots. Additionally, the FLA gives local communities a chance to manage their forest with their own traditional ways. Thus, they can reserve the culture such as customary laws in forest management, watershed management and spirit forest protection. However, there is still a considerable amount of paper work to be done before getting to the final decision. One of the big problems that the FLA recipients have to face is lack of funds to invest in forest development. Although a “Red Book” can be used as a collateral for a loan at the bank, it is still complicated procedure for farmers. It is very necessary to have integrated programs to help farmers after FLA has taken place. Nonetheless, this pilot project has the potential to radically change perceptions at the national level toward local forest management, and especially toward management of forests by marginalized ethnic minorities.

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