



SOME COMMENTS TO THE DRAFT OF THE DECREE

Investment for forest protection and development, forest product processing and trade

From GIZ & KfW, DAI, CIFOR, ICRAF & PanNature and CEGORN



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INTRODUCTION

The Decree “Investment policy on protection, development of forests, processing and trade in forest products” marks the innovative development of investment, support and investment promotion of the forestry sector in the new period, ensuring the requirements for general economic development and implementation of the Vietnam Forestry Development Strategy for the period of 2021-2030, Vision to 2050. The draft decree is widely shared to synthesize the opinions of the parties concerned.

We recognize and appreciate the innovations and draft regulations related to the scope of adjustments covering all activities, Subjects invested by the State, investment support, investment incentives; adjusting some investment levels/investment support to ensure income for participants; policies to encourage enterprises to participate in joint ventures, link with forest owners, process forestry, invest in reforestation; combining the resort ecotourism business with the protection and conservation of forest biodiversity; encourage the application of high technology in the production of plant varieties; mechanisms for construction, appraisal, approval and grant of investment capital/investment support from the State budget.

Based on international experience and implementation of policies and regulations on investment in forest protection, development, processing and trade in forest products in Vietnam, our 7 organizations contributed a number of ideas to ensure the effective development and implementation of the Decree, ensuring sufficient investment budget for sustainable forest management and development while encouraging joint venture cooperation and linkage throughout the value chain, promoting the autonomy and responsibility of forest owners to help reduce the burden on the State budget.

The document consists of three main parts:

- Part 1: Synthesize and discuss a number of issues related to investment policy, forest development, processing and trade in forest products.
- Part 2: Detailed comments on the policies outlined in the draft Decree
- Part 3: Proposed addition of policies not mentioned in the draft Decree

We hope this brief document will be a useful input channel for the Viet Nam Administration of Forestry (VNFOREST) in the process of finalizing the draft decree.



PART 1: SUMMARY OF A NUMBER OF ISSUES RELATED TO INVESTMENT POLICIES ON FOREST PROTECTION, DEVELOPMENT, PROCESSING AND TRADE IN FOREST PRODUCTS

Our comments for the Draft Decree focus on the following groups of issues:

- Norms of some investment policies and investment support;
- Subjects need support and conditions to be met to be supported in some investment policies and investment support;
- Policies necessary to encourage and motivate investment of non-state economic sectors
- Structure of decree

1.1. Norms of some investment policies and investment support

The increase and reduction of norms depends a lot on the level of budget that the State can invest in the forestry industry, especially for the protection and development of special-use forests, protection forests and production forests.

We understand that it is difficult to set a high norm that meets the expectations of beneficiaries. However, when determining norms, the Decree should also consider: i) practicality: the norms need to be in line with the market price level so that investments or investment support really make sense, which has the effect of encouraging beneficiaries to spend more funding to invest enough; and ii) ensure relative equity between forests, especially during the closing period of forests, when productive forests are natural forests that are restricted from main logging and are protected similar to special-use and protected forests.

Specific examples are stated in Part 2 (Detailed comments on the policies outlined in the draft Decree), mainly in Article 5 (protection of special-use forests, protection, forests exported as natural forests); Article 7 (proposed increase in the level of funding for the cultivation of natural forests); Article 14 (increase the level of support for granting certificates of sustainable forest management, reduce the size of the minimum area supported - currently 300ha); Article 17 (reducing the size of the minimum area supported investment in the construction of forestry roads and forest protection works in productive forests – currently 500ha) etc.

1.2. A number of regulations related to investment subjects

The decree should expand the investment subjects and beneficiaries of some investment policies. Below are some examples. Other specific recommendations are outlined in Part 2 (Detailed comments on policies outlined in the draft Decree).

- People in the buffer zone of protective forests: Protected forests have an important role in protecting the environment, biodiversity and also provide types of forest environmental services that are not too much less than special-use forests. The mobilization of community participation living in areas adjacent to protective forests is necessary. The policy of supporting livelihood development, improving the lives of people in buffer zones, if applied to some buffer communities of protected forests will help to increase the participation of the community in forest protection and development. (Additional article 13).
- Forests are temporarily managed by Provincial-level People's Committees: According to the Law on Forestry, the Provincial People's Committee is not regulated as "forest owners", while in fact the Provincial People's Committee is being assigned to manage nearly 3 million hectares of forest, including 1,923,644 hectares of natural forest and 1,016,840 hectares of plantation forest. These areas should be gradually assigned to forest owners as stipulated in the Forestry Law. However, the lack of funding to pay for land allocation and forest allocation procedures is slowing this process. The State should have a policy to ensure funding for forest allocation activities associated with land allocation from forest funds managed by the Provincial People's Committee. (Additional article 29).
- Some subjects are supported to access credit: in addition to "households and individuals supported in planting forests for non-timber production and development of forest products specified in Article 10 of this Decree", "organizations, individuals, agricultural, forestry and forest products processing joint ventures, should be added, linking large timber plantations concentrated with households, household groups, communities and cooperatives in regional Provincials II and III." In fact, these are the people who need bank loans and have the capacity to borrow and pay capital and interest. (Additional article 18).
- Facilities for the implementation of biodiversity conservation objectives in special-use and protective forests: Funding for biodiversity research, investigation and survey activities and especially biodiversity conservation facilities in special-use forests, Protection is currently very limited. In many places, natural forest production forests also have a much less level of biodiversity and biodiversity importance than special-use and protective forests, but are not supported in terms of conservation.

1.3. Policies to encourage and motivate investment of non-state economic sectors

According to the Law on Forestry, the State guarantees resources for the management, protection and development of special-use forests and protection forests. For the development of forest production, processing and trade in forest products, the State only plays a supporting role. This principle is in line with the development law of the market economy and ensures compliance with international trade agreements of which Vietnam is a member.

Investment resources for forest production as well as investment in the development of wood and forest products processing industries in the past (and in the future) mainly come from non-state economic sectors, including forestry companies, domestic wood and forest products processing companies and FDI, cooperatives, households, etc. However, the draft decree is still built mainly from the point of view of state subsidies rather than the state's motivation.

The expectation for the Decree is that it will help provide tangible resources (e.g. investment in the development of the types of infrastructure that the private sector is difficult to invest in), intangible resources (technology, high-quality human resources, negotiation and signing of trade agreements, building and protecting Vietnamese brands in domestic and international markets...) and reasonable mechanisms (simplifying administrative procedures, expanding access to loans ...), thereby encouraging the non-state economic sector to actively invest in the development of forest production, processing, trade in wood and forest products.

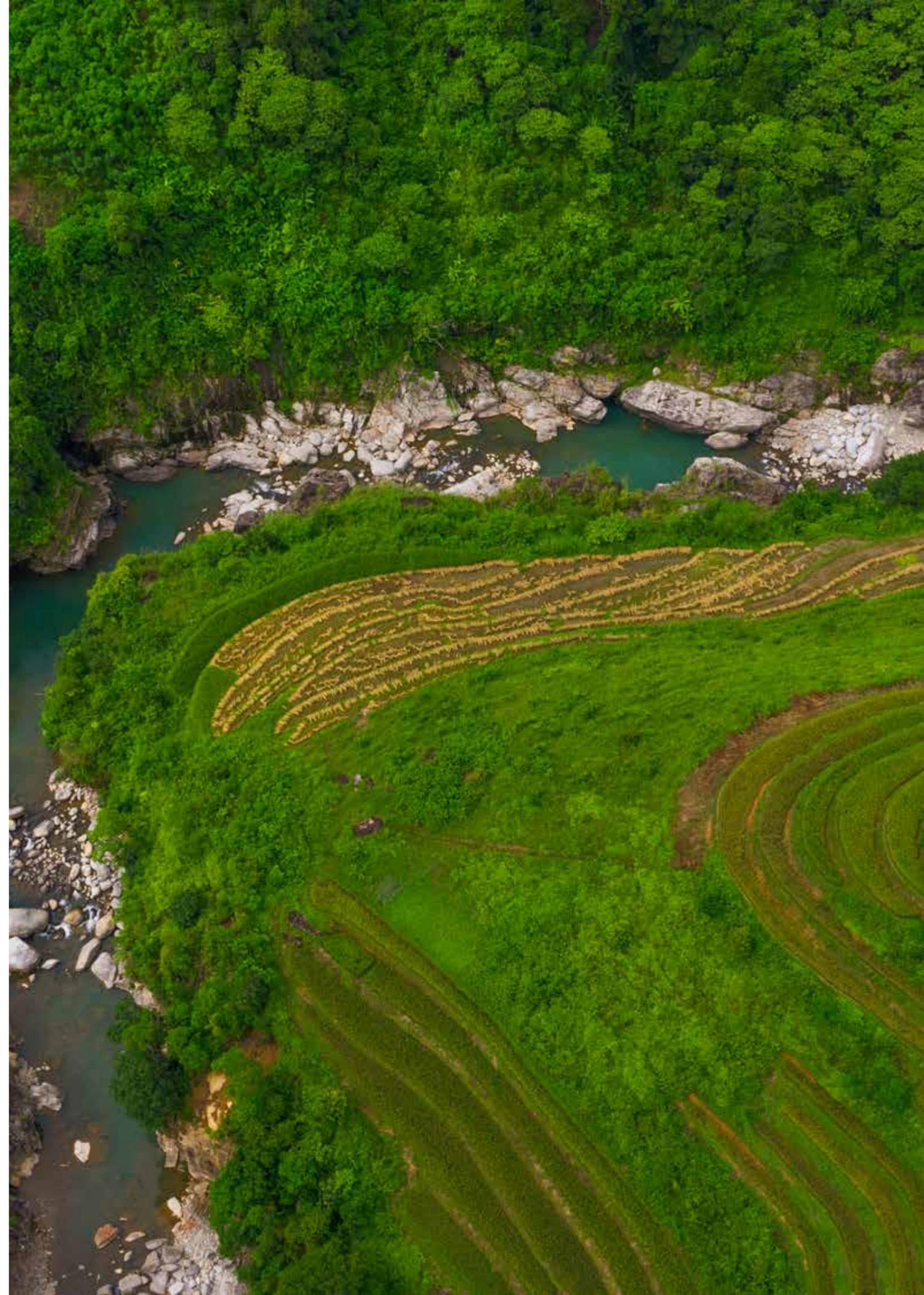
Similar to the above, we make specific recommendations in Part 2 (Detailed comments on the policies outlined in the draft Decree) and Part 3 (Proposing additional policies not yet mentioned in the draft Decree).

1.4. Structure of the Decree

The draft Decree currently contains 35 Articles of 4 Chapters, in which investment policies, investment support and incentives for all contents of protection and development of special-use forests, protection, production, processing and trade in forest products are mainly located in Chapter II (19 Articles, From Articles 5 to 23) and Chapter III (7 Articles, From Article 24 to Article 30). This layout makes the policy for different types of forests, different forestry development activities and Subjects related to each type of forest, the type of forestry activities intertwined, difficult to track, look up, apply.

We propose to restructure the Decree in the following direction:

- Keep Chapters I, III, IV as in the draft.
- Separate Chapter 2 into four categories:
 - Section 1. Some investment policies for special-use forests and protection forests
 - Section 2. Some investment policies for forests producing and producing forestry plant varieties
 - Section 3. Some investment policies for other specialized activities for forest protection and development
 - Section 4. Some investment policies for processing and trade in forest product



PART 2. DETAILED COMMENTS ON THE POLICIES OUTLINED IN THE DRAFT DECREE

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
GENERAL ISSUES			
Title	Investment policies for forest protection and development, forest product processing and trade	GIZ & KfW	In accordance with Article 94 – Forestry Law
Structure	<p>Chapter 2 should be restructured into 4 Sections:</p> <ul style="list-style-type: none"> • Section 1. Investment in special use forests and protection forests • Section 2. Investment in production forests and producing forestry plant varieties • Section 3. Investment in forest protection and development tasks • Section 4. Investment in forest product processing and trade 	GIZ, DAI	<ul style="list-style-type: none"> - Forestry Law identifies 3 types of forests, each type has different functions and purposes. Management agencies, mechanisms and policies for these forests are also different. Therefore, the Decree needs to differentiate the investment policies on them. - SUFs and PFs are public property. Investing in protected and special-use forests to preserve and protect biodiversity values, environmental protection functions of forests and investments that increase the value of biodiversity, environmental protection functions of production forests through sustainable forest management, Forest certificates need to be recognized as contributing to public property, and should be guaranteed and prioritized by the state. Investment items that need to be concretized are expenditure tasks at each central and local levels to ensure that the investment is made sufficiently and effectively. - Specifically, in investment in special-use forests and protection, it is also necessary to clarify the expenditure tasks of the budgets at all levels- central and provincial levels for each investment item from the planning and investigation of biodiversity, implementation of forest enrichment measures. Monitoring... to ensure guaranteed investment, even if the budgets of provinces (usually rich in protected and special-use forest areas) are limited (see also comments in Article 24 - financial mechanism).. - While production forests serve business purposes and therefore need support investment from the state. The Decree needs to separate into different Sections, one of which is “investment in production forests”, thus make it clearer for application later. - Processing is an industry, having special features and therefore need to be regulated in a separate Section. It is also necessary to consider the investment of a legal timber control system as part of the state budget’s expenditure tasks to support the processing industry and trade in forest products. - Separating Chapter 2 into items will be easy to follow for the reader. - Similar to the structure of some other by law documents
CHAPTER 1 – GENERAL PROVISION			
Article 1. Scope of regulation	This Decree prescribes a number of policies on investment in forest protection and development of forestry sector	PanNature/GIZ, KfW	
Option 2	This Decree provides for a number of policies on investment in forest protection and development, processing and trade in forest products.		Drop the phrase “in forestry” because it is not necessary.

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
Article 2. Subjects of application			
Add	Add “group of households” in relevant articles of the Decree	CIFOR	In reality, groups of households are implementing many forest protection activities
Article 3. Interpretation of terms			
Add	Add the definition of “projects of group C and above” (mentioned in Article 25) or refer to Article 10 of the Public Investment Law 2019.	DAI	There is definition of “Provincial types II, III”. Similarly, definition of “project type C” need to be given. Alternatively, due to the considerable length of the definition of Project type C, this Decree can refer to Article 10 of the Public Investment Law 2019
3. High-tech forestry industrial zone	Option 1: A hi-tech forestry zone is a place to apply science and technology to create new products to meet the needs of reducing emissions, creating alternative sources of raw materials, reducing costs, building application apply science and technology to improve the efficiency of forest resource management and monitoring and increase added value, or apply and develop artificial intelligence and digital technology applied to forest management and protection.	CIFOR	The policies and concepts of high-tech forestry zones have not yet shown the world trends, priorities and important investments in science and technology applied to the forestry industry. Prioritizing focus on seed production industry is important, but not the only orientation. High-tech development investment policy requires both investment in terms of resources, policies to support the development and testing of new products, policies to support land, tax, unsecured loans & transfer of accompanying ownership rights.
	Option 2: Hi-tech forestry zone is a multifunctional economic and technical zone with defined boundaries, decided by the Prime Minister, in order to research - develop and apply high technology, incubate high-tech enterprises, train high-tech human resources and produce, trading in high-tech products for the protection, development of forests, processing and forest products.”		The Law on Science and Technology 2018 refers to “high-tech agricultural zones” (Clause 15, Article 3), but the provisions in Clause 2, Clause 3, Article 67 of this Law on the construction of high-tech agricultural zones were abolished in 2000. Decree No. 99/2003/ND-CP dated August 28, 2003 on the promulgation of the regulation of hi-tech parks using the concept of “Hi-tech Park” (no word “application”. Clause 3, Article 2 of this Decree defines: “Hi-tech park” is a multifunctional economic and technical zone, with defined boundaries, established by the Prime Minister, in order to research - develop and apply high technology, incubate high-tech enterprises, train high-tech human resources and produce, High-tech products business.
	Unified use of the concept of “Hi-tech forestry zone” or “Hi-tech forestry zone”	GIZ	The decree is using both terms. We need to agree on the use of one term.
Other comments	Add the concept of “investment policy”: Investment policy needs to be accompanied by ongoing technical support and capacity building - ensuring both before, during and after the afforestation process by regular participation of relevant agencies.	CIFOR	Current investment support policies focus only on cash (which is considered very limited from the perspective of beneficiaries so far) and should have a new approach that shows a combination of support: cash and non-cash assistance.
Article 4. Principles for formulating investment policies			
4. The State has policies on investment support and investment incentives for a number of related ACTIVITIES....	- Referring to “relevant activities” as prescribed in Article 87, Decree 156	GIZ, KfW, CIFOR	Ensure clarity, avoid misunderstanding and consistency when implementing

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)		
5. The State encourages organizations and individuals to self-finance and mobilize capital...	Amendments to ensure that the state encourages non-state actors to self-finance, encourages public-private models to effectively implement forest protection and development activities, forest product processing and trade, and investment and development trade in forest carbon credits.	CIFOR, DAI	To encourage organizations and individuals to invest and mobilize capital by themselves, the Decree needs to introduce policies to create motivation for these actors, especially those from non-state economic sectors. For example: simplify administrative procedures, support access to credit sources, support brand building, brand protection, etc.		
Chapter II. SOME INVESTMENT POLICIES					
SECTION 1. FOR SPECIAL-USE AND PROTECTION FOREST					
Article 5. Protection of special-use, protection and production forests which are natural forests					
Propose to restructure	<ul style="list-style-type: none"> - It is proposed to separate Article 5 into 2 articles: <ul style="list-style-type: none"> • Article 5a. Funding for protection of special-use forests and protection forests • Article 5b. Contract for protection of special-use forests and protection forests • Move the content of protection of natural production forests into “Section 2. For production forests and production of forestry plant varieties”. - Arrange items 2, 3, 4 as follows for consistency and logic: 	GIZ, KfW	<ul style="list-style-type: none"> - According to the provisions of Clause 1, Article 94 of the Forestry Law and Article 87 of DECREE 156/2018/ND-CP: The State ensures investment in protection of SPECIAL-USE FOREST, PH. Production forests are natural forests that the State only supports investment. - The State provides funds for the protection of SPECIAL-SPECIAL FORESTS and PHS for forest owners who are forest management boards and other organizations that are forest owners; then these organizations contract FOREST PROTECTION for organizations/individuals, so they need to be separated into 2 separate articles. 		
Edit Article 5	Amending the name of Article 5 to: “Protection of special-use forests and protection; productive forests are natural forests during forest closure” (added the phrase “during forest closure”)		<p>During the closure of forests, productive forests are protected natural forests no different from special-use and protected forests.</p> <p>Unlike special-use forests and protection forests, when forest closures are not closed, production forest owners are allowed to harvest timber and forest products and carry out profitable toajo business activities. Therefore, the State only needs to support forest owners to produce natural forests during the forest closure.</p>		
	2. Funding investment for forest management and protection: a. Object b. Level c. The order of execution	3. Financial support: a. Object b. Level c. The order of execution	4. Forest protection Contract a. Contracted object b. Contracted subjects c. Contract terms and limits d. Contract level e. Contracting method f. The order of execution		Ensure consistency in logical order.

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1. Subjects	Separate forest owners according to Articles 5a and 5b proposed above:	GIZ	
b) Forest owners are other organizations assigned by the State for managing special-use and protection forests.	Scientific, technological and economic organizations and units of the armed forces who are managing special-use and protection forests.	CEGORN&PAN	Use concepts consistent with the 2017 Forestry Law to facilitate implementation of this decree and avoid divergent interpretations.
c) The forest owner being an agricultural or forestry company, which is allocated or leased out natural production forest during the closure of the forest by the State.	Agriculture and forestry companies are allocated protective and special-use forests by the State; allocation and lease of production forests which are natural forests during the period of forest closure.	CEGORN&PAN	Use concepts consistent with the 2017 Forestry Law to facilitate implementation of this decree and avoid divergent interpretations.
d) Provincial-level People's Committees who are managing forest areas that have not been allocated or leased.	Provincial-level People's Committees who are managing unallocated and non-lease forest areas, including production, protection and special-use forests.	CEGORN&PAN	Use concepts consistent with the 2017 Forestry Law to facilitate implementation of this decree and avoid divergent interpretations. In fact, many Provincials are managing the area of special-use forests but not mentioned in the draft.
	Consider remove Provincial People's Committees as a beneficiary of investment .	PanNature	The Provincial People's Committee is not a forest owner officially defined in the FORESTRY Law and has no functions and duties to protect and develop special-use forests.
đ) Forest owners who are households, individuals and communities that are allocated protection forests by the State, or natural production forests during the period of forest closure.	Households, individuals and communities are allocated and leased by the State for protection and production forests, which are natural forests during the period of forest closure.	CEGORN&PAN	Use concepts consistent with the 2017 Forestry Law to facilitate implementation of this decree and avoid divergent interpretations.
e) The forest owner who is a community that has been allocated a special-use forest by the State.	Residential communities who are allocated special-use forests by the State.	CEGORN&PAN	Use concepts consistent with the 2017 Forestry Law to facilitate implementation of this decree and avoid divergent interpretations.
2. Funds for management and protection of special-use forests and protection for special-use forest management and protection	Remove the word "average" in the draft of this Decree and replace the word "average" with "minimum level".	CEGORN&PAN	Using the concept of average support level FOR FOREST PROTECTION is not clear and it is difficult for localities to use as a basis for calculation. It is necessary to specify the average against what to have a clear basis for implementation.
	Funding for the management and protection of SPECIAL-SPECIAL FORESTS and protection for the MANAGEMENT BOARD of special-use forests, protection forests, scientific, technological, economic organizations, and armed forces units.	CEGORN&PAN	Separating Subjects to conform to the Forestry Law 2017

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
3. Support funding for forest protection	The level of funding to support forest protection for forest owners who are agricultural and forestry companies that the State allocates or leases natural production forests to during the closure of the forest is 500,000 VND/ha/year, equal to other forest owners specified at Points b, d, dd and e, Clause 1, Article 5.	PanNature, DAI, GIZ, CEGORN	During the closure of the forest, although natural production forest owners can still exploit non-timber forest products, their income from non-timber forest products is often very low, not enough to cover the costs of forest protection. Meanwhile, during the closure of the forest, forest owners all perform the task of protecting natural forests, taking responsibility and obligations before the law for the protection and development of natural forests. Therefore, it is necessary to determine the same level of support for all natural forests during this time.
	Remove the paragraph "Specific levels are decided by the Ministry of Agriculture and Rural Development for forest owners who are units under the Ministry; Provincial-level People's Committees decide to allow forest owners to manage local forests".		If the Ministry of Agriculture and Rural Development and the Provincial People's Committee decide on their own the norms for dependent Subjects, the norms specified in the same article are not meaningful.
b) The level of funding to support FOREST PROTECTION in Provincials in regions II and III and coastal forests is equal to 1.2 times the level of funding for FOREST PROTECTION specified at Point a of this Clause.	The level of funding to support forest protection for the forest area of the Provincial: b1) area II, forests in coastal areas; b2) zone III is 1.2 and 1.3 times respectively the forest protection budget specified at point a of this clause.	CEGORN&PAN	Regulations on payment norms by region need to be clearer and there must be differences between the payment policies between regions II and III. This support is in line with the current policies of the Party and the State to support the development of Provincials in extremely difficult areas to achieve the goal of sustainable development, leaving no one behind.
4. Forest protection contract	All regulations related to contract should not be specifically mentioned in clause 4 of article 5 to avoid repetition between laws.	CEGORN&PAN	Forest protection contract is currently being implemented under Decree No. 168/2016/ND-CP dated December 27, 2016 of the Government. regulations on contracting forests, orchards and water surface areas in MB of special-use forests, protection forests and State-owned one-member limited liability companies in agriculture and forestry.
	a. Contract object: Need to clearly define the object as: forest or contracted subject to avoid confusion.	GIZ, KfW	Points a and b, Clause 4: the expressions of contracting and contracted subjects are not consistent, one side refers to the object of the contracting activity (forest, forest area), but the contracted object expresses the subject of the contract. contracted subjects (households, individuals,...).
	Need to check the wording of paragraph 2, point c, about the CPC that does not organize FOREST PROTECTION? The Provincial People's Committee is currently temporarily assigning for management of forest areas that have not been allocated or leased;		The Provincial People's Committee cannot have its forest protection staffs, but uses the State's support funds to contract forest protection through contracting or building forest protection teams (1 type of contract).
The order of implementation of FOREST PROTECTION contract should be referenced in legal documents such as contract conditions and limits.	Ensure consistency		

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
c) Conditions and quotas for contracted forest protection...	FOREST PROTECTION contract conditions and limits: Remove “in hotspot areas for FOREST PROTECTION” in the paragraph “For the subjects specified at point a, clause 1 of this Article, priority is given to households and individuals contracting for forest protection.” , local communities with forest areas adjacent to residential areas, in hotspot areas of forest protection .	PanNature	At the Management Boards of special-use forests and protection forests, hot spots are prone to deforestation, so they must be directly protected by the forest protection force of the management board.
d) Forest protection contract level:	The contract level for protection of production forests which are natural forests of an agricultural and forestry company is decided by this company but must be at least 300,000 VND/ha/year. Supplement: During the period of forest closure, the State shall compensate for the difference in funding to ensure that the contracted level for protection of natural production forests is equal to the contracted level for protection of special-use forests and protection forests in the same area.		Production forest is a natural forest that is prohibited from exploitation during the period of forest closure. Agro-forestry companies cannot or very little profit from natural forests during this time. Protection and development of natural production forests during this time are no different from those of special-use forests and protection forests. The contracted rate for forest protection during the closure period (and only during the closure period) should be equal to the contracted rate for special-use forests and protection forests. In addition to the closing time of the forest, forest owners can exploit and profit from production forests which are natural forests, with revenue to cover costs, so the contracted rate may be lower than the contracted rate for special-use forests and protection forests.
	Option 1: Increase the support level for FORESTRY PROTECTION to 500,000 VND/ha/year equal to the forest owners specified at Points b, d, dd and e, Clause 1, Article 5.	CEGORN&PAN, DAI, GIZ, KfW	Because forest owners all perform the task of protecting natural forests, they bear the same responsibility and obligations before the law for the protection and development of natural forests.
	Option 2: The contract level for protection of production forests that are natural forests of an agricultural and forestry company is decided by this company, but maximum 300,000 VND/ha/year		Because these companies also only receive support of 300,000 VND/ha/year from the State. So if you calculate the minimum, there will be no compensation.
	“The average contract level to PROTECTION special-use forests and protection forests is VND 500,000/ha/year, or according to the ability of local budget regulation”	PanNature	The fact that the Provincial People’s Committee determines the specific contract for FOREST PROTECTION contract loses the meaning of the contracted norm for FOREST PROTECTION stipulating the same terms.
Article 6. Support for forest fire fighting			
Restructure	It is proposed to move to Section 3. “For other specialized activities in service of forest protection and development”	GIZ	Because this is a specialized activity
1. Subjects	Add more Subjects: Organizations and individuals who are forest owners of forests adjacent to residential areas, special-use forests, and protection forests	DAI	Forest fire is an unexpected risk that can cause damage to residential areas, special use forests and Protection forests. The STATE should assist other private forest owners in fighting forest fires such as those specified in the draft DECREE.

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2. Content and level of support	- Support for fire fighting requires specific regulations on annual fixed budget allocation as well as requires forest owners to commit both financial and human resources to carry out this work.	CIFOR	- Although there is a provision to support the implementation, many people do not receive this cost from the State agency; - The level of mobilization to support forest fire fighting is usually at the village, hamlet and Provincial level where it is not possible to be proactive about financial resources for this work.
3. The State encourages organizations and individuals that are forest owners to implement regulations on supporting forest fire fighting according to the provisions of this DECREE.	Consider the practicality of activities	CIFOR	This contradicts the current regulations, especially the regulations on the responsibility of forest owners to carry out forest fire prevention and fighting activities, rather than being encouraged and paid to carry out the responsibilities that they already have to perform.
Article 7. Zoning and promoting natural regeneration of SPECIAL, PROTECTION FORESTS			
Add	Add the term "Support"	GIZ	Ensure consistency with the other Articles.
1. Execution object a) Subjects of zoning for regeneration promotion:	Not yet mentioned the object of forest area in type II, III Provincials, forest in coastal areas.	GIZ, KfW	Not yet mentioned the object of forest area in KV II, III Provincials, forest in coastal areas.
2. Norm of zoning for regeneration promotion	Change the phrase "norms for zoning for regeneration promotion" to "Supporting level..."	GIZ	Ensure consistency with other Articles
a) The average level of support is 1 million VND/ha/year for a period of 6 years, the specific level is decided by the Provincial People's Committee.	Propose to increase the budget for nurturing natural forests: 1.2 million VND/ha/year for 6 years.	GIZ	- Activities to nurture natural forests are quite similar to zoning and promoting regeneration without additional planting, but requires stricter technical measures. - Silvicultural measures to nourish forests to quickly restore natural forests are prescribed in Circular No. 29/2018/BNN&PTNT dated November 16, 2018 of MARD. - Many SUF&PF with poor protection forests need to be restored quickly to limit forest degradation
Article 8. Support for zoning and regeneration with additional planting of production forests that are natural forests.			
Restructure proposal	It is proposed to move to Section 2: For production forests and production of forestry plant varieties	GIZ	
Other proposal	There should be regulations on forest enrichment, planting additional forests with native trees		In accordance with the decision of the Law on Forestry (Articles 46-48)

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
Article 9. Investment in afforestation, forest enrichment, zoning and regeneration promotion with additional planting of special-use forests and protection forests			
Other comments	There should be regulations on forest enrichment and afforestation with native tree species	CEGORN & PAN	In accordance with the provisions of the Forest Law (Article 46-48)
Other comments	<p>Add: Article XXX: Construction of infrastructure in service of protection and development of special-use forests and protection forests.</p> <p>1. Working offices and temporary houses for officials:</p> <p>a. The office of the Special-use Forest Management Board according to the Decree No. 152/2017/ND-CP dated December 27, 2017 of the CP regulating the standards and norms for the use of the working office and the facilities for public activities. Karma.</p> <p>b. Forest management and protection station average level 200 m²/station and ancillary works and other auxiliary works such as hygienic water, protective fence.</p> <p>c. Temporary residence (collective) attached to the workplace of officials and employees for officials who do not have a place to live in the area, the average level is 12 m²/person.</p> <p>d. In special cases where the office of the Forest Management Board is located, the forest management and protection station does not have a national grid power system, allowing investment in an independent power system (solar power, wind power)</p> <p>2. Investment in roads:</p> <p>a. The road from the existing main road to the office of the SUF&PF MB follow standards from grade III to grade V, suitable to the grade of the existing main road in the area.</p> <p>b. Internal roads in the administrative service subdivision, living quarters of officials and employees; signposts, forest patrol roads with a width of no more than 1.5 m.</p> <p>c. Ship and boat docks for offices and forest management and protection stations located next to rivers and seas are suitable for special-use forest development planning and the ability to balance capital sources.</p>	GIZ	<ul style="list-style-type: none"> - Inheriting the provisions in Decision No. 24/2012/QD-TTg dated June 1, 2012 of the Prime Minister on investment policy on development of special use forests for the period 2011-2020. - This is the essential infrastructure of forest management boards for management and administration activities, ensuring the synchronization in infrastructure investment, which is still very low in special-use forests. , protection. - Create physical foundations to achieve the goal of biodiversity conservation in special-use and protection forests. - To attract investment or link eco-tourism, it is necessary to invest in building the initial infrastructure (just like attracting other investments, for example, industrial parks, markets...)

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
	<p>3. Works invested under other approved projects include: Building a scientific research and experimental forest; national botanical garden; national seed forest; rescue center combined with grazing wild animals; environmental education center combined with guest house; the museum of flora and fauna; collect specimens of forest plants and animals; formulating and implementing the sustainable forest management and protection plan.</p> <p>4. Investment in cooperation projects in service of eco-tourism, convalescence and entertainment in special-use and protection forests, including: communication to tourist destinations, internal communication of tourist attractions.</p>		
Other comments	<p>Supplement: Article XXX: To encourage investment in restoration of special-use and protection forests.</p> <p>Enterprises cooperate, associate with MANAGEMENT BOARD of special-use forests, protect or rent forest environment for eco-tourism, resort and entertainment business in combination with natural forest restoration and biodiversity conservation. In special-use forests, protection is entitled to the following incentives:</p> <p>1. Borrow capital from a commercial bank equal to 100% of the capital of the enterprise participating in cooperation and association with the forest management board, supported by the local budget with interest rates for commercial loans and the duration of interest support. rate as prescribed in Article 8 DECREE No. 57/2018/ND-CP dated April 17, 2018 of Government.</p> <p>2.Reduced forest environment rent for the first 3 years.</p>	GIZ	<p>Investment in forests is often low efficiency, higher risk than doing business in other industries in the same area, so it is necessary to have policies to encourage enterprises.</p> <ul style="list-style-type: none"> - For ecotourism business, the first 3 years only start up activities of investment in tourism facilities, advertising, advertising....have not had many sources of income for investors. - Clause 1 is moved from Clause 2, Article 23 of the draft Decree

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
	<p>Article XXX: Support for livelihood development and improvement of people's lives in buffer zones of special-use forests and protection forests</p> <p>Supplement: regulations to support communities living interspersed in protection forests are similar to supporting communities in buffer zones of special-use forests.</p>		<ul style="list-style-type: none"> - Moving from Article 13 of the draft decree and supplementing PF: - Additional support for residential communities living alternately in PF: + The population lives interspersedly because most of the protection forests are not contiguous into large patches of forest, but formed from narrow forest strips. + There is no policy prioritizing forest protection contracted activities for communities and households living interspersed with PF. Forest protection contracted activities are spread evenly to the communities surrounding the PF. + There is no policy to invest/support investment in the development of communities of people living interspersed with PFs as buffer zones of SUFs to reduce pressure on PFs.
SECTION 2.	FOR PRODUCTION FORESTS PRODUCING FORESTRY PLANT VARIETIES		
Add	<p>Article XXX: Protection of production forests which are natural forests</p> <p>Article XXX: Support for zoning and regeneration with additional planting of PRODUCTION FOREST which is NATURAL FOREST</p>	GIZ	<p>Separate the regulation on PF as natural forest in Article 5 and consider the above proposals.</p> <p>Moving from Article 8, draft décret</p>
Article 10. Support in planting production forests and developing non-timber forest products			
c) Cost support for forestry extension work:	Change "Cost support" to "financial support"	GIZ	Ensure the consistency
5. Order of implementation of investment support projects	<ul style="list-style-type: none"> - Clauses a1, a2, a3 should be rewritten more concisely and clearly in the following direction: - Project to support afforestation for production and development of non-timber forest products assigned to the District People's Committee to set up and act as an investor for forests assigned to households and individuals and managed by the Provincial People's Committee. - Forests belonging to other forest owners are recorded by the forest owners themselves and as investors. 	CEGORN&PAN	To ensure that there is a basis for implementation, avoid overlapping responsibilities between agencies that make investment projects.
b) Funds for post-investment support are granted in 2 installments; 1st time 70%, 2nd time: the rest...	Funding should be divided into 3 times. The first time: 70% after planting and taking care of the first year, the second time: 20% after the 3rd year and the other time when the investor completes the project items and is accepted for completion.	PAN	Due to the long silvicultural cycle, up to 10 years

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
Article 12. Subsidies for reforestation rice instead of land	<p>Converted to “Supporting the planting of alternative forests”. Clause 2 amended to “Cash support level is VND 250,000/gun/month...”</p> <p>Clause 2 also needs to clarify the level of support calculated by conversion area or by number of guns in the household. Will 0.5ha conversion households also receive the same subsidy as 1-2ha conversion households?</p> <p>Clause 3.b should clarify the specific type of plant. Are fruit trees and multi-purpose trees planted on the ground to replace short-term agricultural crops supported?</p> <p>Clause 3 should also supplement the annual land change from annual trees to agroforestry in combination with long-term trees (fruit trees, multi-purpose trees)... with a density of at least 400 trees / ha also receive subsidy (1/2 of the subsidy compared to reforestation)</p>		<p>The quality of rice support for ordinary people is a concern due to uneven quality and in many cases rice does not guarantee quality. The cash support will help reduce procedures in the transportation and sale of rice for subsidies.</p> <p>Including fruit trees and multi-purpose trees in the support category will encourage the transition from annual trees to perennials, creating agro-forestry landscapes that both help develop livelihoods for people while restoring the agro-forestry ecosystem and creating tree corridors connecting to forests.</p>
Article 13. Support for livelihood development and improvement of people’s lives in buffer zones of special-use forests			
Restructure	Move to SECTION 1: FOR SPECIAL-USE AND PROTECTION FOREST	GIZ	
Clarify	Avoid confusing the concept of residential community and village administrative unit (Village, hamlet).	CEGORN&PAN	The support for livelihood development is actually support for people residing in villages, villages, villages, squirrels in special buffer zones. Therefore, it is necessary to use the concept of administrative units instead of the common community as in the draft Decree.
	Clarify more clearly the responsibilities of related parties when receiving support, acceptance, payment and settlement.		
Article 14. Support for sustainable forest management certificates			
Propose adjustment	<p>Option 1: Keeping the current title (Support for sustainable forest management certificates) is ok, as long as the support is not limited in the 1st cycle of certification.</p> <p>Option 2: Adjust to: Support for granting, re-issuing and maintaining certificates of sustainable forest management</p>	DAI	<p>The cost of implementing the requirements of a sustainable forest certificate between the two assessments and the cost of re-evaluation and renewal of the certificate is quite high. In fact, many organizations, after the first certification cycle, were unable to continue re-evaluating or renewing certificates due to lack of funding.</p> <p>With support, forest owners can continue to implement forest certification, thereby expanding the area of certified forests, increasing the output of certified timber and forest products, and creating favorable conditions for the Vietnamese timber industry. enter the world market.</p>
1. Subjects: production forests of forest owners who are households, individuals, and communities that join groups of households, cooperatives or businesses.	Production forests of forest owners are households, individuals, groups of households, residential communities, cooperatives, or associations between households and businesses.	CEGORN&PAN	According to the provisions of the 2017 Forestry Law, community is a forest owner who has been allocated forests by the state for long-term use . In fact, many communities are managing very large areas of plantations and should be certified for sustainable forest management.

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
<p>2. One-time support to develop a sustainable forest management plan and issue forest certificates to forest owners and groups of households with a maximum level of 300,000 VND/ha. The specific level of support is decided by the People's Committee of the province</p>	<p>Supplement: Title: Funding level.</p> <ul style="list-style-type: none"> - One-time support for the development of forest protection management plans and granting forest owners to forest owners, communities, household groups, households and businesses with large timber plantation links, the maximum support level of VND 300,000/ha for first-time certification. Specific level of support shall be decided by the Provincial People's Committee 2. To support subjects with more than 70% of the cost of maintaining forest certificates and 70% of the cost of reissuing certificates every 5 years for the next periods, up to a maximum of VND 300,000/ha/year. 	DAI	<p>The maximum support of VND 300,000 per hectare is already low compared to the total budget that forest owners have to spend to meet the requirements for granting sustainable forest certificates for the first time. The level of support is as high as possible, but also the possibility of support of the state budget must be taken into account. The drafting committee should estimate the total funding needed to support the grant, reissue and maintenance of forest certificates to assess the state's ability to support.</p> <p>Supporting forest owners to maintain forest certification is necessary to prepare for strong international market participation in the coming years.</p>
3. Conditions for being supported			
a) The scale of the production forest area is 300 hectares or more.	Propose to decrease the current scale	CIFOR, GIZ, KfW	The poor, households and communities are difficult to access because they often own small forest areas and often need financial support the most. Investment policies should clearly identify groups that need to be prioritized and have accompanying policies suitable to their capabilities and capacities.
4. The order of receiving support funding: after the forest is granted a certificate of forest protection management, the head of the household group or the director of the cooperative requests the Department of Agriculture and Rural Development to pay according to the decision.	<p>The processes for developing and approving a sustainable forest management plan require large upfront investments, which not all forest owners can afford, especially households.</p> <p>In addition to the initial upfront investment, maintaining certification and ensuring long-term performance comes with additional investment needs - this should be further considered in the Article</p>		<p>The processes for developing and approving a sustainable forest management plan require large upfront investments, which not all forest owners can afford, especially households.</p> <p>In addition to the initial upfront investment, maintaining certification and ensuring long-term performance comes with additional investment needs - this should be further considered in the Article</p>
Article 16. Support for investment in applied hi-tech forestry zones			
Restructure	Move to Section 3. For specialized activities...	GIZ	

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
Article 17. Support Investment in the construction of forestry roads and forest protection works in production forests			
<p>1. Construction of forestry roads</p> <p>a) Subjects and conditions of application: Areas for afforestation of production forests with a concentrated scale of 500 ha or more...</p>	<p>Subjects and conditions of application: The concentrated production forest area of 300 ha or more is supported with a maximum of 20 m of road/ha, the underground streams through the stream are hardened by concrete.</p>	DAI	<p>There are not many concentrated production forests of 500 ha or more.</p> <p>In Article 14. Support for issuance of certificates of forest management protection, the conditions for support for granting forest fire fighting are regulated at “the size of the production forest area of 300 ha or more”</p>
<p>2. Construction of forest protection infrastructure</p> <p>a) Subjects of application: forest protection works are fire-stopping runways in production forests with a concentrated scale of 500 ha or more...</p>	<p>Proposing to reduce support conditions from “500 ha or more” to “300 ha or more”</p>	DAI	
Article 18. Credit policy			
<p>1. Subjects</p> <p>Households and individuals are supported in planting production forests and developing non-timber forest products specified in Article 10 of this Decree.</p>	<p>Add:</p> <p>a. Households and individuals are supported to plant production forests and develop non-timber forest products specified in Article 10 of this Decree.</p> <p>b. Organizations, individuals, agro-forestry and forestry-processing companies that have joint ventures and associations to plant large timber forests in concentration with households, groups of households, cooperatives, and Provincial People’s Committees in the regional Provincials. II and III.</p>	DAI	<ul style="list-style-type: none"> - Subjects supported in Article 10, draft DECREE only include: “households and individuals in Provincials area II and III”. In fact, these are the subjects who rarely dare to borrow money from banks to develop production. - Subjects that have demand for bank loans and have sufficient capacity to borrow and pay capital and interest are enterprises. - Priority will be given to businesses that have joint ventures, association with households and large-scale concentrated timber plantation cooperatives to ensure autonomy in raw materials for the processing industry in the long run. - Priority is given to Provincials in regions II and III due to difficult conditions, few businesses want to spend large costs to invest, and at the same time contribute to the implementation of policies on poverty reduction and rural and mountainous development.

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
2. Loan limit and term: Based on the design and estimate of afforestation and NTFP development, in addition to the support amount specified in Article 10 of this DECREE, the subjects specified in Clause 1 of this Article are entitled to Bank for Social Policies or Bank for Agriculture and Rural Development shall provide loans without collateral for the remaining investment as follows:	Including the proposed additional subjects as above (i.e. organizations, individuals, agricultural, forestry and forest product processing companies that have joint ventures and associations with concentrated large-scale timber plantations with households). , groups of households, communities, and cooperatives in Provincials area II and III)	DAI	
Add	Article XXX: Preferential policies and investment support for enterprises investing in the protection and development of production forests		Move from Article 23 of the Draft Decree (remove Clause 2 because it has been specified in Section 1. For SPECIAL-USE FOREST, Protection forests)
Section 3: Specific activities for forest protection and development			
Add	Article XXX: Support for investment in applied hi-tech forestry zones	GIZ	Moving from Article 16 of the Draft Decree
	Article XXX: Support for forest fire fighting	GIZ	Moving from Article 6 of the Draft Decree
	Article XXX: Other specialized activities for management, protection and development that are covered by the state budget	GIZ	Moving from Article 22 of the draft Decree (except for the following activities: collecting specimens of forest flora and fauna; developing and implementing a plan for sustainable forest management of special-use forests and protection forests; maintaining and develop seed forests and national botanical gardens; protect and rescue endangered, precious and rare forest plants and animals; build, maintain, maintain, upgrade and renovate service infrastructure for the protection and development of special-use forests and protection forests) Reason: these activities are regulated in Section 1. For special-use forests and protection forests
Article 19. Support for investment in cooperation, joint venture and association in afforestation and product consumption			
1. Supported subjects and conditions	Support investment cooperation, joint venture, association in afforestation and product consumption Add the type of association by cooperative, groups of households	PanNature	The group of cooperatives and afforestation households are the weakest groups in cooperation for forest development, with lower opportunities to access information compared to other groups.

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
Article 20. Support for the development of supporting industries in forest product processing			
Adjustment	Adjusted to: Support investment in the development of supporting industries in wood and forest products processing (supplementing from “wood”) or adding supporting content on processing non-timber forest products to this Article.		Currently, Article 20 is called “forest products processing” but the content of Article 20 focuses only on and the industry supports wood processing.
1. The industries of manufacturing accessories for the production of wood and forest products are supporting industries that are prioritized for development.	1. Industries producing new-generation wood preservation probiotics, wood glues, raw materials, materials, components and spare parts for the production of complete wood products from domestic raw materials are industries that support wood and forest products processing which are prioritized for development.		<p>The weakness of the auxiliary industry for wood processing has been discussed at many workshops and identified as one of the reasons for the decrease in the initiative of the wood industry, forcing the domestic wood processing industry to depend on imported raw materials; making the cost of processing and finishing Products of Vietnam higher than other countries, reducing the competitiveness of Vietnamese furniture.</p> <p>Experience from countries with high growth in furniture export turnover such as Malaysia, Indonesia shows the proactive production of materials such as paint, gloss oil and accessories such as five needles, screws, ke, hinges, locks, handles ... It plays an important role in reducing the cost and increasing the competitiveness of these countries' furniture in the world market.</p> <p>Therefore, the Government offers effective solutions to support the development of auxiliary industries for wood and forest products processing industry.</p>
2. Supporting industries in forest product processing specified in Clause 1 of this Article are entitled to preferential and supportive policies as prescribed in DECREE No. 111/2015/ND-CP dated November 3, 2015 on the development of supporting industries.	<p>2. Supporting subjects:</p> <p>a. Organizations and individuals researching and developing supporting industrial products; transfer of technology for production of supporting industrial products to help proactively source domestic raw materials</p> <p>b. Cooperation projects and schemes between organizations, production personnel and units with applied technology;</p>	DAI	<p>Decree No. 111/2015/ND-CP dated November 3, 2015 of the Government on the development of supporting industries does not clearly stipulate the development of supporting industries for the wood processing industry.</p> <p>Decree No. 111/2015/ND-CP only gives priority to: textile - garment industry, leather - shoe industry, electronics industry, automobile manufacturing and assembling industry, mechanical engineering industry, supporting industry products for high-tech industry (excluding wood processing industry).</p>

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
Additional proposals	<p>3. Supporting content:</p> <p>a. To be partially supported by the State for research and development of raw materials for wood and forest products processing industry from domestic raw materials;</p> <p>b. To be supported by the State up to 50% of the funding for the project of experimental production and production of experimental industrial-supporting products;</p> <p>c. Projects on construction of research and development establishments for production of supporting industrial products shall be allocated land by the State, leased land and entitled to land use incentives in accordance with the law on land; be considered to support up to 50% of research equipment investment</p> <p>d. The State supports up to 75% of the cost of technology transfer for the material production project using more than 85% of domestic raw materials.4. The Ministry of Agriculture and Rural Development shall coordinate with the Ministry of Industry and Trade and the Ministry of Finance in formulating specific regulations on methods, levels of support and procedures for receiving investment assistance in research and development of supporting industrial products, and the transfer of technology for production of supporting industrial products in wood and forest products processing.</p> <p>4. The Ministry of Agriculture and Rural Development shall coordinate with the Ministry of Industry and Trade and the Ministry of Finance in formulating specific regulations on methods, levels of support and procedures for receiving investment assistance in research and development of supporting industrial products, and the transfer of technology for production of supporting industrial products in wood and forest products processing.</p>		Refer to the provisions of Decree 111/2015/ND-CP and include in the Decree on investment in forest protection, development, processing and trade of forest products.

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
Add	<p>Add an Article immediately after Article 20:</p> <p>Article xxx: Investment incentives to develop supporting industries in wood and forest product processing</p> <ol style="list-style-type: none"> 1. Objects to receive investment incentives: Projects to produce supporting industry products in the industries specified in Clause 1, Article 20 of this Decree, including: new investment projects, projects technology expansion and renewal projects using more than 50% of domestic raw materials. 2. Promotional contents: <ol style="list-style-type: none"> a. Incentives on corporate income tax: To be eligible for tax incentives in accordance with the provisions of Law No. 71/2014/QH13 dated November 26, 2014 amending and supplementing a number of articles of the Law on Taxation. b. Credit: priority is given to loans at the Bank for Agriculture and Rural Development; enjoy interest rates and loan interest support according to Point a, Point b, Clause 3, Article 18 of this Decree. c. Land and water surface rents: To be exempted or reduced from land and water surface rents according to the provisions of the law on land; 3. Order and procedures: The Ministry of Agriculture and Rural Development shall assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade and the Ministry of Finance in, promulgating specific instructions on procedures for receiving investment incentives. 		
Article 21. Support with construction and transportation costs for plantation-timber processing factories in regions with difficult socio-economic conditions			
2. Support level			
b) Support the cost of transporting products at the rate of 1,500 VND/ton/km, the distance is calculated from the factory location to the center of Hanoi, or the center of Da Nang, or the center of Ho Chi Minh City. Follow the nearest motorway...	Propose to remove the areas of Hanoi, Da Nang, and Ho Chi Minh City	CEGORN&PAN	Because it is possible that businesses selling products in other locations such as Hai Phong, Nghe An, Binh Duong .. will not be supported, leading to unfairness in supporting State policies.

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
Article 22. Other specialized activities in service of forest management, protection and development funded by the state budget			
Restructure	Include in Section 3 as mentioned above	GIZ	In line with Resolution 30 of the Ministry of Industry and Trade, the 2013 Land Law and the 2017 Forest Law, priority is given to land allocation and forest allocation to ethnic minorities who lack land.
Addition	Make the content of forest allocation the first priority and supplement the content of ensuring the budget for forest allocation for ethnic minorities who lack land.	CEGORN&PAN	
2. The implementation of the activities specified in Clause 1 of this Article according to the project... approved by the competent authority, in order of priority, thrifty in accordance with the state budget's capacity.	The implementation of activities specified in Clause 1 of this Article according to projects, schemes and plans approved by competent authorities, in order of priority of sectors and localities, in which priority is given to funding for land allocation and forest for ethnic minorities who lack land and forests, saving in accordance with the state budget capacity.	CEGORN&PAN	In line with Resolution 30 of the Ministry of Industry and Trade, the Land Law 2013 and the Law on Forestry 2017, priority is given to land allocation and forest allocation to ethnic minorities who lack land.
Article 23. Investment incentives and support policies for enterprises investing in forest protection and development			
Additional	<p>Add a separate article or include it in Article 23: Preferential policies and investment support for enterprises investing in forest protection and development</p> <p>4. Development of NTFPs</p> <p>Enterprises, cooperatives, cooperative organizations and associations with protection forest management boards and forestry companies develop products from non-timber forest products originating from protection forests and production forests which are natural forests. However, (i) land rent exemption under the provisions of Article 6 of Decree No. 57/2018/ND-CP dated April 17, 2018 of the Government; and (ii) get a loan from a commercial bank equal to 100% of the capital of the enterprise participating in cooperation and association with the forest management board, supported by the local budget with commercial loan interest rate and support period. interest rate subsidy as prescribed in Article 8 of Decree No. 57/2018/ND-CP dated April 17, 2018 of the Government.</p>	CEGORN&PAN	In the current context of forest closure, NTFP exploitation and processing is a very important source of income for forest owners. Many local people, cooperative groups and enterprises have invested in NTFP processing technology to improve the value of forestry production such as TECHNOLOGY for drying bamboo shoots by solar energy, TECHNOLOGY for preliminary processing of bamboo and rattan as products. crafts. This activity not only increases the value of forestry but also creates jobs for local people
2. Natural forest restoration	It is proposed to replace the content "Enterprises cooperate and associate with special-use forest management boards and protection forest management boards to do business in eco-tourism, convalescence and entertainment in combination with natural forest restoration, conservation and conservation. biodiversity conservation in special-use forests" with content reflecting incentives for organizations, individuals and businesses participating in natural forest restoration.	PanNature	This content does not reflect the essence of the title, Clause 2. Here, there is a confusion between the incentives for organizations, individuals, and enterprises to invest in natural forest restoration with enterprises carrying out business activities. ecotourism, resort, entertainment. This is a lack of clarity and is easy to take advantage of. In fact, there are many organizations, individuals and businesses participating in real natural forest restoration and need appropriate preferential policies.

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
CHAPTER III MECHANISM AND CAPITAL SOURCES			
Article 24. Investment capital			
Additional	It is proposed to add capital contributions from organizations and individuals in the country to item 3, after the local budget.	PanNature	The trend is that many individuals and organizations make voluntary contributions through various forms, including the establishment of a grant fund, for activities of forest protection, development and restoration. The DECREE needs to capture and reflect this trend in order to have an appropriate mechanism to attract and encourage.
Additional	Proposing additional loans from banks and international credit institutions for green loans		Currently, many banks and international credit institutions have “green loans” programs. We can take advantage of this opportunity to expand access to capital for investors in afforestation, wood processing and forest products in Vietnam.
Additional	It is proposed to add “Payment for forest environmental services” as a budget source for investment in forestry.		The budget from payment for forest environmental services is a large source of budget that needs to be used for reinvestment and development of forest ecosystems and livelihoods.
Clarification	<p>It is proposed to clarify the spending tasks of central and local budget sources for each activity specified in the decree - the activities in the decree need to be clarified more specifically for each forest object (special-use forest), protection, production) - especially related to biodiversity, environmental protection functions, public benefits, some specialized tasks.</p> <p>Can be referred to as:</p> <ol style="list-style-type: none"> 1. Local budgets shall ensure funds for management, protection and development of special-use forests and protection forests according to approved plans and estimates and regulations of law on state budget, including: <ol style="list-style-type: none"> a. Forest statistics, forest inventory and monitoring of changes in forest resources; b. Organize the allocation and lease of protection forests, c. The operation of the apparatus of the management board of special-use forests and protection forests shall be decided by a competent state agency; d. Propaganda and education; forestry extension; capacity building and awareness of the role and functions of special-use and protection forests in the ecosystem e. Research and apply scientific and technical advances in forest protection, use and development; 2. The central budget ensures non-business economic funding for contracting for forest protection and zoning and promoting natural regeneration of protection/ special-use forests. 		<p>When the locality has not balanced the budget, it is difficult to ensure investment. Therefore, it is advisable to specify expenditure tasks of each level, creating favorable conditions for planning and capital mobilization.</p> <p>In addition, investment activities in special mangrove-related protection forests are not specifically mentioned in this decree.</p>

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
	<p>3. The central budget invests in the development of protection/special-use forests according to projects approved by competent state agencies, including:</p> <ul style="list-style-type: none"> a. Survey and planning for forest protection and development; b. Biodiversity conservation, animal conservation, animal rescue/re-release into the forest, c. Planting forests on bare land planned as forestry land in protection forests according to approved economic-technical norms, designs and estimates with a planting and tending period of 5 years; d. Zoning for regeneration combined with additional planting according to the approved economic-technical norms, designs and estimates for protection forests and coastal special-use forests which are natural forests of poor quality and do not meet the criteria for success. Forest; e. Construction of works to prevent landslides, sedimentation and create yards to restore and develop coastal forests in silvicultural projects approved by competent state agencies; f. Construction of works, procurement of equipment directly serving the protection and development of special-use forests; g. Management, inspection and acceptance of protection and special-use forest protection and development projects. <p>4. The formulation, appraisal and approval of investment projects on protection and development of special-use forests</p>		
Article 25. Financial mechanism			
Addition	Propose to add: donation and non-refundable aid	PanNature	The three items in this article mainly reflect the investment mechanism of the State, excluding the investment mechanism, support from none-state capital sources, socialization, and contributions of individuals and organizations.

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
Addition	<p>Article xxx. Mechanism to attract and encourage investment in forest protection from organizations and individuals</p> <p>Investment incentive categories: Natural forest restoration, biodiversity conservation, environmental education, development of non-timber forest products;</p> <p>Investment encouragement areas: Areas of degraded natural forests, poor natural forests, natural forests of high biodiversity and protection value but not yet assigned to special-use forest management boards/ management and protection protection;</p> <p>Incentives for organizations and individuals to invest in forest protection and development:</p> <ul style="list-style-type: none"> - To access and support credit according to Article 8 of Decree 57/2018/ND-CP; - Supported human resource training and market development according to Article 10 of Decree 57/2018/ND-CP; - Support to provide public services and invest in agricultural and rural infrastructure according to Article 13 of Decree 57/2018/ND-CP 		
Article 28. Order of allocation and use of funds for management and protection of special-use forests and protection forests to management boards of special-use forests and protection forests			
c) Support forces participating in forest protection and sweeping; Awareness training...	<ul style="list-style-type: none"> - Supplementing ACTIVITIES on biodiversity conservation, animal conservation, and reintroduction of animals into the forest. - Remove the word “tracing to arrest”. 	GIZ, KfW	As stated in Article 24, it is advisable to further clarify the spending tasks of each level for specific activities related to the protection and management of special-use forests, protection, and investment in silvicultural works to ensure sure to invest even in provinces with limited budgets.
d) Support for management costs of community development in the buffer zone, including costs...	Add: training and awareness raising costs		
Article 29. Order of financial support for forest protection for forest owners being households, individuals, residential communities and Provincial-level People’s Committees who are managing forests that have not been allocated or leased.			
2. For Provincial-level People’s Committees that are managing forests that have not been allocated or leased	It is necessary to add regulations on acceptance of forest protection results of the Provincial People’s Committee.	CEGORN&PAN	While other forest owners all have regulations on the acceptance of forest protection results before being paid, it is not fair to have regulations on acceptance of FOREST PROTECTION by the Provincial People’s Committee. In fact, many localities do not implement FOREST PROTECTION activities but still receive FOREST PROTECTION funds under DECREE 75.

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
Addition	The State ensures funding for forest allocation activities associated with land allocation from the forest fund temporarily managed by the Provincial People's Committee		Ensuring funding for forest allocation activities associated with land allocation from the forest fund temporarily managed by the Provincial People's Committee will help speed up the process of land allocation and forest allocation, ensuring the "ownership of the forest" in accordance with the law.
Article 31. Responsibilities of ministries and ministerial-level agencies	Supplement to Clause 1 (Ministry of Agriculture and Rural Development): Take charge and coordinate with the Ministry of Planning and Investment and the Ministry of Finance to discuss with financial institutions, international credit and commercial banks to establish loan capital flows for "green projects"		Similar the explanation in Article 24: Currently, many banks and international credit institutions have "green loans" programs. We can take advantage of this opportunity to expand access to capital for investors in afforestation, wood processing and forest products in Vietnam.
Monitoring and evaluation	Currently, the draft DECREE has not yet clarified the mechanism and regulations on the time and frequency of monitoring and evaluation, and the financial resources allocated for this activity.	GIZ, KfW, DAI	It is important to clarify the process, frequency of monitoring and evaluation, the financial resources for the audit, and the agency responsible for conducting and reporting the results of the audit. Emphasis should be placed on monitoring and evaluating the maximum use of science and technology.
Mechanism to attract and encourage investment in forest protection and development from organizations and individuals	Add 01 clause to Article 23: 4. Development of NTFPs Enterprises, cooperatives, cooperative organizations and associations with protection forest management boards and forestry companies develop products from non-timber forest products originating from protection forests and production forests which are natural forests. However, (i) land rent exemption under the provisions of Article 6 of Decree No. 57/2018/ND-CP dated April 17, 2018 of the Government; and (ii) get a loan from a commercial bank equal to 100% of the capital of the enterprise participating in cooperation and association with the forest management board, supported by the local budget with commercial loan interest rate and support period. interest rate subsidy as prescribed in Article 8 of Decree No. 57/2018/ND-CP dated April 17, 2018 of the Government.	PanNature	There should be a mechanism to encourage domestic individuals and organizations to contribute financially to forest protection and development (especially forest restoration) through facilitating procedures, legal corridors, etc
Economic norms	It is proposed to develop and apply prices for performing public utility tasks to facilitate forest protection and development, reduce costs and time for administrative procedures, and limit the situation of "ask-for" implementing the ordering mechanism to perform public utility tasks.	PanNature GIZ	
Regulations on a number of state policies for processing non-timber forest products, trade in forestry products, carbon trade markets, and ecotourism policies associated with forests.	Regulations on the level of support for enterprises receiving capital contribution with land use rights to form raw material areas need to be determined based on the size of the investment enterprise of the enterprises.	CEGORN&PAN	If enterprises lease land from households, individuals and communities to invest in forestry, the State does not interfere with the land rental rate and the level of support for this land lease

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
Developing investment policies along the value chain	Supplementing policies to support market development, policies to support the development and trade of new services such as forest environmental services, carbon credits.	CIFOR	
Development and conservation	<ul style="list-style-type: none"> - Supplementing specific regulations on state budget investment for the maintenance and development of seed forests, national botanical gardens (according to article 5-Forestry Law), protection and rescue of endangered and rare forest plants/animals ; collect real specimens/ forest animals; genetic resources management, exotic species management, etc. - It is necessary to create a clearer incentive to encourage the parties to focus on biodiversity conservation. - Add policies to encourage and invest in conservation such as conservation, rearing, rescue and re-release of wild animals. 	CIFOR GIZ, KfW	
Invest in scientific research	Supplement policies to encourage investment in research and development of science and technology more clearly and specifically.	CIFOR	Setting the goal of science technology development is an important goal, but the investment policies related to this item in the draft Decree have not shown priority & interest in this field.
Support the issuance of forest land use right certificates to households to ensure legal forest land	<p>Add a New Article:</p> <p>Support for re-issuance of forest land use right certificates</p> <ol style="list-style-type: none"> 1. Objects receiving support: households and Provincial communities in regions II and III that have been allocated or leased forest land but have not yet completed the land and forest allocation dossiers in accordance with the requirements of law. 2. Contents of support: Exemption of fees when granting forest land use right certificates according to the provisions of Decree 45/2014/ND-CP dated May 15, 2014 of the Government on revenue land use fees. 	DAI	<p>Due to high costs, mountainous households often do not complete land and forest allocation documents as required by law. Meanwhile, this is an important requirement to meet the criteria of legal timber and certification of sustainable forest management. The state needs to have a supportive policy in this regard.</p> <p>Priority is given to support households in Provincials in regions II and III only because this is a particularly difficult area.</p>

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
<p>Support to train high-quality human resources to provide wood and forest product processing enterprises</p>	<p>Add New Article:</p> <p>Support to train high-quality human resources for the wood and forest product processing industry and related supporting industries</p> <p>1. Objects:</p> <p>a. Organizations and individuals that have projects on training high-quality human resources for the wood and forest product processing industry; supporting industries specified in Clause 1, Article 20 of this Decree;</p> <p>b. Human resource training institutions serving wood and forest product processing and related supporting industries;</p> <p>a. Universities, research institutes, training institutions that are involved in the training of human resources for the wood and forest product processing industry and related supporting industries</p> <p>2. Content:</p> <p>a. The State supports the investment in 3 training centers for human resources in the wood processing industry and supporting industries for wood processing in the North, Central and South: Invest in additional training infrastructure systems. At 3 universities or Research Institutes of Agriculture and Forestry, invest in building textbooks, research and development facilities, and training equipment according to the requirements of the market.</p> <p>b. Organizations and individuals specified in Clause 1 of this Article are entitled to investment incentives and support in accordance with the Government's Decree No. 57/2018/ND-CP dated April 17, 2018 on the mechanism. policies to encourage enterprises to invest in agriculture and rural areas.</p>	<p>DAI</p>	<p>Skilled labor force, meeting the requirements of processing enterprises, ensuring the supply of quality products that can compete in the domestic and international markets is currently very lacking.</p> <p>The investment in human resource development will help save resources, time and effort of enterprises nationwide.</p>
<p>Forest insurance, especially for concentrated large timber plantations</p>	<p>Add new Article: Forest Insurance</p> <p>1. The State encourages insurance service providers and those developing planted forests, especially large timber plantations, to focus on implementing forestry insurance policies according to Decree 58/2018/ND-CP dated April 18, 2018 of the Government.</p> <p>2. The Ministry of Agriculture and Rural Development shall coordinate with the Ministry of Finance in formulating specific regulations on forestry insurance for large timber plantations in concentrated material development areas.</p>	<p>DAI</p>	<p>Forest insurance, especially insurance for large concentrated timber plantations, applies to all objects of investment in planting and developing production forests.</p> <p>Forest insurance may not be covered by this Decree. However, giving orientation and assigning tasks to the Ministry of Agriculture and Rural Development, the Ministry of Finance continues to research and develop forest insurance policies, which are necessary to achieve the goal of developing concentrated raw material areas. central, large timber plantations are concentrated.</p>

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
<p>Financial support for businesses to build brands and protect brands of Vietnamese enterprises in important markets such as Europe, America ...</p>	<p>Add new Article: Supporting brand building and trade promotion activities</p> <ol style="list-style-type: none"> 1. The State encourages enterprises processing and exporting wood and forest products to build and promote their brands in domestic and international markets. 2. The State supports up to 50% of the cost of trademark registration and protection for domestic enterprises in the main markets: the United States, Japan, China, the European Union and South Korea. 3. The State ensures funding to promote the brand name of Vietnamese wood, furniture and forest products in main markets 	<p>DAI</p>	<p>Trademark registration and protection will become an important requirement when Vietnamese wood products begin to gain popularity in the international market.</p> <p>Vietnam has learned many lessons about brand loss (fish sauce, rice...). The wood and wood processing and forest product industries need to avoid this limitation.</p>
<p>Providing information on domestic and international forest products market</p>	<p>New Article: Provide information on domestic and international forest products market</p> <ol style="list-style-type: none"> 1. The State ensures funding for the Ministry of Agriculture and Rural Development to develop a system of standards, databases and market information for domestic and international forest products. 2. The Ministry of Agriculture and Rural Development regularly updates information on the market for forest products; develop and provide quarterly forest product market newsletters on the website. 3. The State invests in building 02 national exhibition centers for wood, furniture and forest products in the North and the South. 4. The State provides funding and assigns the Ministry of Agriculture and Rural Development to organize an international fair on wood, furniture and forest products at least once every 2 years; annually organize Vietnamese business delegations to participate in international fairs on timber and forest products and learn about markets in major markets. 	<p>DAI</p>	<p>Concretize the contents of Article 70 of the Law on Forestry stipulating policies on forest product market development and Directive No. 08/CT-TTg dated March 28, 2019 of the Prime Minister</p>

CURRENT CONTENT IN DRAFT	PROPOSED REVISION (SPECIFIC CORRECTION, REVISION)	COMMENT OF	RATIONALE FOR THE PROPOSED REVISION (specific, condensed)
Supporting businesses in digital transformation	<p>Add New Article: Article xxx: Support to improve management capacity, digital transformation and meet market requirements</p> <ol style="list-style-type: none"> 1. The State supports agricultural and forestry companies, companies processing and exporting wood, furniture and forest products with xx% of the cost of building a digital transformation project and improving management capacity. The maximum support level is xxx million VND/project. 2. Form of support: One-time support, after the enterprise implements the Scheme. 	DAI	The digital platform is changing the processing, management, design, and sales industries greatly, forcing businesses to quickly adapt from design, production technology and especially digital commerce. The investment support solution of the Decree will be more comprehensive if there are policies to support businesses in this aspect.
Support for forest carbon credits	<p>Add New Article: Article xxx. Support for forest carbon credits</p> <ol style="list-style-type: none"> 1. Subjects: natural forests, planted forests of special-use forests, protection forests and production forests of forest owners who are management boards of special-use and protection forests, organizations, individuals, and groups of households Families and communities are linked to form household groups, cooperatives, or associated with businesses. 2. Support level: <ol style="list-style-type: none"> a. One-time support for the cost of developing a carbon credit profile, including guidance, measurement, reporting, documentation and appraisal. b. The minimum level of support for the cost of measuring, reporting and making records is up to xxx VND/ha. c. The maximum norm for guidance and appraisal activities is xxx VND/ha. 3. Conditions: The area of natural forests and planted forests in special-use forests, protection forests and production forests is from xxx ha or more. 4. Order of receiving support funds: Forest owners are entitled to an advance of up to 70% of support funds after the plan to build a carbon credit profile is approved by the Provincial Forest Protection and Development Fund and cleared. pay the remaining 30% after the forest is granted carbon credits. The forest owner's representative requested the Forest Protection and Development Fund to advance and pay according to regulations. 		<p>Article 61 of the 2017 Law on Forestry stipulates a variety of forest environmental services, including the service of “carbon sequestration and storage of forests; reducing greenhouse gas emissions from limiting deforestation and forest degradation, sustainable forest management, green growth”.</p> <p>Currently, carbon payments for services (C-PFES) are being piloted in several provinces for high-emission facilities. It is expected that C-PFES will contribute a significant amount of money to the current revenue of forest environmental services. An initial investment support to encourage forest owners to complete their profile and qualify for the sale of carbon credits is needed to recoup a larger amount of funding.</p>

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	5. The Ministry of Agriculture and Rural Development shall provide specific guidance on support conditions, procedures and norms for measurement, reporting, appraisal and procedures for receiving support funds.		
Legal timber control	Investing in the implementation of the TLAS legal timber system, equipment and technology to control legal timber, contributing to effective forest protection and management should be considered a specialized task as an investment item from the State Bank of Vietnam.		
Integrated development agro-forestry	It is necessary to supplement contents to support the development of agro-forestry on non-forested and swissland forestry land in order to encourage the conversion from annual to perennial crops, creating agro-forestry landscapes that help both develop livelihoods for people while restoring the agro-forestry ecosystem and creating a timber corridor connecting with forests.		The Forestry Development Strategy 2021-2030 has introduced agro-forestry as a measure in forest development. An appropriate investment policy is needed to implement this measure.





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