

5 ラオス

Country Report LAOS

February 2019
Prepared by Christopher Flint

CONTENTS

1. OVERVIEW OF THE FORESTRY SECTOR	7
1.1. FOREST RESOURCES OF THE COUNTRY:.....	7
1.1.1. <i>Forest Vegetation types and major species</i>	7
1.1.2. <i>Land use Types</i>	8
1.1.3. <i>Land use area, and forest cover assessment, in the Lao PDR:</i>	10
1.1.4. <i>Forest Land Tenure</i>	12
1.1.5. <i>Certified forest area</i>	15
1.2. FOREST MANAGEMENT AND HARVESTING SECTOR.....	15
1.2.1. SOURCE OF LOGS	16
1.2.2. KEY SUPPLY CHAIN OF WOOD AND WOOD PRODUCTS	17
1.3. WOOD PROCESSING SECTOR.....	18
1.3.1. TYPES OF WOOD PROCESSERS.....	19
1.3.2. WOOD PROCESSORS ASSOCIATIONS	19
1.3.3. PRODUCT TYPES AND VOLUME.....	21
1.4. TRADE OF WOOD PRODUCTS	21
1.4.1. TRADE OF WOOD PRODUCTS – VOLUME AND VALUE	21
1.4.2. TRADE OF WOOD PRODUCTS – SPECIES.....	22
1.4.3. TRADE OF PLANTATION WOOD PRODUCTS.....	23
2. OVERVIEW OF RELEVANT GOVERNMENT ORGANISATION	25
3. OVERVIEW OF FORESTRY LEGISLATION	29
3.1. GENERAL SITUATION	29
3.2. FLEGT-LAO.....	30
3.3. TECHNICAL AND IDA ASSISTANCE TO THE DEVELOPMENT OF FLEGT-LAO.....	33
3.3.1. TIMBER LEGALITY DEFINITIONS OF FLEGT-LAO	33
3.3.2. COC AND THE TLAS (TIMBER LEGALITY ASSURANCE SYSTEM) OF FLEGT-LAO	34
4. LEGISLATIONS ON HARVESTING OF FOREST RESOURCES.....	37
4.1. LEGAL RIGHTS OVER FORESTS.....	37
4.2. LAWS AND REGULATIONS ON MANAGEMENT AND HARVESTING OF FOREST RESOURCES	37
4.2.1. <i>LEGAL FRAMEWORK FOR MANAGEMENT AND HARVESTING FROM PRODUCTION FOREST AREAS (TLD 1)</i>	38
4.2.2. <i>LEGAL FRAMEWORK FOR MANAGING AND HARVESTING FROM CONVERSION FOREST AREAS</i>	40
4.2.3. <i>LEGAL FRAMEWORK FOR HARVESTING FROM PLANTATIONS (BASED ON TLD 3)</i>	41
4.3. ENVIRONMENTAL REQUIREMENTS	43
4.3.1. LEGAL REQUIREMENTS FOR ENVIRONMENTAL CONSIDERATION IN THE HARVESTING OF NATURAL PRODUCTION FOREST AREAS	43
4.3.2. LEGAL REQUIREMENTS FOR ENVIRONMENTAL CONSIDERATION FOR LOGGING OF CONVERSION AREAS	44
4.3.3. ENVIRONMENTAL CONSIDERATIONS FOR PLANTATION FOREST AREAS	45
4.3.4. CATEGORIES AND LIST OF PROTECTED TREE SPECIES, INCLUDING CITES-LISTED SPECIES AND PERMITS.	45
4.4. EMPLOYMENT AND SAFETY IN FOREST MANAGEMENT AND HARVESTING OPERATION.....	48
4.5. SOCIAL REQUIREMENTS	50
4.5.1. RECOGNITION OF CUSTOMARY RIGHTS	50
4.5.2. SOCIAL IMPACT ASSESSMENT,.....	51
4.5.3. <i>“FREE PRIOR AND INFORMED CONSENT (FPIC)”</i>	53
4.5.4. <i>SHARING OF BENEFITS</i>	53
4.6. CONTROL MEASURES TO VERIFY LEGALITY OF HARVESTING	54
5. LEGISLATIONS ON TRANSPORTATION AND PROCESSING OF WOOD AND WOOD PRODUCTS	55
5.1. LAWS AND REGULATION ON TRANSPORTATION OF LOGS.....	55
5.2. LAWS AND REGULATIONS REGULATING PROCESSING OF WOOD AND WOOD PRODUCTS.	55
5.3. LEGALLY DEFINED PROCEDURES FOR THE TRANSPORTATION OF LOGS	56

5.3.1.	LEGALLY DEFINED PROCEDURES TO TRANSPORT LOGS FROM NATURAL PRODUCTION FOREST, AND DOCUMENTS TO ACCOMPANY LOGS FROM HARVESTING OPERATION (LL II) TO PROCESSING FACTORIES (LL III).....	56
5.3.2.	LEGALLY DEFINED PROCEDURES TO TRANSPORT LOGS FROM CONVERSION AREAS, AND DOCUMENTS TO ACCOMPANY LOGS FROM HARVESTING OPERATION (LL II) TO PROCESSING FACTORIES (LLIII).....	56
5.3.3.	LEGALLY DEFINED PROCEDURES TO TRANSPORT LOGS FROM PLANTATION AREAS.....	57
5.4.	LEGALLY DEFINED PROCEDURES FOR THE TRANSPORTATION WOOD PRODUCTS.....	57
5.5.	PROCESSING WOOD AND WOOD PRODUCTS.....	58
5.6.	THE SYSTEM OF SUPERVISION AND CONTROL MEASURES TO VERIFY LEGALITY OF TRANSPORTING AND PROCESSING WOOD AND WOOD PRODUCTS.....	59
6.	LEGISLATIONS ON TRADING WOODS AND WOOD PRODUCTS	62
6.1.	LAWS AND REGULATION ON TRADING WOODS AND WOOD PRODUCTS	62
6.2.	TRADE OF WOOD PRODUCTS – PRODUCT TYPE.....	62
6.3.	LEGALLY REQUIRED DOCUMENTS OR RECORDS FOR TRADING WOODS AND WOOD PRODUCTS	64
7.	OTHERS	67
7.1.	INTERNATIONAL FRAMEWORK RELEVANT TO COMBATting ILLEGAL HARVESTING AND ASSOCIATED TRADE	67
7.1.1.	CITES	67
7.2.	VOLUNTARY SCHEMES ON LEGALITY / SUSTAINABILITY OF WOOD AND WOOD PRODUCTS	67
7.2.1.	CURRENTLY CERTIFICATED FORESTS, VIA FSC FM (AS OF 20/09/18)	67
7.2.2.	FOREST CERTIFICATION – CURRENT AND IN PLANNING.....	69
8.	INTERVIEWS/FIELD SURVEY (LOGISTIC RECORDS)	71
8.1.	INTERVIEWS.....	71
8.2.	FIELD SURVEY.....	71

Table of Tables

Table 1:	Lao Land use to Level 2, as used for forest/land use mapping and planning (FALUPAM)	9
Table 2:	Tabulation of forest cover assessments by FIPD, Department of Forestry, MAF, Lao PDR	10
Table 3:	Land use areas, as assessed by the JICA capacity building projects, in FIPD/DoF.....	11
Table 4:	Some key data on the State Forestlands as of 2010	13
Table 5:	Approximate areas of land concessions for timber plantations, and villager plantations.....	15
Table 6:	Summary of certified forests in the Lao PDR.....	15
Table 7:	Summary of certified forest in the Lao PDR	19
Table 8:	key activities that have taken place under ‘negotiations to develop the FLEGT VPA’	31
Table 9:	Draft-List of products to be covered by, or prohibited under VPA between Lao PDR and the EU 63	
Table 10:	Legally required documents (trade dossier) to export wood/wood products, from “Draft Decision on COC from Log Landing III to export”, Version 2, dated 2/4/2018/MOIC.....	65
Table 11:	Documentation used to export wood products from Lao plantation and furniture company to a company in England (September 2018)	66
Table 12:	CITES Management, Scientific and Enforcement Authorities in the Lao PDR.....	67
Table 13:	Location and area of Department of Forestry long term plan for forest certification.....	70
Table 14:	List of interviews undertaken	71

Table of Figures

Figure 1:	Map of the 3 Forest Land Categories (State Forest Land) in the Lao PDR, with village location エラー!ブックマークが定義されていません。	
Figure 2:	Overview of the supply chain of wood and wood products in Lao PDR (adapted from FLEGT) ..	18
Figure 3:	Overview of the FLEGET VPA process in the Lao PDR	31
Figure 4:	Overview of main stakeholders in FLEGT (unofficial draft, by consultant, of 28 January 2018). 32	
Figure 5:	Visual representation of the five functionalities of the TLAS system under development	35
Figure 6:	the scope of TLAS in FLEGT-Lao.....	36
Figure 8:	Overview of input, output and trade at which checks could be undertaken (after FLEGT-Lao). 59	

Table of Annexes

Annex 1: Index to soft and hard copies of legal references for Timber Legal Definitions 1, 2 and 3.....	72
Annex 2: Index to soft and hard copies of legal references for Timber Legal Definitions 8 “Wood Processing and Trading, v4.2: 06-06-2018	74
Annex 3: “ PMO Notification 2035/2017_ MOIC Agreement 0002/3Jan18 on the List of Wooden products for Export”	75
Annex 4: Loading Certificate ‘Form OC-01’ for Natural Wood Products.....	76
Annex 5: Loading Certificate ‘Form OC-02’ for Plantation Wood Products	79
Annex 6: Overview of Company Plantation Sector	82
Annex 7:.....	85
References.....	87

Acronyms and Abbreviations

3FC	3 Forest Categories or (state) Forestland Categories
CDE	Centre for Development and Environment, Bern University (SDC)
CIF	Cost, Insurance and Freight
CITES	Convention on the International Trade of Endangered Species
DAFO	District Agriculture and Forestry Office
DEQP	Department of Environmental Quality Promotion
DESIA	Department of Social and Environmental Impact Assessment
DFO	District Finance Office
DFU	District Forestry Units
DIH	Department of Industry and Handicraft
DIMEX	Department of Import and Export
DNREP	Department of Natural Resources and Environment Policy
DOF	Department of Forestry
DOFI	Department of Forest Inspection
DoL	Department of Lands
DONRE	District Office of Natural Resources and Environment
ESMMP	Environment and Social Monitoring and Management Plan
EU	European Union
Fam.	Family
FAO	Food and Agricultural Organisation
FIPD	Forest Inventory and Planning Division
FLEGT	Forest Law Enforcement Governance and Trade
FMA	Forest Management Area (within State Production Forest)
FSC	Forest Stewardship Council
GoL	Government of Lao
ha	hectare
HH	Household

LFA	Land and Forest Allocation
LUP/LA	Land Use Planning/Land Allocation
MRLG	The Mekong Region Land Governance Project (SDC and GIZ)
NA	National Assembly
NCF	National Conservation Forest (NBCA: National Protected Areas in the past)
NPF	National Production Forest
Nr.	number
PAFO	Provincial Agriculture and Forestry Office
PALAM	Provincial Agriculture Land Management
PFA	Production Forest Areas, or National Protection Forest
pFALUPAM	Participatory Forest and Land Use Planning, Allocation and Management
PLUP	Participatory Land Use Planning
PM	Prime Minister - as in 'PM Decree'
PMO	Prime Minister Office
POIC	Provincial Office of Industry and Handicraft
PONRE	Provincial Office of Natural Resources and Environment
ProFLEGT	Joint Initiative of the GoL and the German Development Cooperation (GIZ)
PSFM	Participatory Sustainable Forest Management
RECOFT	The Centre for People and Forests
SUFORD	The Sustainable Forestry and Rural Development Project (WB)
TABI	The Agro-Biodiversity Initiative Project (SDC)
TLAS	Timber Legality Assurance System
TLD	Timber Legality Definitions
VFO	Village Forestry Officer
VPA	Voluntary Partnership Agreements, of the FLEGT process
WWF	World Wildlife Fund for Natures

1. OVERVIEW OF THE FORESTRY SECTOR

1.1. Forest resources of the country:

1.1.1. Forest Vegetation types and major species

The main forest vegetation types in the Lao PDR are as follows: (based on the types as used by the Forest Inventory and Planning Division (FIPD) of the Department of Forestry (DOF)).

Upper Dry Evergreen and Lower Dry Evergreen:

The evergreen forest type is a multi-storey forest consisting of more than 80% trees of evergreen species. Most of the trees have long and cylindrical boles, some of them with a big buttress. Usually, the height of the trees of the upper storey is more than 30 m. Another typical characteristic of this forest type are climbers and lichen on the tree stems. Bamboo is usually not found except when the canopy has been opened. Evergreen forest located at an altitude above 200 m is classified as Upper Evergreen Forest. Areas below that altitude are classified as Lower Evergreen Forest.

Main timber species are for the following genera: *Hopea spp*, *Pterocarpus spp*, *Dipterocarpus spp*, *Anisoptera spp* and *Lagerstroemia spp*

Moist evergreen forests, generally in the northern Provinces

Dominant tree species consists either of chestnuts like *Castanopsis echinocarpa*, *C. hystrix*, *C. ceracantha* or oaks such as *Quercus blakei*, *Q. kerri* or *Q. fleuryi*. Alternatively, the tree species composition is made out of a mixture, but without any species dominating. In swampy areas *Nyssa javanica*, *Schefflera sp*), *Castanopsis hystrix*, *Carpinus poilanei*, *Bischofia javanica* and *Eriobotrya cavaleriei* are found. On lower and mid slopes *Lithocarpus sp.*, *Styrax benzoides*, *Spondias axillaris*, *Spondias lakonensis*, *Paramichelia baillonii*, *Schima wallichii*, *Elaeocarpus siamensis*, *Canarium nigrum*, *Toona ciliata*, *Alstonia rostrata*, *Garcinia multiflora*), *Ormosia semicastrata* and *Podocarpus neriifolius*. *Keteleeria evelyniana* is common. In ravines, the forest type is characterised by species of the Lauraceae family like *Cinnamomum sp.*, *Phoebe lanceolata* or *Nothaphoebe umbelliflora*. At higher altitudes above 1,500 m *Fokienia hodginsii* occurs, mixed with *Rhododendron sp.*, *Acer sp.*, *Lithocarpus sp.* and many species.

Upper Mixed Deciduous and Lower Mixed Deciduous

In mixed deciduous forest types, the deciduous tree species represent more than 50% of the stand. The forest storeys are not as dense as those of evergreen type. Bamboo occurs most often in this type of forest. Mixed deciduous forest located at an altitude above 200 m is classified as Upper Mixed deciduous Forest. Mixed deciduous forest located at an altitude 200 m and below is classified as Lower Mixed Deciduous Forest.

In the upper mixed deciduous forest, or sometimes called dry evergreen hill forests, mainly in northern uplands, the dominant species are evergreen broadleaves like *Tristania merguensis*, *Castanopsis tribuloides* and *Lithocarpus podocarpus*. Many other tree species are found in this forest type like, *Dalbergia cultrata*, *Betula alnoides*, *Keteleeria evelyniana*), *Pinus kesiya*, *Schima wallichii*, *Lithocarpus truncatus*, *Quercus griffithii*, *Engelhardtia spicata*, *Cratoxylon sp.*, *Aporosa villosa*, *Glochidion fagifolium*, *Helicia sp.*, *Pieris ovalifolia* and *Vaccinium exaristatum*. In some areas dry evergreen hill forests are dominated by oaks such as *Quercus vestita*.

In the lower deciduous, mainly in the centre and south of the country, typical species are *Dipterocarpus intricatus*, *Shorea obtusa*, *Dipterocarpus obtusifolius*, *Terminalia tomentosa* and *Shorea siamensis*. *Tectona grandis* occurs naturally in a relatively small zone in Sayabouli Province, although few, if any, loggable stands still exist.

Dry Dipterocarp:

The Dry Dipterocarp Forest occurs in open stands. The tree diameter is comparably small and the height of the stand varies from 8 to 25 m. The crowns do not spread out widely. This type of forest is normally found in places with shallow soil, sometimes laterized soil. On the most poor and shallow soils the trees

are crooked and do not exceed 10 m in height: If the crown cover is less than 20 % and the stand is undisturbed the vegetation type should be classified as **Savannah**.

Gallery Forest:

The Gallery Forest is not characterized by tree species composition but could be either deciduous or evergreen. In areas where streams are likely to overflow seriously, the forest is often left along the low bank of the streams (both persistent and intermittent ones) forming a long band of forest with the streambed on one side and, for, example, paddy fields on the other. The width of the Gallery Forest is generally not be more than 100 m.

Main species in the In the central/northern highlands *Salix tetrasperma*, *Celtis sinensis*, *Carpinus poilanei*, although *Duabanga grandiflorus* or *Pterocarya tonkinensis* can take over. Associated tree species are *Nyssa javanica*, *Quercus poilanei*, *Morus* sp, at lower slopes, and *Sapindus rarak*, *Protium serratum*, *Fraxinus* sp., *Alangium chinense*, *Sterculia lanceolata*, *Bischofia javanica*, (*Quercus griffithii*, *Garruga pinnata* and *Spondias axillaris* on the upper slope along the river. Along some small streams stands of conifers such as *alocedrus macrolepis* or *Dacrydium elatum* can be found

Coniferous:

The Coniferous Forest is usually single storied and open but the young growth may sometimes form a dense second storey. This forest type occurs in higher elevations with a cool climate.

The characteristics species of this type are pines - *Pinus kesiya* and *Pinus merkusii* - but other coniferous trees such as i.e. *Cunninghamia* and *Fonkenia*, spp also occur. In Xieng Khouang, scattered trees of *Keteleeria evelyniana*, *Schima wallichii*, *Wendlandia tinctoria*, *Aporosa villosa*, *Betula alnoides* and *Glochidion fagifolium* also occur.

Mixed Coniferous and Broadleaved

A transition type between the coniferous and the broadleaved forest types. The coniferous trees could be mixed with either deciduous or evergreen trees. It is also found in higher elevations.

The dominant tree species are *Pinus kesiya*, *Keteleeria evelyniana*, *Schima wallichii* as well as oaks, in particular *Quercus griffithii* and *Quercus serrata*, but locally also *Quercus vestita* or *Quercus brandisiana*. Minor associated species are *Aporosa villosa*, *Lithocarpus truncatus*, *Wendlandia tinctoria*, *Cratoxylon* sp., *Myrica esculenta*, *Syzygium* sp., *Glochidion fagifolium*, *Anneslea fragrans*, *Phyllanthus emblica*, *Vaccinium exaristatum* and *Engelhardtia serrata*. Some giant figs (*Ficus* sp.) occur scattered.

Tree (wood) Plantation: The forest plantations predominantly supply timber of exotic tree species. Main species grown in Lao are Eucalyptus sps (including hybrids), Teak (*Tectona grandis*) and Rubber (*Hevea brasiliensis*) grown for its sap, but timber is used when old trees are lopped.

Bamboo

If an area is covered with bamboo and the over story has a crown cover less than 5% it should be classified as Bamboo. According to the FIPD, bamboo is not a forest, but rather a potential forest, although bamboo forest are often climax or natural forest adapted to specific, often poor, soils, and thus their potential to be transformed to forest of true trees is not assured.

1.1.2. Land use Types

Land use types in the Lao PDR are legally defined at the national level by Article 11 of the Land Law (2003), which states;

“...Land throughout the entire country is classified into areas and types as follows:

2. Classification into Land Use types:

1. agricultural land;
2. forestry land;
3. land in water area;
4. industrial land;

5. communication land;
6. cultural land;
7. national defence and security land; and
8. construction land. ...”

While there are some other, smaller areas of land use that do not fall under these 8 national-level land types, this “8 land use types” is a useful framework within which forest and land use planners have defined more specific land uses. The best example is the FALUPAM land use planning process, which has 3 levels of forest and land use, for the purposes of forest and land use mapping and planning. Levels 1 and 2 land uses as defined in the FALUPAM process is provided in table 1 below.

Table 1: Lao Land use to Level 2, as used for forest/land use mapping and planning (FALUPAM)

	Level 1:	Level 2:		Level 1:	Level 2:	
1	Current Forest	Mixed Forest	4	Building Land	built-up area	
		Evergreen Forest			private building land	
		Deciduous Forest			state building land	
		Coniferous Forest			reserve building land	
		Timber Tree Plantation			buildings in settlement zones	
2	Agriculture	wet rice field (paddy)	5	Industrial Land	mining and quarry sites	
		upland annual crop/bush fallow			industrial land	
		annual crops on permanent land			hydropower dam and land	
		biennial crops on permanent Land			electricity generating station	
		fruit + nut tree, perennial crops			electricity transmission	
		agro-forestry			telecommunication land	
		other crop land: various	6	Transportation	paved road	
		livestock raising and grazing land			unpaved road	
		livestock raising in pens/farm			reserve for new road	
		fish and shrimp pond			railway alignment	
irrigation infrastructure land	transportation station land					
3	Water	lake & swamp	source of soil/gravel for road	7	Cultural Land	temples etc (place of worship)
		river, stream	spiritual areas			
		reservoir	historic & historic tourist sites			
		river buffer land (ownership)	8	Defense, peacekeeping	defense and security facilities	
				9	Other natural land (not in Land Law)	other natural vegetation
						un-vegetated Lands

Reference: DALAM, MAF, 2018. “Manual for Participatory Forest and Agricultural Land Use Planning, Allocation and Management” (in Lao Version)

1.1.3. Land use area, and forest cover assessment, in the Lao PDR:

Various projects or agencies had tried, over the years, to map land use and assess forest cover in the Lao PDR. However, this is a difficult task, due to the wide range of topography, geology, agro-ecosystems and forestry ecosystems, of ethnic land uses, and more recently the rapidly changing nature of land use due to globalisation, commercialisation of land, mechanisation, and population growth.

The most commonly used and officially accepted assessment of forest cover is conducted by the Forest Inventory and Planning Division (FIPD) of the DoF, in MAF. Its 1st forest cover assessment was conducted in 1982, and they have followed up with revised/updated assessments in 1989, 2002, 2010 – as shown in table 2 - and most recent draft assessment in 2015.

Table 2: Tabulation of forest cover assessments by FIPD, Department of Forestry, MAF, Lao PDR

Land uses and vegetation types	1982		1989/92		2002		2010	
	area/ha	%	area/ha	%	area/ha	%	area/ha	%
1. Current Forest	11,636.90	49%	11,168.00	47%	9,824.70	41%		40-44%
Dry Dipterocarp Forest	1,235.10		1,206.40		1,317.20			
Lower Dry Evergreen Forest	88.6		85.5		56			
Upper Dry Evergreen Forest	1,105.80		1,061.00		1,387.90			
Lower Mixed Deciduous Forest	893		864.5		881.1			
Upper Mixed Deciduous Forest	7,792.20		7,405.50		5,499.50			
Gallery Forest	90.7		87.5		28.2			
Coniferous	138.3		132.2		89.1			
Mixed Coniferous + Broadleaf	293.2		280.4		525.8			
Wood Plantation	0		0		40			
2. Potential Forest	8,554.10	36%	8,949.00	38%	11,152.20	47%		46-42%
Bamboo	1,475.00		1,531.90		539			
Un-stocked (bush fallow)	6,499.70		6,791.40		10,096.30			
Ray (shifting cultivation area)	597.4		625.7		516.9			
3. Other Wooded Areas	1,545.40	7%	1,444.20	6%	286.5	1%		1%
Savannah/Open Woodlands	974		912.5		94.4			
Heath, Scrub Forest	571.4		531.7		192.1			
4. Permanent Agricultural Land	708.7	3%	894.4	4%	1,200.00	5%		6-8%
Rice Paddy	658.3		798.4		963.7			
Agriculture Plantation	14.9		17.7		216.8			
Other Agricultural Land	35.5		42.3		19.5			
5. Other Non-Forest Area	1,234.90	5%	1,269.40	5%	1,216.60	5%		7-3%
Barren Land, Rock	109.8		116.1		231			
Grassland	804.4		822.8		579.3			
Urban Area	82.2		84.2		135.3			
Swamp	34.1		35.3		51			
Water	204.4		211		220			
TOTAL	23,680.00		23,725.00		23,680.00			

More recently, FIPD have received assistance from a JICA project, which has revised the methodology used to assess forest cover, and this projects re-assessment of forest cover and land use areas, from 2000 to 2010 are provided in table 3 below. While the earlier FIPD assessments (table 2 above) had accuracy issues, and while the JICA projects reassessment may provide a more realistic data on forest cover and land use in general, it should be noted that:

- 1: This data from the JICA project (table 3) is not yet official. Its assessment of forest cover in 2010 to be 58.3 % is very different from the FIPDs original assessment of 2010 forest cover which was 41 %. Thus, it is assumed that the DoF is now considering how to deal with this issue.
- 2: The classification of 'regenerating vegetation' is vexatious as while the FIPD consider this as potential forest, in practice it is part of the upland cropping and food security system.

Table 3: Land use areas, as assessed by the JICA capacity building projects, in FIPD/DoF.

Land Cover/Forest Type			2010		2005		2000	
Level 1	Level 2		Ha	%	ha	%	ha	%
Current Forest	Evergreen Forest	EF	2,984,601		3,055,050		3,047,762	
	Mixed deciduous	MD	8,827,908		9,097,006		9,215,611	
	Dry Dipterocarp	DD	1,205,454		1,293,013		1,301,558	
	Coniferous Forest	CF	86,270		86,646		87,997	
	Mixed Coniferous + Broadleaf	MCB	218,932		244,121		244,439	
	Forest Plantations	P	107,575	58.3%	21,738	59.8%	17,695	60.4%
Regenerating Vegetation	Bamboo	B	87,517		68,491		63,343	
	Regenerating Vegetation	RV	5,435,926	24.0%	6,010,834	26.4%	6,167,668	27.0%
Other Vegetated Areas	Savannah	SA	103,998		106,643		107,786	
	Scrub	SR	24,626		27,623		27,489	
	Grassland	G	245,150		272,691		283,065	
	Swamp	SW	10,187	1.7%	9,685	1.8%	11,156	1.9%
Cropland	Uplands Crop	UC	441,336		238,892		196,960	
	Rice Paddy	RP	1,187,568		1,178,021		1,152,985	
	Other Agriculture	OA	844,124		609,283		414,027	
	Agricultural Plantation	SP	65,561	11.0%	49,967	9.0%	47,973	7.9%
non-Vegetated	Urban	U	72,224		64,280		63,776	
	Barren Land and Rock	BR	182,691	1.1%	184,365	1.1%	183,322	1.1%
Other Land	Other Land	O	20,310	0.1%	19,181	0.1%	18,994	0.1%
wetlands	Water	W	342,776	1.5%	277,043	1.2%	276,151	1.2%
other	Cloud	CL	400,276		129,225		113,249	
	Cloud Shadow	SH	159,216	2.4%	10,427	0.6%	11,220	0.5%
SUM			23,054,226	100%	23,054,225	100%	23,054,226	100%

Reference : "Table 3-14: Area for each Classification in 2000, 2005 and 2010", extracted from "The Capacity Development Project for Establishing National Forest Information System for Sustainable Forest Management and REDD+ (Phase II) Completion Report", 2016 March, JICA Joint Venture(Kokusai Kogyo Co Ltd. Asia Air Survey.

1.1.4. Forest Land Tenure

According to the **Forest Law (2007), Article 4** (below), all natural forest land in Lao PDR is owned by the state and (mostly) managed by the Department of Forestry (DoF) under the Ministry of Agriculture and Forestry (MAF). The only exception is that some areas fall under the mandate of the Ministry of Defense. However, planted forest land may be owned by non-state actors.

Forest Law (2007) Article 4: Ownership of forest and forestland:

Natural forest and Forestland is the property of the nation community and the State manages through centralization and unity throughout the country.

Trees planted by people or planted by an organization in the areas designated with their labor and/or funds within recognition of the Forest and Forestland Management Organization shall become the property of such individuals or organizations.

This is reiterated in various Article of this Forestry Law.

In relation to planted forests, **Article 68 of the Forestry Law** allows households to use and plant degraded or barren forestland of not more than three hectares per labour in the household. If they want more land for planting, then the households have the right to request for lease or concession such area from the State.

The Land Law (2003) also mentions private use or ownership of forest land, as follows:

Land Law (2003), Article 22. Grant of the Right to Use Forest Land

The district and municipal administrative authorities in coordination with the village administrative authority considers and makes decision to grant the right to use forest land within their administration to individuals and organizations by issuing certificates. Land certificates have a term of 3 years. If within that period of time, land use has been in accordance with laws and regulations, and there has been no objection or claim, or such objection or claim has been resolved, a request for a land title for long term use may be submitted to the provincial or city land administration division.

However, this article does not mention if it relates to natural, or planted, or both types of forestland. In practice very little, if any, forest land has been titled as private land.

The zonation of forest land, and thus state forest land, is not related to land use or forest cover. This is spelt out **Article 3** of the **Forest Law (2007)** which specifies that Forestland is “*all land plots with or without forest cover, which are determined by the State as Forestlands*”.

Article 56, of the Forest Law (2007), then classifies State Forestland into 3 Categories for the purpose of management. The progressive establishment (or zonation) or gazetting of these 3 Categories and State Forestlands at the National level, is as follows:

- 1: National Conservation Forests (NCF)** were first gazetted when 18 NCF were declared via a PM Decree in 1993 (at that time they were referred to, in English, as NBCAs). Another 6 were declared between 1996-2012. These NCFs have been established (according to relevant legislation) to conserve nature, flora and fauna, forest ecosystems and sites of natural, historical, cultural values, and for educational and scientific research purposes. Logging is not allowed. While this category of state forest land has the most % area of forest compared other state forestlands (see table 4 below) - their status and function as actual conservation repositories of the state flora and fauna is tenuous.
- 2: National Production Forests, or Production Forest Areas (PFA):** 8 PFAs were first gazetted in 2006, then 29 PFAs in 2007 and 14 PFAs in 2008. These Production forests are managed to produce timber for socio-economic development and the livelihood of people.
- 3: National Protection Forests (NPF)** have not yet been officially gazetted, but the maps of these large areas - totally about 8,200,00 ha - which were made in 2008, are promoted and used as if they

were legally recognized. While the Protection Forests have been established to protect water resources, soil, environment and strategic areas for national defence and prevent from natural disasters, in reality at least 50% of the area of these forest lands are used agriculture and a wide range of other land uses (see table 4 below).

In addition, the Provincial and District administrations have also declared Conservation and Protection Forests.

The total areas of all state forestland, as mapped, is provided in table 4 below, and figure 1, below.

The issue of no private land tenure of land within these 3 state forestland categories is a problem in that while the Department of Forestry has zoned/mapped 70% of the land area of the Lao PDR to be state forest land, there are about 2,993 villages located within these state forest lands (see Figure 1).

Table 4 below, and Figure 1 (next page) provides some relevant data on these state forest lands, from the following data sources:

- “Area of the state forest land”: based on shape files (polygons) made by the FIPD in 2010.
- “Area of forest cover”: is based on official FIPD 2010 forest cover assessment. The more recent assessment as mentored by a JICA project has not yet been officially published.
- “number of villages”: based on village location as originally GPS’ed during the 2010 Agricultural Census, and updated progressively since then, by CDE and TABI.

Table 4: Some key data on the State Forestlands as of 2010.

	State Forestland Category	Area		Forest Cover			non-forest % of Zone	Nr. of Villages	Nr. of Families ('000)
		ha	% of Lao	Ha Forest	% of Zone	% of Lao			
1	Inside 3 Forestland Zones	15,877,223	69%	7,581,465	48%	32.9%	51%	2,993	227
1.1	National Conservation Forest	3,878,684	17%	2,588,300	67%	27%	33%	340	24
1.2	National Protection Forest	7,482,109	32%	2,614,000	35%	27%	65%	1,896	145
1.3	Provincial/District Protected Area	1,403,093	6.1	982,165				95	
1.4	National Production Forest Area	3,113,336	14%	1,397,000	45%	15%	55%	662	58
2	Outside 3 Forestland Zones	7,177,625	31%	1,963,835	27%	8.5%		5,650	793
TOTAL, Lao PDR		23,054,848	100%	9,545,300		41.4%		8,643	1,020

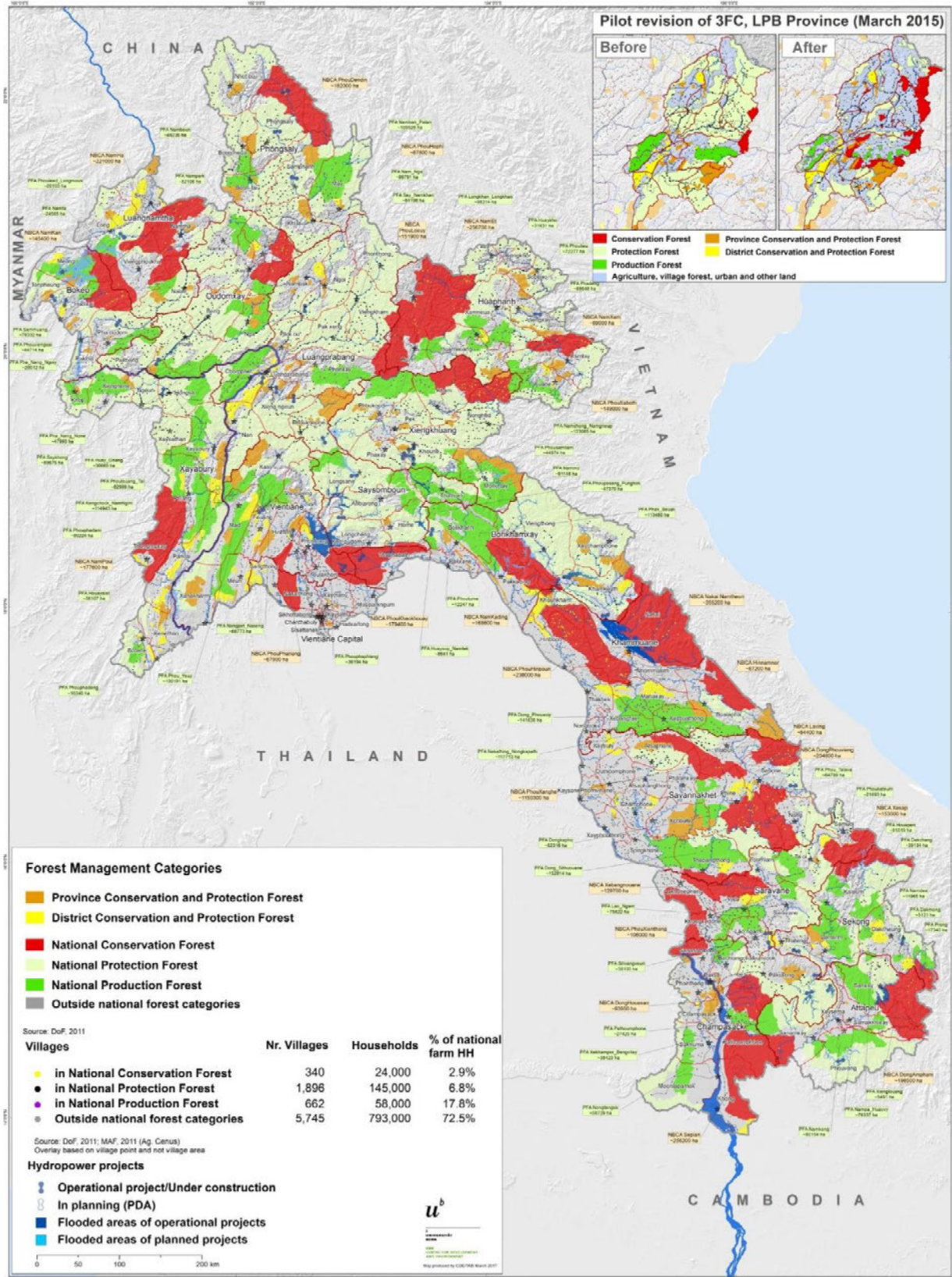
Reference: “Technical Brief, Land Tenure Security within 70% Forestland Policy of Lao PDR”, MRLG, August 2018,

With regard to customary use of forests, **the Forest Law, Article 42**, says:

“ Customary utilization of forests is the use of forest and forest products that has been practiced for a long time in accordance with laws and regulations. The State allows the use of timber and harvest of forest products in non-prohibited forests for household utilization without adverse impact on forest resources, and the environment as well as reflecting the rights and interest of individuals or organizations. Customary utilization of forest and forest products shall be practiced in accordance with a designed plan and with village regulations and laws and regulations on forests”.

The interpretation of this is that households do not have the right to log and sell natural timbers for commercial benefit, but only for household uses, even if this was a customary practice.

Figure 1: Map of the 3 Forest Land Categories (State Forest Land) in the Lao PDR, with village location



Some local administrations have provided private land title to villagers living in areas now mapped as State Forestland, although this is being contested by Forestry agencies.

On the other hand, the Government has transformed some of these state forestlands to land concessions, for a wide range of development projects, especially hydropower, but also tree plantations, industrial crop plantations, railroad and road alignments, special economic zones, etc. A recent detailed and nationwide wide land concession inventory has been undertaken, but the results are not yet publicly available.

The approximate area of land tenured out as land concessions to timber companies for tree plantations, as of 2017, is shown in Table 5 below. Private or household plantations of rubber and teak are usually not on concession land for plantations, but rather land claimed or used by individuals.

Table 5: Approximate areas of land concessions for timber plantations, and villager plantations

Plantation Tree Crop	Granted area (ha)	Used area, 2017 (ha)	Private plantation, ha
Eucalyptus	109,463	83,670	
Acacia	8,838	8,238	
Rubber	215,855	196,520	49,000 (Ag Census, 2010)
Rubber mixed with other crops	17,200	3,582	
Teak	0	0	49,338 (DoF, 2018)
Total	351,356	292,010	98,448 ha

Sources: combination of various, incomplete sources

1.1.5. Certified forest area

Currently Certified areas:

Currently, only three (3) small forest areas are certified, as shown in table 6, and further and detailed in section 6.2.1

Table 6: Summary of certified forests in the Lao PDR

FSC owner	Type	Area, ha
Ministry of Agriculture and Forestry	Rattan, in natural forest (a PFA)	10,949
Stora Enso Company	Eucalyptus plantation	3,631
Burapha Company	Eucalyptus plantation	3,430

Source: FSC website, <https://ic.fsc.org/en/document-center/id/133>

Planned certified areas:

The Government, with World Bank funding assistance, has started the process towards certifying (or recertifying - see note below) 175,789.9 ha of PFA in the short to medium term, and have the long term aim to certify 253,750 ha. See section 6.2 for details.

Note: In 2013, SUFORD reported that in 2005 the "...the FSC certified some 82,760 ha of production forest...", and "...recently, FSC Controlled Wood (FSC CW) production forest areas were certified with a total of 239,529 ha in both Salavan and Savannakhet provinces...". However, none of these areas currently appear in the FSC inventory for Laos, so it is assumed that they failed to get re-registered, at some stage in the past.

1.2. Forest management and harvesting sector

Forests and forestland in the Lao PDR belong to the state, and the Ministry of Agriculture and Forestry is responsible for forest management, planning and supervision of logging. The Annual Logging Plan is developed by the MAFs Department of Forestry and its Provincial and District offices, based on the results of surveys undertaken by the provincial and District offices. Timber harvesting in plantation and natural forests shall be included in the annual logging plan. The annual logging plan is approved by the Prime Minister's Office, the GoL.

Commercial timber harvest in natural forest is only permitted: a) To selectively cut timber in production forests in which inventory, survey and forest management planning have been conducted, by the GoL staff, and on the basis of a pre-logging survey, or b) To clear-cut land (forest conversion) for government-approved development projects (geological prospecting, mining, road and hydropower dam construction, establishment of agriculture plantations) on the basis of a complete and thorough pre-logging survey.

Commercial timber harvesting in natural forests should be conducted in compliance with harvesting regulations under logging permits and logging contracts by special logging units that are officially established by approval of the Ministry of Agriculture and Forestry under administration of the agriculture and forestry authorities or are otherwise sub-contracted under supervision of government staff.

The agriculture and forestry authorities are responsible for measuring and grading timber stacked on second log landing, and for making log lists. Timber harvested in natural forests is considered to be a state property and should be sold through a bidding process or negotiations with interested buyers so that the government can maximise revenue from this natural resource.

Minimum costs (royalties) per cubic metre of timber bought from second log landing are set and updated periodically by the Ministry of Industry and Commerce, according to species and grade. Beginning in the 2011/2012 logging season, the Lao government has not issued quotas on logging in production forest areas before a forest survey is undertaken and forest management plans are made.

However, in reality, this system proves difficult to manage and it is generally recognised that there has been non-legal logging, loss of revenue for state coffers and loss of forest resources (refer to various reports on the subject).

Thus, in 2016, the Prime Minister issued an order ***“PM Order 15, 2016, On Strengthening Strictness of Timber Harvest Management and Inspection, Timber Transport and Business”*** that proscribes, amongst other things:

- Strengthening the enforcement of forest law and relevant legislations against the illegal logging and smuggling, and strict harvesting monitoring of all timber, especially from conversion areas,
- All timber including confiscated timber has to be auctioned at log landing 2 and registered in state asset,
- All timber has to be processed by national wood processing industry,
- Bans the exportation of logs, sawn wood, processed wood, stumpages, branch and tree harvested from natural forest,
- Bans the transit of any illegal timber or NTFP through the territories of Lao PDR, and
- Only finished products defined according to “PMO Notification 2035/2017_MOIC Agreement 0002/3 Jan18 on the List of Wooden products for Export”, are allowed to be exported.

1.2.1. Source of logs

There are at six recognised sources of timber in the Lao PDR, being:

- **Production Forest Areas (PFAs):** State forests (although not all covered in forest – see section 1.1.3 above) that are supposed to be managed in accordance with forest management plans aiming at sustainable timber production and reduced adverse environmental impacts, although the actual implementation of such plans is variable. The GoL is planning to revise the legal framework so that in the future, PFAs can also include timber plantations established on degraded or barren lands. Laos has a total of 51 PFAs covering about 3.1 million ha.
- **Permanent conversion of forests:** the national legislation allows for permanent conversion of forests for infrastructure development i.e. hydropower projects, including dams and water reservoirs, electricity transmission lines, road construction, land concession agriculture, for special economic zones, for mining etc. These developments must comply with the *Investment Promotion Law* (2016). Forest conversion is subject to approval by the Standing Committee of the National Assembly.
- **Timber plantations:** Most plantations are company owned and grown on either land concessions or land leased from the GoL or directly from villagers. Some plantations, especially teak but also some eucalyptus, are grown by smallholders, who may sell the timber to either the plantation companies, or directly to large or small scale wood processors. A small quantity of timbers comes from tree logged from private agricultural land;
- **Village use forests:** the forest areas located within village areas and allocated to be under the village management, preservation and utilization according to the land and forest allocation plan. Under current legislation, timber logged from village forests can only be used for village house construction or repair of village buildings. i.e, customary use.
- **Confiscated timber:** Timber can be confiscated, if illegalities are associated with its logging, transportation or trade transactions. Confiscated timber can re-enter the legal supply chain only, and it should be sold at auctions organized by the Government. (Confiscation procedure by Custom still needs further clarification)
- **Imported timber:** should be accompanied by an import license issued by MOIC/DIMEX. It is prohibited to import illegal timber and non-timber forest products for the purpose of exporting them for sales in third countries.

However, as mentioned previously, the recent PM Order 15, dated May 2016, directed that logging in natural Production Forest Areas (PFAs) is continued to be prohibited and closed to logging (as per PM Order no.31, dated 05 November 2013 on the suspension of logging at Production forest). As of 2018, the only legally allowable logging is from 3 of the above sources: which are (i) conversion areas, (ii) timber plantations and (iii) confiscated logs¹. After the issue of PMs Order 15, there was a hiatus in logging approvals. For the (FY 2017-18), logging was approved in 2 Conversion Areas, to a total of 40 million m³².

Regarding timber from plantations, there is no available quantitative information on logging from private company's timber plantations. In terms of small holder plantations, the only information available is a figure from the ACIAR project which reported that in 2010 that about 20,000 m³ of logs were taken (ACIAR Policy Brief: "smallholder Teak Woodlots and Agroforestry Systems in Lao PDR", not dated).

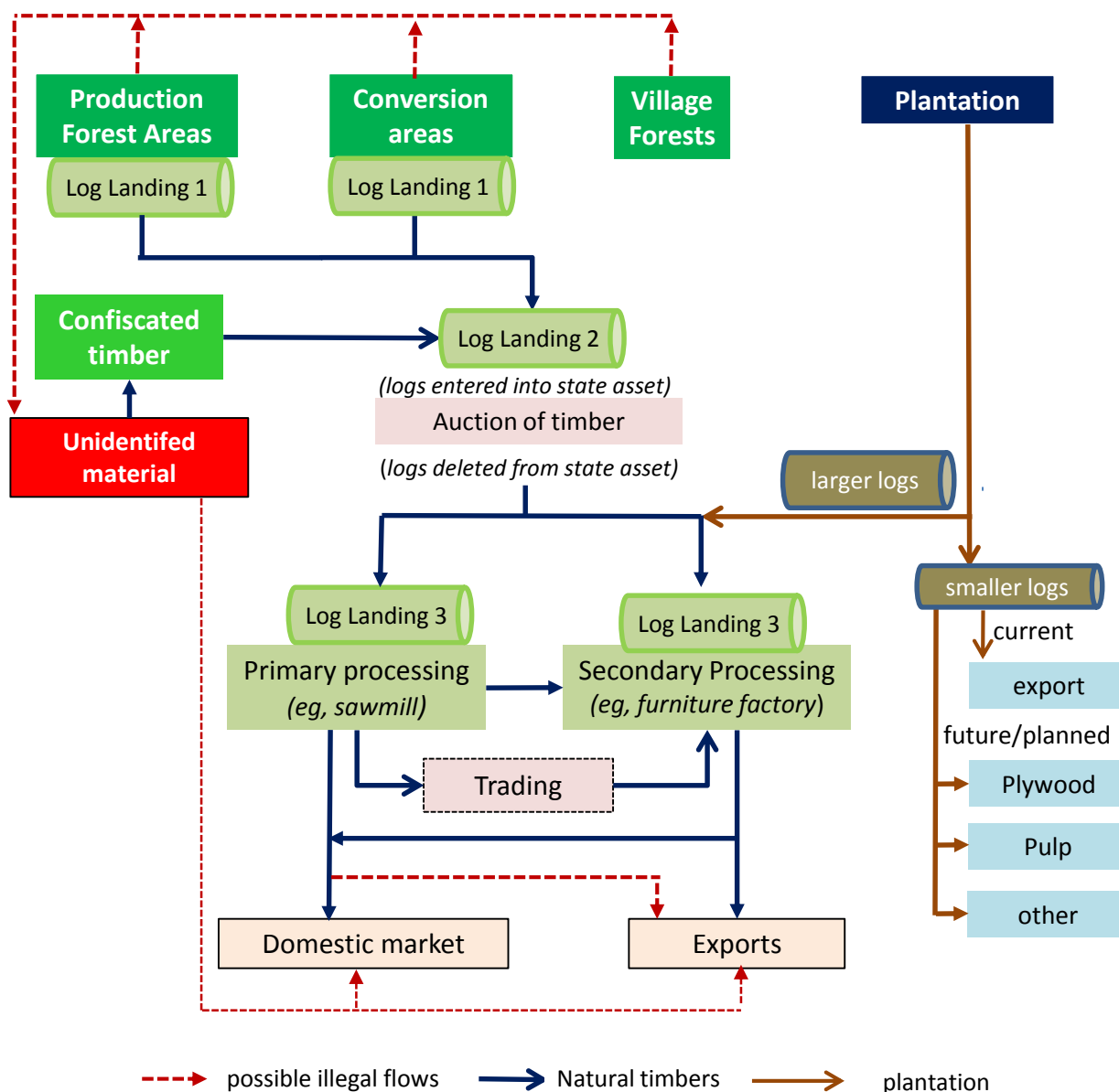
1.2.2.Key supply chain of wood and wood products

¹ Confiscated logs are illegally extracted from natural, state forests but that have been apprehended and impounded by state authorities, who then auction them to interested wood processors. Since confiscated logs are illegal in the 1st place and used in domestic market in Lao PDR, this category is not scope of this report.

² Approved timber extractions from land conversions in 2017/18 were 1) Nam Ngiep 1 Hydropower Dam and Reservoir, in Bolikhamsai Province (quota approved = 29,284.672 m³) and 2) Nam Theun 1 Hydropower Dam and Reservoir, in Bolkhamsai Province and Nam Kading Conservation Forest (quota approved = 10,719.590 m³)

An overview of the key supply chain of wood and wood products in Lao PDR is provided in figure 2 below.

Figure 2: Overview of the supply chain of wood and wood products in Lao PDR (adapted from FLEGT)



Note:

Log Landing 1: A place in, or close to, the forest area being logged, where the logs are accumulated after they are transported from the small logging coupes that are dispersed in the forest. The logs are brought from the logging coupes to Log Landing 1 in sling type logging trucks.

Log Landing 2: Transport trucks bring logs from various Log Landing 1's to a designated place in the District, which accumulates logs from the scattered Log Landing 1's. It is at this Log Landing 2 that the logs are auctioned.

Log Landing 3: This is actually at the log storage grounds of the processing factories. The Logs are delivered to Log Landing 3 after they have been auctioned and purchased at Log Landing 2.

1.3. Wood processing sector

1.3.1.Types of wood processors

The Wood Processing sector in Lao PDR is composed of sawmills, wood processors and furniture factories, and small or household wood processors and furniture makers, as explained by the Ministry of Industry and Commerce Decision No. 0719/MOIC of 03 April 2009, on Timber Processing Manufacture Standards:

“Timber processing manufacturers ...refer to the manufacturers that use primary materials such as trunk, branch, root and stump... to transform from trees to final products, and include:

- **Level I: Sawmills**, ...aim to produce saw wood, cut wood, semi wood, construction wood, interior decoration wood and pulp. These kinds of material can be supplied for the timber processing manufactures level II in order to process or add value and turn them to final products.
- **Level II: Processors and Manufacturers of timber products and furniture....**with an aim to produce (such as) house construction products (frames, door frames, window frames, stairs, bars and other interior products for buildings), parquet, floor, particle board and so on; containers made from timber (boxes, cargoes, pallets, etc.); paper, products made from paper; wooden furniture (tables, chairs, shelves, beds), decorative woods, wooden sculpts, wooden jewelleryes, picture frames, household and handicraft products for export and domestic purposes.
- **Small or a household wood processor ...** with less than 10 labours or a machine with 5 horse power.... aim to produce ...tables, chairs, shelves, beds, decorative woods, wooden sculpts, wooden jewelleryes, picture frames, household and handicraft products to supply for bigger sawmills or for export and domestic purposes.”

The number of officially registered wood processors, at three points in time, are summarised in Table 6.

Table 7: Summary of certified forest in the Lao PDR

		Sawmill	Wood processing	Furniture Factory	Total.	Small, family Factories
1	2006: MAF handed over responsibility to MOIC	181	384	1587	2,152	n/a
2	Before PM Order 15 (promulgated on 13/05/2016.	40	582	1,396	2,018	1,190
3	After PM Order 15 (2018)	10	416	724	1,150	162

In a recent Vientiane Times article of November 26, 2018, it was reported that:

“Nearly 1,000 wood processing plants across the country have been shut down since Prime Minister’s Order No. 15 was issued in May 2016. Prior to the order, there were 2,102 wood processing plants but the number has now fallen to 1,150, Prime Minister Thongloun Sisoulith informed the National Assembly last week. ‘The government will step up inspections and work to improve more plants to ensure they meet quality standards,.’”

1.3.2.Wood Processors Associations

Some wood processors and furniture factories have joined two ‘Associations’, formed under the general umbrella of the Lao National Chamber of Commerce (LNCCI) which are:

1: The Lao Furniture Association

Contact:

Office: Tel/Fax: 856-21-720454. Website: www.lfalaos.com

- 1: Mr Khamphay Songsana: Ban Nong Paya, 55511939, Son: 55527686. Export to Japan
- 2: Ms Souphayvanh Thengchanhxay, Vice President, 856-20-54199289, spc@buraphawood.com,

The LFA has 84 listed members (out of a total of about 700 furniture factories in the country), although possibly not all are active. The geographical distribution of its members are as follows

- Vientiane capital: 70 furniture factories
- Bolikhamsai Province: 6 furniture factories
- Khammoune Province: 2 furniture factories
- Xaiyabouly Province: 2 furniture factories
- Salavan Province: 1 furniture factories
- Sekong Province: 1 furniture factories
- Savannakhet Province: 1 furniture factories
- Champassak Province: 1 furniture factories

The LFA was established in 2003, and its main objective is to represent and promote the interest of its member companies. Its activities include;

- Organising Training Programs, with funds from another source (e.g, GIZ), in topics such as:
 - Management and administrative skills,
 - Technical skills and knowledge,
- Organising trade fairs and exhibition events, with upcoming events including.
 - 5th Lao Wood Furniture Fair 2019 (12-20/01/2019)
 - 4th Vientiane Furniture Fair 2019, (23- 31/03/2019))
 - 4th Lao Home & Living Fair 2019, (07/06 to 14/07/2019)

Its website also says that it “provides product advertisement” at but only 5 of its 84 members include any information on their products, and then only very briefly.

The LFA was asked to provide information on the types and quantities of products manufactured and exported by its members, but they did not have any information on the production of its members. Instead, they informed that most of the furniture companies either a) sell their products at regional fairs or shows, or b) Chinese, Vietnamese or Thai nationals buy retail in Lao and export themselves to their home countries.

2: Lao National Wood Processing Association

This association appears to have only 1 member, being Mr. Thongsavanh Souliyamath. It seems that this LNWPA manages the Training and Development Centre (TDC), which, in a Vientiane Times report of March 23, 2017 was launched after approval of the Prime Minister’s Office on 15 February 2017 with the Notification No. 265 on Establishment of Wood Processing Model and Wood Processing Cluster.

The purpose of TDC is to build capacities for timber processing companies on new wood manufacturing technologies as well as Chain of Custody for the upcoming MOIC Decision (Ministry of Industry and Commerce) on input/output monitoring for wood processing and trade. The training centre has been established with support from the German Development Cooperation’s project ‘*Support to the Lao-EU FLEGT Process*’ (ProFLEGT), implemented by Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ) GmbH, and supported by the Products Standard Division, Department of Industry and Handicraft, MOIC, and the Lao National Chamber of Commerce and Industry.

1.3.3. Product types and volume

The Portfolio of wood products made from wood harvested from natural forests in the Lao PDR is extensive in terms of products, although recently rather limited in quantity, and includes:

- round logs and rough sawn slabs;
- sawn timber, semi-finished timber, construction timbers and timbers for interior decoration;
- house construction products such as frames, door frames, window frames, stairs, balustrades and other interior products for buildings;
- parquet and flooring timber;
- containers made from timber (boxes, cargoes, pallets, etc.);
- wooden furniture such as tables, chairs, shelves, beds;
- decorative woods, wooden sculpture, wooden jewellery, picture frames; and
- household and handicraft products for export and domestic purposes.

It is difficult to access reliable statistical information/data on the volume of the different types of products. One reason is that information on wood products at the local level is not fully provided up to the central level.

1.4. Trade of wood products

1.4.1. Trade of wood products – volume and value

Accurate or official data/information on the volume and type of wood products traded and exported is not available in the Lao PDR. This is partly due to the sometimes informal and thus unrecorded logging, processing and exporting, but also due to the complexity or range of wood products produced by a wide range of stakeholders throughout country. Another reason may be that this is commercial information not readily shared by commercial enterprises.

The International Monetary Fund (IMF) (2017) reported that data on exports of wood products from Lao PDR to China and Vietnam (before PMs Order 15) demonstrated a high probability of illegal logging and trade in the country. China and Vietnam are major markets for wood and wood products of Lao PDR, and as shown in Table 7. This IMF's report showed significant discrepancies of export values of wood from Lao PDR, in that China and Vietnam record significantly higher imports of wood and wood products from Lao, than the Laos MOIC records as exports of wood products to these countries

Table 7: Reported export values of wood products by Lao PDR (MOIC) and exported countries (China and Vietnam), Oct 2014-Sept 2015 (million USD)

Exports	MOIC (Lao PDR)	COMTRADE	Difference
Exports to China	28.5	498.6	-470.1
Exports to Vietnam	69.8	404.4	-334.6

Sources: based on IMF (2017)

However, a recent report by Phuc et al. (2017) shows that the trend of the volume of exports of wood and wood products from Lao PDR to Vietnam during the period 2010 to 2017 has greatly reduced in recent years (see table 8 below), due to the implementation of the PM Order 15, 2016.

They also found that the proportion of high value timber species is high (60-70% for logs, and > 80% for sawn wood), as shown in tables 8.

Table 8: Summary of exported logs and sawn timber from Lao PDR to Vietnam 2010 to 2017

Year	Total Value/USD	Sawn wood		Round log	
		Volume/m3	Value/USD	Volume/m3	Value/USD
2010	200,827,266	257,326	160,364,062	177,480	40,463,204
2011	327,455,614	292,204	236,127,657	184,74	91,327,957
2012	281,930,769	283,830	207,596,466	199,349	74,334,303
2013	454,223,629	385,485	319,819,678	225,812	134,403,951
2014	559,459,483	495,126	410,003,936	308,647	149,455,547
2015	348,455,372	383,149	239,169,893	321,718	109,285,534
2016	73,268,564	97,138	63,677,885	36,194	9,590,679
2017	37,622,576	43,697	36,425,115	7,106	1,197,461

Source: Phuc et al. (2017)

1.4.2. Trade of wood products – species

Table 9, 10 and 11 provides lists of tree species exported as logs and sawn timber from Lao PDR to Vietnam in the period 2013 to 2015 (i.e, before PM Order 15, 2016) which has been a major destination of exported logs and timber from Lao PDR. In keeping with their high levels of export volume, Keruing, White Meranti and Magnolia Wood (see table 9 and 10 below for scientific names) were the top three timber species in terms of value. In 2015, their combined value accounted for over USD\$65 million, about 2.5 times the combined import value of the seven remaining timber species in the top 10. While Siamese Rosewood and Sepetir are listed in the top 10 in terms of export value, they did not feature in the top 10 species in terms of export volume. This demonstrates the high value of these timber species in the market.

Table 9: Main timber species of logs exported into Vietnam from Laos, 2013 – 2015

	Trade name	Species	2013		2014		2015	
			Volume (m3)	Value (Mill USD)	Volume (m3)	Value (mill USD)	Volume (m3)	Value (mill USD)
			225,800	134.4	308,600	149.5	321,700	109.3
1	Siamese Rosewood	<i>Dalbergia cochinchinensis</i>	32,900	84.9	24,300	65.5	2,500	7.2
2	Burma Padauk	<i>Pterocarpus macrocarpus</i>	9,600	6.7	15,700	11.7	9,300	7.4
3	Keruing	<i>Dipterocarpus alatus</i> , <i>D. costatus</i> , <i>D. spp.</i>	35,000	6.1	41,000	8.4	125,200	42.7
4	White Meranti	<i>Shorea roxburghii</i>	22,300	4.8	25,100	5.6	48,500	12.5
5	Crape Myrtle	<i>Lagerstroemia paniculata</i>	15,500	3.7	5,600	1.4	7,500	1.9
6	White Seraya	<i>Parashorea stellata</i>	20,500	3.7	12,700	2.5	12,000	2.1
7	Chengal Batu	<i>Hopea ferrea</i>	11,000	3.2	11,800	3.4	5,600	1.7
8	Teak	<i>Tectona grandis</i>	8,400	3.0	6,800	2.5	5,900	2.1
9	Magnolia wood	<i>Magnolia champaca</i>	11,300	2.9	36,900	11.4	25,100	10.2
10	Chinese fir	<i>Cunninghamia konishii</i>	5,300	1.8	12,300	3.4	10,900	3.2
11	Sepetir	<i>Sindora siamen</i>	4,900	1.7	24,100	8.7	4,900	2.3
12	Indochina ironwood	<i>Erythrophloeum fordii</i>	2,400	1.7	140	0.1	1,300	0.9
13	Palisander	<i>Dalbergia oliveri</i>	1,000	1.6	2,900	4.3	469	0.7

	Trade name	Species	2013		2014		2015	
			Volume (m3)	Value (Mill USD)	Volume (m3)	Value (mill USD)	Volume (m3)	Value (mill USD)
			225,800	134.4	308,600	149.5	321,700	109.3
14	Others		45,700	8.5	89,400	20.7	62,500	14.4

Source: Phuc et al (2016)

Table10: Main tree species imported as logs from Laos into Vietnam in 2015)

	Trade name	Species scientific name
1	Keruing	Dipterocarpus alatus, D. costatus, D. spp.
2	White Meranti	Shorea roxburghii
3	Magnolia wood	Magnolia champaca
4	Siamese Rosewood	Dalbergia cochinchinensis
5	Burma Padauk	Pterocarpus macrocarpus
6	Crape Myrtle	Lagerstroemia paniculata
7	White Seraya	Parashorea stellata
8	Chengal Batu	Hopea ferrea
9	Teak (planted)	Tectona grandis
10	Chinese fir	Cunninghamia konishii
11	Sepetir	Sindora siamen
12	Indochina ironwood	Erythrophloeum fordii
13	Palisander	Dalbergia oliveri

Table 11: Main tree species imported as sawn timber from Laos into Vietnam, 2015,

nr.	Trade name	Species scientific name
1	Burma Padauk. Burmese rosewood. Sena (Malay)	<i>Pterocarpus macrocarpus</i>
2	Sepetir. Memperas	<i>Sindora siamen</i>
3	Indochina ironwood	<i>Erythrophloeum fordii</i>
4	Surian. toon. red cedar. Limpaga	<i>Toona sureni</i>
5	Magnolia wood	<i>Magnolia champaca</i>
6	White Seraya. Gerutu	<i>Parashorea stellata</i>
7	Merawan	<i>Hopea pierrei</i>
8	Burmese Rosewood. Palisander	<i>Dalbergia oliveri</i>
9	Ipil	<i>Afzelia xylocarpa</i>
10	Crape myrtle. Bungor (Malay). Tabek (Thai).	<i>Lagerstroemia paniculata</i>

Source: Phuc et al (2016)

1.4.3. Trade of plantation wood products

While detailed or accurate information on the trade of plantation wood products is not publicly available, some information on the current or planned (future) wood products from timber plantation companies is provided below.

A: Burapha Agroforestry Company:

Processing facilities

- Currently operate one wood processing facility, producing timber and wood products, including furniture, from plantation wood – eucalyptus and teak.
- Their future plan is to build a pulp and plywood mill, in Hin Heup District, to take 8 to 30 cm logs, and process around 50,000 m³ per year, and then to build a larger forest industry cluster (pulp mill, plywood, sawmill, biofuel, green electricity etc.)

Exports over the last 5 years have included, for example:

- Maldives: sawn teak and eucalyptus. For teak decking and eucalyptus roof shingles,
- China: Sawn teak and teak furniture
- UK: Teak furniture
- Thailand, then to the US: Teak furniture
- Denmark and Sweden: small quantities of teak and eucalyptus furniture
- Korea: cutting boards, flooring

B: Stora Enso:

Have only just started to harvest for timber trade, and the company objective is to grow logs for (a) pulp and paper, and (b) veneer logs (for plywood) for either export or sale to processing companies in Lao. It appears that they do not intend to build their own processing facilities.

C: Oji company (Japanese) sold to Newforest, and renamed “Mekong Timber Plantations”:

The MTP aims to produce logs for (a) pulp and paper, and (b) veneer (plywood)

D: Birla Lao:

No information yet on its trade in plantation products

E: Sun Paper:

This Chinese company have built a new factory in Savannakhet province, which will include waste paper recycling from Europe and America, to avoid the Chinese Government restrictions on imports of waste paper into China (due to pollution concerns).

F: White Charcoal (from the species *Cratogeomys formosum*)

In the Lao PDR, white charcoal production started in 2004 and has been growing steadily due to the brisk demand from Japan and Korea. In 2015, 65 firms produced white charcoal throughout Laos, while in 2016, exports reached over 11,156 tons with a total value of US\$ 2,403,000 (US\$0.22/Kg) (MoIE, 2018).

Reference: “Opportunities for Sustainable commercial White Charcoal production in Laos: Research Finding”, June 26, 2018 NAFRI, Vongkhamho, S. et al

2. OVERVIEW OF RELEVANT GOVERNMENT ORGANISATION

The Ministries within the Government of Lao PDR that are relevant to, or have a role in, the legality of timber and wood products includes:

- Ministry of Agriculture and Forestry (MAF);
- Ministry of Natural Resources and Environment (MONRE);
- Ministry of Industry and Commerce (MOIC); and
- Ministry of Finance (MoF).

These Ministries are all located in the capital city, Vientiane, and all have offices located in each of the 18 Provinces, and then in each of the Districts with each Province. At the central level, the Ministries are a composed of various Departments (which also have specific offices at the Provincial, and sometimes District, level), Divisions, Institutes, etc.

The role and responsibilities of these Ministries, their relevant Departments and Divisions, and their Provincial and District offices, is summarised in Table 12 below.

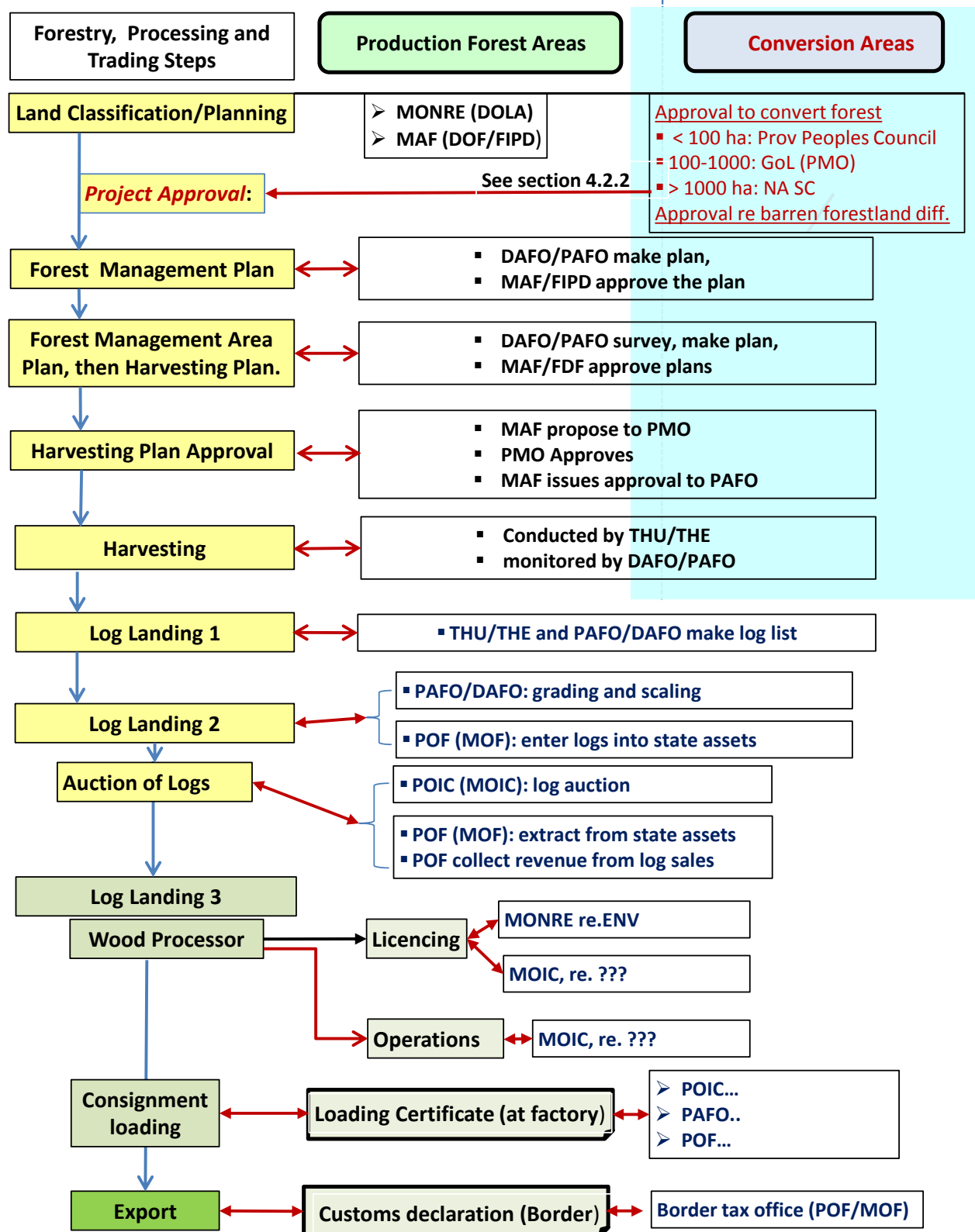
Table 12: GoL Organisations responsible for harvesting, processing, distribution and trade of woods and wood products

Name of GoL Organisation	Roles and Responsibilities
Ministry of Agriculture and Forestry (MAF)	
Department of Forestry (DoF) → Production Forest and Logging Management Division (PFLMD). → Forest Inventory and Planning Division (FIPD) . → Planation Promotion and Forest Restoration Division. → Village Forest and NTFP Management Division. → Legislation and Forestry Technical Standard Division.	The DoF, and its constituent Divisions: <ul style="list-style-type: none"> ▪ develops and implements strategies and programs on forestry; • surveys and monitors the change in forest resources as well as management of information on forest resource over the country; • delineates zones, surveys forest resources and undertake management planning for the conservation, protection, development and use of forest and forestland, non-timber products, water and wildlife; • formulate forestry laws and other legal instruments re. forestry • operationalize legislation by regulations and technical instructions; • research and recommend policies, methods and measures on tree planting, forest regeneration, forest management, forest protection. • monitor, supervise and evaluate the implementation of forestry master plans, programs and projects; and • inspects, monitor and evaluate the implementation and effectiveness of the forestry legal framework for the management, protection, use and sustainable development of forest resources. The Division of Legislation and Forestry Technical Standards is responsible for revising, or creating new, legal instrument that relate to forestry practices and CoC from the first up until log landing 2.
Department of Forestry Inspection (DOFI) ...which includes.... → Legislation and Forest Inspection Policy Division (LFIPD).	DOFI was established in 2008, and responsible for investigation and enforcement activities under the <i>Forestry Law 2007 No06/NA</i> and the <i>Wildlife and Aquatic Law 2007 No07/NA</i> . It operates under the <i>Terms of Reference No 1894/MAF 2012</i> and is directly accountable to the secretary body to the Minister, with regard to forest, wildlife and aquatic laws and associated regulatory instruments. The Division of Legislation and Forest Inspection Policy was created more recently and replaced the FLEGT Standing Office. It is responsible for development of policies and legal instruments relating to timber legality, from the forest to log landing 2, including the development of the TLDs for the FLEGT VPA process..

Name of GoL Organisation	Roles and Responsibilities
Provincial Agriculture and Forestry Division (PAFO) ...which includes ... → Provincial Forestry Section	Responsible for implementing the functions of DOF at Provincial level, including <u>developing Provincial harvesting quota</u> for submission to MAF, issuing harvesting licenses, developing harvesting contracts, supervising harvesting operations, preparing log source documentation, including the scaling and grading of logs and creating the list of logs at Landing 2.
District Agriculture and Forestry Office (DAFO) ...which includes... → District Forestry Unit (DFU)	Reports to PAFO (about 7 to 11 Districts per province). Functions include the registration of plantations, plantation management planning, pre-harvest surveys, the monitoring of harvesting operations and preparing log origin documentation. DAFO measures harvested timber and compiles the logs lists for harvested material from all areas.
Ministry of Natural Resources and Environment (MONRE).	
Department of Natural Resources and Environment Policy (DNREP)	Responsible for reviewing and approving the conversion of natural forests for infrastructure development i.e. hydropower dams and reservoirs, electricity transmission lines, road construction, agriculture and mining.
Department of Environmental Quality Promotion (DEQP)	Responsible for environmental and social impact assessment of forest conversion.
Department of Lands (DOLA)	<ul style="list-style-type: none"> ▪ Responsible for land zoning, at least to the level of 8 national land classes, one of which is Forestland. ▪ Responsible for Land Registration and Land Tilting
Ministry of Industry and Commerce (MOIC)	
Dept of Industry and Handicrafts (DIH)	Responsible for wood processing industries. Private companies or households who own the timber processing companies are controlled by Department of Industry and Handicrafts (DIH) and related provincial authorities (POIC and District Office of Industry and Commerce, DOIC).
Department of Import and Export (DIMEX) ...which includes... → Import and Export Management Division	Previously responsible for issuing import and export licenses, but no longer. It collects and maintains national statistics on imports and exports and maintains the Lao PDR Trade Portal which is the Government of Lao PDR's website for trade related information including laws, regulations, procedures and tariffs.
Department of Domestic Trade (DDT)	
Provincial Office of Industry and Commerce (POIC)	Responsible for timber and forestry business in each Province, which commences after harvesting has occurred and logs have been transported to Log Landing 2 through to export, including: <ol style="list-style-type: none"> 1) log auctions at log landing 2; 2) certification of wood products for export, at factory, prior to loading.
Ministry of Finance	
Department of Customs (DoC)	Responsible for the collection of taxes and royalty payments, for determining and collecting duties on goods exported from Laos PDR including wood and wood products into and out of a country

Name of GoL Organisation	Roles and Responsibilities
<p>Department of State Assets (DoSA)</p>	<p>Responsible for the registry of natural logs from PFAs or conversion area – as logs are a state asset. The logs that are scaled and graded are entered in the state assets register and removed from the state assets register once the buyer has paid for the logs. Confiscated logs and confiscated processed timber products are also entered in the state assets register.</p> <ul style="list-style-type: none"> ▪ At the central level, the State Resources Management Division is responsible ▪ At provincial levels, in the Provincial Office of Finance (POF), the State Asset Section (SAS) is responsible ▪ At District level, the District Finance Office (DFO)

Figure 3: Organisations responsible for issuing forest and wood products permissions and approvals



MAF: Min Agriculture + Forestry	MONRE: Min of Natural Resources and Environment	MOIC: Min Industry/Commerce	MOF: Min of Finances
DoF: Department of Forestry		DIMEX	DoSA: Dept of State Assess
DOFI: Dept of Forestry Inspection		DIH	DoC: Department of Customs
PAFO: Provincial Agr/For Office	PONRE	POIC	POF Provincial Finance Office
DAFO: District Agri/For Office	DONRE	DOIC	DOF District Finance Office

3. OVERVIEW OF FORESTRY LEGISLATION

3.1. General situation

The regulatory framework governing the forestry sector in Lao PDR is diverse, affected by different legislation from the natural resources and trade sectors, and is extensive in the number of legal instruments that apply. However, there is a lack of clarity, such as:

- (i) understanding which is the actual applicable, or dominant, legislation (implementing legislation in particular is not easily available);
- (ii) it is not clear which provisions (in an older legislation) has been rendered inconsistent or redundant by subsequent additions to, or abrogation in, the legislative framework; and
- (iii) there are unclear responsibilities of the various GoL agencies and authorities over a specific issue (both horizontally in terms of Departments or Ministries, or vertically at different levels (national, provincial, district and village).

Provinces sometimes interpret and apply the legislation differently, or issue legislation or other instructions that are not always aligned with national legislation, preventing uniform application and implementation throughout the country. The responsible Ministries may issue internal instruction on the implementation of legislation, but this may occur in isolation from or without consultation with other relevant organisations.

The Lao PDR the hierarchy of Laws is implied in the Law on Making Legislation No 19/NA 2012 as follows:

- The Constitution;
- Laws;
- Resolutions of the National Assembly;
- Resolutions of the Standing Committee of the National Assembly;
- Ordinances of the President of the Republic;
- Decrees of the Government;
- Resolutions of the Government;
- Orders and Decisions of the Prime Minister;
- Orders, Decisions and Instructions of the Minister and Head of a Government Authority;
- Orders, Decisions and Instructions of the Provincial Governors and City Governors;
- Orders, Decisions and Instructions of the District and Municipality Chiefs;
- Village Regulations Legislation of Specific Application

A very large number of legislative documents related to Forestry exist³, and continue to be promulgated.

In December 2015, the DoF, supported by FAO/WB and GIZ, produced a Forestry Legality Compendium, partly in view of the FLEGT-Lao program under development. This compendium does not actually provide copies of legal documents, but rather listd, organises and analyses the diverse range of document based on their relevance to specific sections of the Forestry Law 2007. This Compendium listed the following number of legal documents for specific sub-sectors of the Forestry sector, as follows:

- 51 legal, regulatory (or guideline) documents relevant to wood from Production Forest Areas;

³ A "Common Framework for Assessing Legality of Forestry Operations, Timber Processing and Trade" organized around Principles, Criteria and Indicators for Voluntary Forest Certification; and a spreadsheet listing more than 140 relevant legal documents translated into English, and 87 documents that have not been translated, produced by WWF/TRAFFIC RAFT Programme in 2013

- 51 legal, regulatory (or guideline) documents relevant to wood from Conversion Areas;
- 36 legal, regulatory (or guideline) documents relevant to village forest and individual forest;
- 52 legal, regulatory (or guideline) documents relevant to Industrial Plantations
- 45 legal, regulatory (or guideline) documents relevant to smallholder plantations
- 18 legal, regulatory (or guideline) documents relevant to Wood Processing
- 33 legal, regulatory (or guideline) documents relevant to Wood Product Trading and Export

This plethora of legal and regulatory documents in the forestry sector is very challenging, and not only to understand, but also difficult to use in practice, i.e, to effect and to monitor the legal harvesting, processing and trading in wood and wood products. As the Lao PDR is preparing for the FLEGT/Voluntary Partnership Agreement (VPA) with the EU, a more usable legal framework was badly need. Thus, the FLEGT-Lao program, with the assistance of the ProFLEGT project, has developed a more manageable and practical legal framework by the development of a set of Timber Legality Definitions, as explained in Section 3.2 below.

3.2. FLEGT-Lao

In 2003, the European Union (EU) first adopted its Action Plan on Forest Law Enforcement, Governance and Trade (FLEGT). The scheme promotes good governance in the forestry sector around the world, with the aim of reducing illegal logging and strengthening sustainable forestry. It is designed to prevent EU-bound imports of illegal timber and wood-based products. The plan includes financial and technical support and advice to timber-producing countries, as well as measures to promote the legal timber trade.

A key component of FLEGT is the development of Voluntary Partnership Agreements (VPA) with timber producing countries. A VPA is an international trade agreement to reduce illegal wood harvesting and promote legal timber trade. The legal definition of timber forms an important component of Timber Legality Assurance Systems that are part of Voluntary Partnership Agreements (VPAs).

The GoL first submitted its letter of interest to develop a FLEGT VPA, to the EU, in 2010, and then in 2012, the GoL, as represented by the Ministry of Agriculture and Forestry, committed to the FLEGT and announced its interest in negotiating a Voluntary Partnership Agreements (VPAs). The Ministry of Agriculture and Forestry opened a Forest Law Enforcement, Governance and Trade (FLEGT) Standing Office in 2013, with the DOFI, with support from Germany's Agency for International Cooperation (GIZ). Then, the Lao GOL started to negotiate the VPA with the EU, with assistance from the GIZ project Support to the Lao EU-FLEGT process (ProFLEGT).

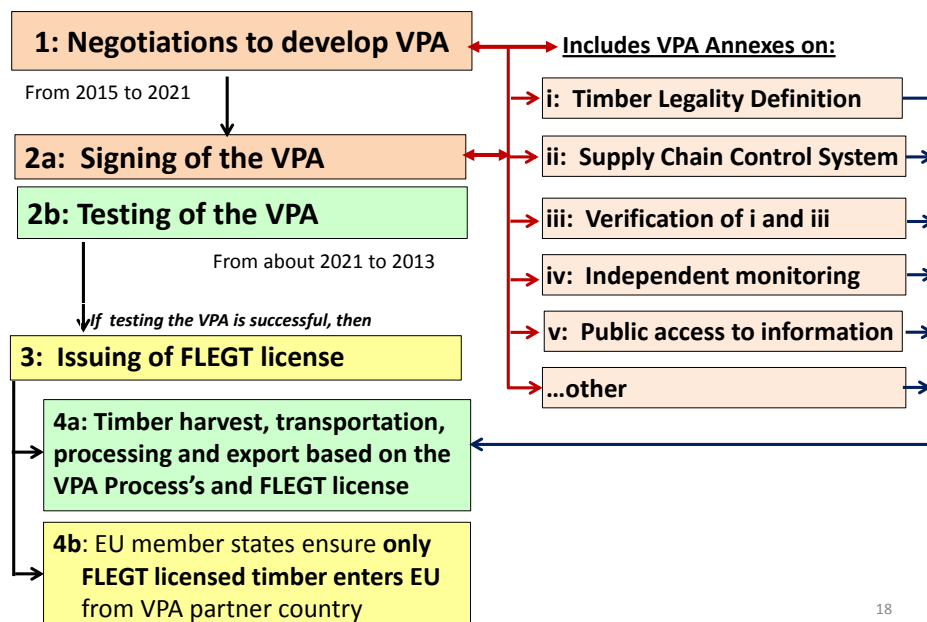
The Lao PDRs commitment to enter into negotiations with the EU on a VPA was followed by some years of preparatory works (see table 8 below for a summary of some key activities so far) which culminated in the first face-to-face meeting place in April/May 2017. The second face-to-face negotiation was then held in June 2018, and a third s is planned to be conducted in February 2019.

It is expected that the VPA will be signed between the EU and the GoL at the beginning of 2021. Once the VA is signed, then a joint implementation committee will be convened to oversee the implementation and evaluation of the system which, if and when successful, will result in the issuing of a FLEGT licence to the Lao PDR. This issuance of the FLEGT licence is hoped to occur about 3 years after the signing of the VPA.

It is understood that the Lao PDR, and the EU, have agreed that the scope of the VPA and its FLEGT licence would cover all exports to all countries, including countries which may have their own TLA scheme, and also be applied to the domestic timber and wood industries.

An overview of the FLEGET VPA process in the Lao PDR is provided in figure 3 below. Currently the partners are still at the first step (1.), being ‘negotiations to develop the VPA’, with a focus on (i) timber legality definitions and (ii): supply chain control systems.

Figure 3: Overview of the FLEGT VPA process in the Lao PDR



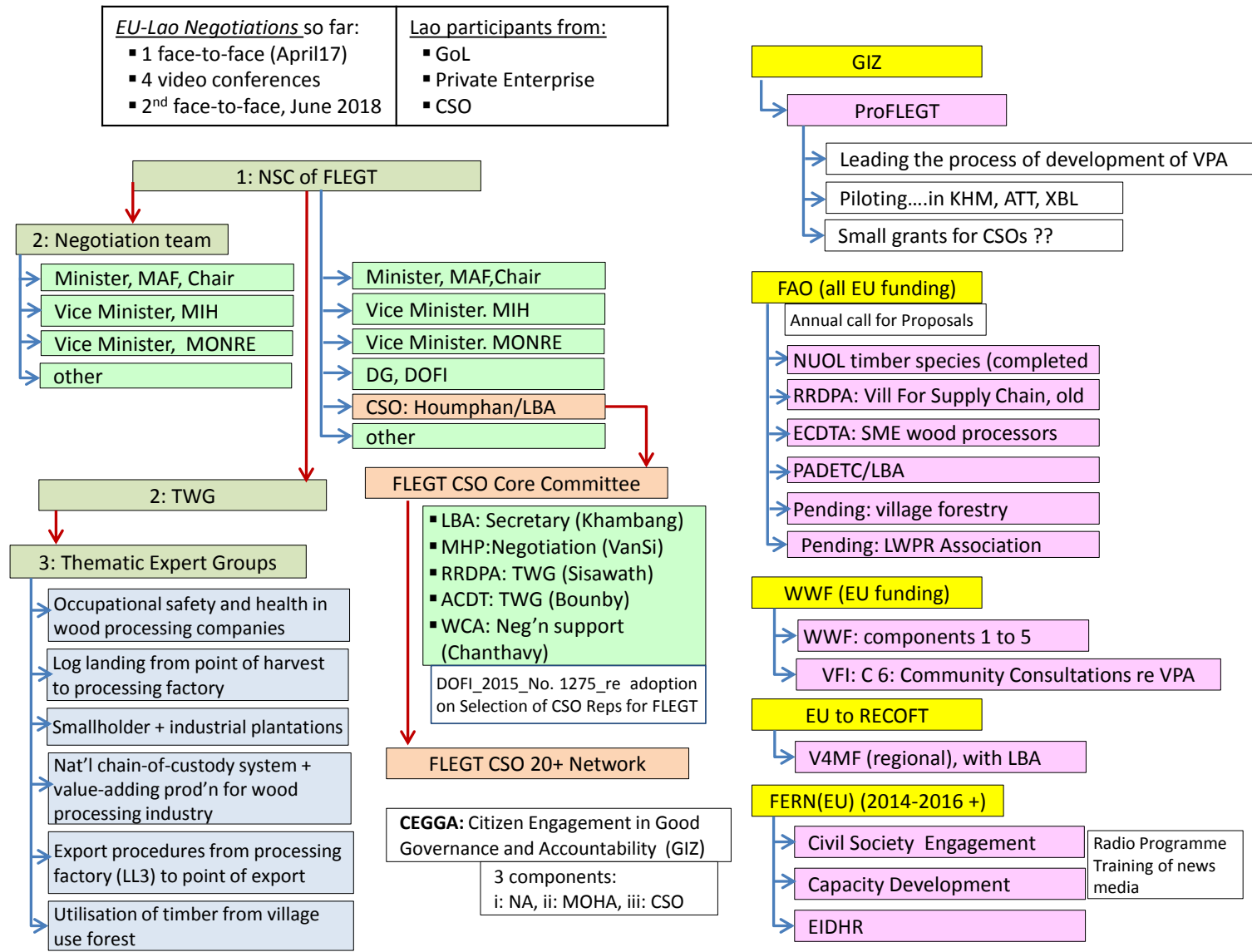
18

Table 8 below lists some of the key FLEGT-Lao activities that have taken place thus far, while figure 4 provides an overview of main stakeholders in FLEGT-Lao.

Table 8: key activities that have taken place under ‘negotiations to develop the FLEGT VPA’

<ul style="list-style-type: none"> ▪ 2010: Ministers of MAF and MOIC submitted Letter of intention on FLEGT VPA to EU. ▪ 2011: Baseline study on timber flow study in Laos completed. ▪ 2012: Vice Ministers of MAF, MOIC, MoNRE submit Letter of Intention to prepare FLEGT VPA Negotiation. ▪ 2013: FLEGT VPA Standing office established under Department of Forest Inspection. ▪ 3 pilot provinces of FLEGT roved (Xayaboury, Khammoune and Attapeu Province). ▪ 2015: Prime Minister Office approve start of FLEGT VPA Negotiation between Laos and EU ▪ The 1st National Steering Committee (NSC) Meeting was held in October 2015. ▪ The 2nd National Steering Committee (NSC) Meeting was held in July 2016. ▪ 2016, December: 5 draft TLDs and Product Scope submitted to EU. ▪ 2015, September: The CSOs FLEGT committee created with current membership of 23 CSOs ▪ 2017, January: The Negotiation Team and Technical Working Group Meeting with EFI (EU consultants). ▪ 2017, April/May: 1st face-to-face negotiations between the EU and thr GoL ▪ 2018, January: 3rd National Steering Committee meeting in Champasack province Co-chaired by Vice-Minister of Agriculture and Forestry, Chief Negotiator for Lao-EU FLEGT VPA, Dr Phouangparisak Pravongviengkham, ▪ 2018, June: 2nd face-to-face meeting held in Vte Capital, The negotiations included two meetings. A two-day Joint Expert Meeting and a Technical Working Group (negotiation) Meeting ▪ 2018/10: EU feedback on supply chain control, verification for production forest, wood processing & trade ▪ 2018, Oct/Nov: EFI Technical Mission to Laos to support finalization of document package for JEM3. ▪ 2019: 3rd face to face negotiations is planned to take place in Brussels, comprising JEM 3 and TWG 3.

Figure 4: Overview of main stakeholders in FLEGT (unofficial draft, by consultant, of 28 January 2018)



3.3. Technical and IDA assistance to the development of FLEGT-Lao

ProFLEGT is a joint initiative of the Lao Government and the German Development Corporation, implemented through GIZ. It was first established as a project in 2013. In 2017, 2 other GIZ projects joined (the Hin Nam Nor NBCA project and the ProCEED project), to form the ProFLEGT “program” (or the ProFEB program), still financed by the German Government thru BMZ, and implemented by GIZ. The first phase of this project/program which started in 2013 is expected to run until April 2019. Its office is located in MAFs Department of Forest Inspection. A 2nd phase is expected to commence in May 2019 and run for at least 2 years. ProFLEGT is working closely with the Ministry of Agriculture and Forestry (through the earlier FLEGT Standing Office, now transformed into the Division of Legislation and Forest Inspection Policy (LFIPD), under the Department of Forest Inspection, DOFI), the Ministry of Industry and Commerce, and the Ministry of Natural Resources and Environment, as well as other government agencies, civil society organizations, academia and the timber processing industry

In parallel to the technical assistance to FLEGT-Lao from GIZ, via ProFLEGT/ProFEB, the KfW has committed 7 million Euro to assist the implementation of FLEGT in Lao, with a focus on conversion areas and the wood processing sector.

The EU also funds agencies and organisations to assist in the development of FLEGT in Laos, including:

- FAO: the EU-FAO FLEGT programs’ project in Lao (<http://www.fao.org/in-action/eu-fao-flegt-programme/en/>) has the overall objective to tackle illegal logging, promote trade in legal timber products and ultimately contribute to sustainable forest management (SFM) and poverty reduction, including improving governance and law enforcement as well as promoting legal and sustainable forest industries. Its Implementing period is 1 January 2015 -31 December 2020, with a fund of 900,000 USD
- WWF: World Wildlife Fund for Nature
- RECOFTC: The Center for People and Forests, an international not-for-profit organization that focuses on capacity building for community forestry in the Asia Pacific region
- FERN, an organisation based in the EU, is dedicated to protecting forests and the rights of people who depend on them and was a key stakeholder in encouraging the EU to develop FLEGT. Its work in Lao is mainly focussed on supporting the role of CSOs in the FLEGT process.

3.3.1. Timber Legality Definitions of FLEGT-Lao

The most complete and updated⁴ “framework” that organises the laws and regulations of Lao PDR that relate to the management of and access to forests, to harvesting, transportation, processing and trade, can be found in the Timber Legality Definitions (TLDs). These TLDs are being developed and tested via a multi-stakeholder consultation and testing process, under the VPA development of the FLEGT-Lao program. It is expected that they will be accepted and used as the standard legal framework for the Forestry sector in the Lao PDR. In general, the TLDs under development are based on existing laws and regulations of the Lao PDR, but gaps have been identified, and new legislation and regulations are being developed to ensure a more comprehensive legal framework. Once FLEGT-VPA is agreed, timber and timber products must comply with these definitions in order to receive FLEGT licences that will be used to export wood and wood products to at least EU countries.

Currently, there are eight TLDs that cover, the legal requirements for operations related to the legal sources of timber in Lao PDR, transportation of logs, selling of logs, wood processing and trading of processed timber products as well as labour obligations, as follows:

⁴ TLDs are being constantly updated

- TLD 1 on Production Forest Areas (which currently include 18 legal references);
- TLD 2 on Conversion areas (based on 19 legal references);
- TLD 3 on Timber plantations: (based on 16 legal references);
- TLD 4 on Village use forests (not yet drafted, as villagers cannot legally log and sell timber);
- TLD 5 on Confiscated timber: (based on 19 legal references);
- TLD 6 on Imported timber: (based on 3 legal references);
- TLD 7 on Labour obligations in forestry, wood processing and trading operations (based on 9 legal references); and
- TLD 8 on Wood processing and trade: (based on 19 legal references).

Each TLD consists of an identical structure: *Principle, Criterion, Indicator, Verifier* and *Legal Reference*.

- Principles and criteria: express the scope and outline of legal requirements covered by the Lao TLAS.
- Indicators: specify the legal requirement that must be complied with.
- Verifiers: each indicator is equipped with a *verifier* or several *verifiers* that is/are evidence of compliance. With the help of the *verifiers*, the verification body determines the compliance with the *indicator*.
- The *legal reference*: identifies the legal acts where the indicator and related verifiers are laid down.

These TLDs will be as the basis for this Lao Country Report, as the framework in which to explain the legislation relating to harvesting, transportation and processing and trading, as detailed in section 4, 5 and 6 later in this report.

3.3.2. COC and the TLAS (Timber Legality Assurance System) of FLEGT-Lao

While the TLDs provide the framework in which to understand the many and various legal instruments which - if implemented - would ensure legal forestry operations, a system is required to monitor, check and verify that all these laws and regulations are actually being implemented and followed in a logical, linked and consistent progression, so that the resultant wood product is indeed based on legal timber and legal supply chain.

This is termed Chain of Custody assessment. The Lao PDR does have some current legislation which are aimed at verifying and ensuring the legality of harvesting and transporting of timber, such as,

- “Guidelines 1097/DoF (2007), on Chain of Custody (CoC) Control of Timber Harvesting & Transport in Production Forest”, and then’
- “Guideline 0962/DoF (2010) on Management of timber transports from forest to Log yard II”.

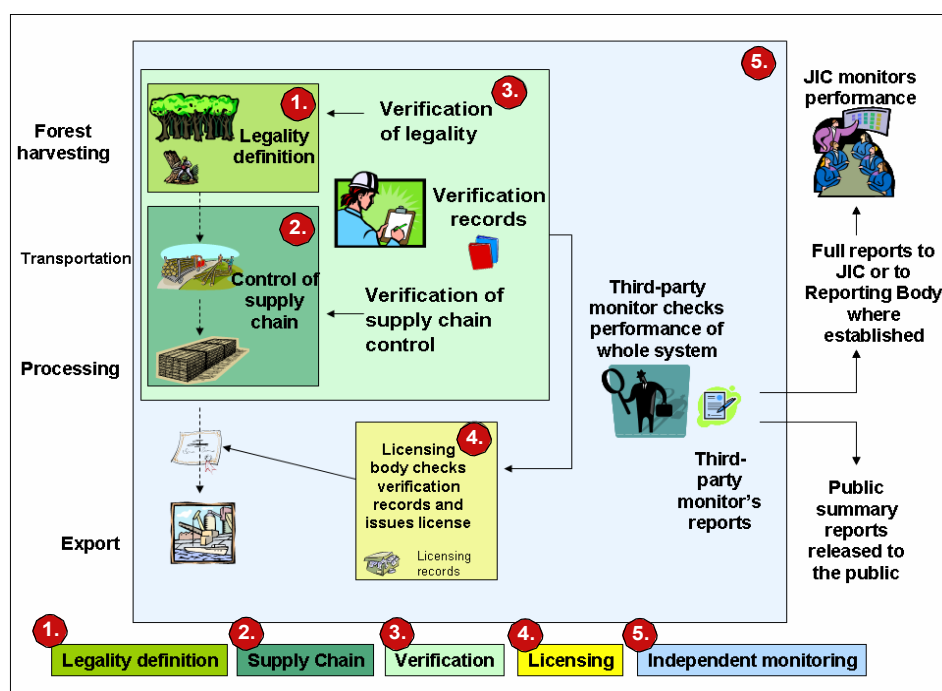
However, these regulations are not always consistent or feasible to implement and are out of date. In addition, there was previously no such CoC Guideline relating to processing and trading. Thus, the current system for the verification of the legality of harvesting is weak and at times possibly not implemented. However, the GoL is highly committed to ensure sustainable use of the country’s forest resources, and combat illegalities in the forest sector, and thus it has committed to the development of a national Timber Legality Assurance System (TLAS) under the VPA between Lao PDR and the European Union. It is expected that this TLAS will be taken as the standard for future timber legality assurances by all countries importing wood and wood products from the Lao PDR.

The Lao TLAS is being developed in a consultative process involving government, private sector, civil society and academy stakeholders and includes the following five functionalities:

1. Verification of compliance with Timber Legality Definitions;
2. Timber supply chain controls and related compliance verification;
3. Management of non-complying verification findings;
4. FLEGT licensing; and
5. Independent Monitoring

The relation (visual representation) of these five functionalities is provided in figure 5 below.

Figure 5: Visual representation of the five functionalities of the TLAS system under development



The scope of application of TLAS (see figure 6 below) recognizes six legal sources of timber, being

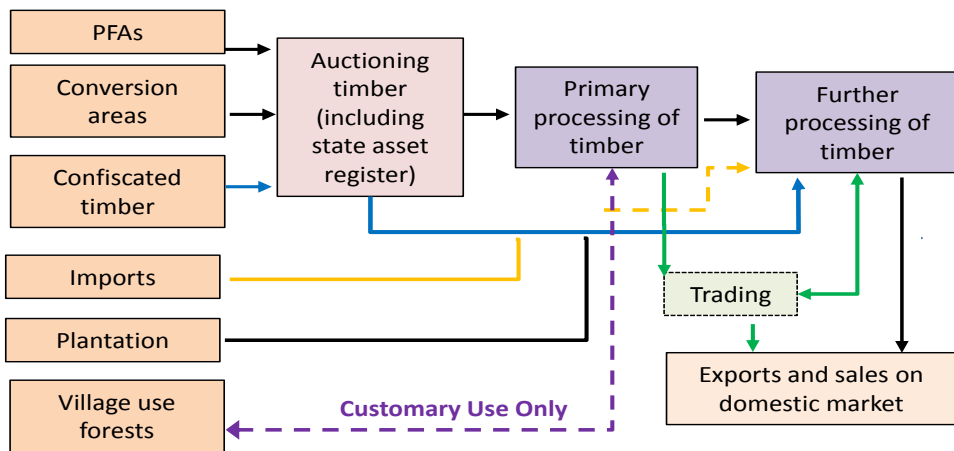
- (1) Production Forest Areas (PFA),
- (2) Conversion Forest,
- (3) Timber Plantations
- (4) Village Forests (this source is currently not approved).
- (5) Confiscated Timber (enters the legal supply chain through auctions organized by the GoL), and
- (6) Timber imported into Lao PDR.

The Lao TLAS includes control and verification measures for all primary and further processing of logs and timber products by industrial and household enterprises. The system also controls and verifies trading of logs and processed timber products within Lao PDR, and exports of timber products.

The Lao TLAS is applied to sales of logs and processed timber products on the domestic market, and exports of timber products covered by Annex 1 A of the VPA. Logs and timber products that are included in the product scope of Annex 1 B are not allowed for export. It is intended that each export

consignment of timber products is issued with a FLEGT license irrespective of the market destination (EU or non-EU countries).

Figure 6: the scope of TLAS in FLEGT-Lao



The TLAS will be governed by two (2) Chain of Custody regulations, one for the upstream, (MAF responsibility) and one for the downstream (MOIC responsibility) sectors of the Forestry Market Chain, as follows

- ☐ The upstream sector of the Timber Market Chain, being from the forest to Log Landing 2, will be governed by the under-revision “**Guideline 0962/DOF (2010). Management of timber transports from forest to Log yard II**”. This guideline currently under revision and improvement will likely be issued as Ministerial Instruction, or similar; and
- ☐ The downstream sector of Timber Market Chain, being from Log Landing 2 (after auction), thru processing) to trade and export, will be governed by the under-development “**Decision on the management and monitoring of timber input and outputs in wood processing and trading, MIC/DIH, draft of 8/1/2019**”.

4. LEGISLATIONS ON HARVESTING OF FOREST RESOURCES

4.1. Legal rights over forests

Legally, natural trees can only be logged and sold based on a logging quota or approval provided by the relevant Government authorities. This is because (a) natural forest trees on state forestland belong to the state, and (b) naturally growing trees growing on non-forestland also belong to the state and cannot be logged and sold for commercial purposes unless specific approval is provided. In the case of villages, they are not approved to log and sell natural trees, but only use them for customary purposes, such as houses, community buildings etc. This legal status of forest and trees is specified in in the Forest Law of 2007, and again in the **under-revision Forestry Law**, draft of 11/12 2018, which says:

Article 4: 5(revised) Ownership of Forest and Forestland (Forest Law under revision):

Natural forest and forestland is the property of the nation community and the state manages through centralization and unity throughout the country, and with participation of people to restore and preserve forest and forestland.

Forest and trees planted by individuals, legal entities, or organization, including investors, in the areas designated with their labour and/or funds with recognition of the Forest and Forestland Management Organization shall become the property of the planters or investors.

For natural trees that are located in the land of individuals, legal entities, or organizations, to which the state allocates the rights to use, the trees shall be the property of the individuals, legal entities, or organization.

The 3rd para above, in the under-revision Forestry Law, is not in the (currently applicable) Forestry Law of 2007, and thus the tenure of natural forest trees on private land holdings is in a state of flux. In the past, these were still considered to be state property, but the under-revision version suggests that if forest trees are cared for or regenerated by private persons, then they have the right to harvest.

In the case of trees planted by individual or other entities, those entities still have to prove that they planted the trees, and get permission to log, transport and sell the tree. This is because of the possibly to hide/smuggle natural forest trees in a consignment of planted trees. However, rubber and eucalyptus timber is exempt from these regulations, as they are non-native species and thus obviously 100% planted.

There are no ‘forest concessions’, or concessions provided for the long term management and use of forest resources. Instead, the forests are managed by the state, and access to the forest resources is provided by the system of annual quotas and logging approvals. However, the GoL does give Land Concessions for a range of development projects, such as hydropower projects, special economic zones, railway and road alignments, and plantations, which are sometimes located on state forestland, but generally on degraded forestland.

4.2. Laws and regulations on management and harvesting of forest resources

The legislation relevant to the harvesting of forest resources is outlines in TLDs 1,2 and 3, based on the three-timber-source type⁵ :

- **TLD1 on Production Forest:** v6.2 06-06-2018,
- **TLD2 on Conversion Area:** v4.0 25-05-2018,
- **TLD3 on Plantations:** v5.0 25-05-2018.

⁵ It should be noted that these TLDs include the legal requirements not only for harvesting, but also transportation until Log Landing 3 (i.e, to the 1st or input storage facility of the wood processing plants).

While the harvesting of timber from Production Forests is currently banned under the PM Order 15, the relevant TLD (Nr. 1) is under drafting in preparation for a future re-opening of Production Forests.

4.2.1. Legal framework for management and harvesting from Production Forest Areas (TLD 1)

District Agriculture and Forestry Offices (DAFOs) prepare plans to manage and harvest timber within the Forest Management Areas (FMA)⁶ under their jurisdictions (located with their Districts), and submit these to their corresponding Provincial Agriculture and Forestry Offices (PAFOs). Based on the received plans, the PAFOs prepare provincial annual operation plan, including annual timber harvesting plan, and submit these to MAF at the central level. MAF submits the Plans to the Pm office and if the PM offices approves, the MAF issue the approval back to PAFO. Then PAFOs issues the harvesting permit for the FMA, and contracts with a Timber Harvesting Unit or Timber Harvesting Enterprise to implement the logging plans. The legal requirement for **management planning** in Natural Production Forests is included under Principle 1.1 of the FLEGT-Lao TLD 1, as follows:

PRINCIPLE 1.1: NATURAL PRODUCTION FOREST MANGEMENT PLAN	
<p>Criterion 1.1.1: Natural production forest management plan for FMA shall be established</p> <p>Relevant Laws/Regulations</p> <ul style="list-style-type: none"> ▪ <i>Regulation 0204/MAF (2003): Establishment and sustainable management of production forests.</i> ▪ <i>Guideline 2156/DOF (2006): Sustainable Production Forest Management Planning.</i> ▪ <i>Decision 0108/MAF (2005): Regulation on Forest Inventory.</i> ▪ <i>Law 06/NA (2007): Law on Forestry.</i> 	
Indicators	Verifiers
1.1.1.1 PAFO and DAFO with the participation of villages have prepared the production forest management plan and DOF has endorsed it. In the case of a revision of an existing plan, it must be revised within at least 15 years	1.1.1.1.1 Production Forest management plan 1.1.1.1.2 Village forest management agreement
1.1.1.2 The management plan defines the sustainable annual allowable cut and logging compartments (annual cutting areas) for the planning cycle of 15 years.	1.1.1.2.1 Annual allowable cut in Production forest management plan 1.1.1.2.2 Map of the annual harvesting compartments

The legal requirement for **harvesting** from Natural Production Forests is included under Principle 1.2 of the FLEGT-Lao TLD 1, as follows:

PRINCIPLE 1.2: HARVESTING OPERATIONS	
<p>Criterion 1.2.1: Harvesting plan shall be prepared for the FMA and the provincial annual timber harvesting plan is approved:</p> <p>Legal references</p> <ul style="list-style-type: none"> ▪ <i>Law 06/NA (2007): Law on Forestry.</i> ▪ <i>Regulation 0204/ MAF (2003): on establishment and sustainable management of production forests.</i> ▪ <i>Guideline 2155/DOF (2006): Participatory Forest Inventory.</i> ▪ <i>Guideline 2157/DOF (2006): Timber Harvesting in Production Forest.</i> ▪ <i>Order 17/PM (2008): on the enhancement of forestry management, protection and coordination in the management of forestry and wood business</i> 	
Indicators	Verifiers
1.2.1.1 DAFO has prepared a harvesting plan (for a specific	1.2.1.1.1 Pre-harvest inventory report.

⁶ Forest Management Area (FMA) is a subset of a larger Production Forest - which is composed of many FMAs

FMA) based on the results of a pre-harvest inventory and PAFO has certified it	1.2.1.1.2 Harvesting plan for FMA with harvesting map
1.2.1.2 PAFO has prepared annual operation plan and annual timber harvesting plan ('for each FMA') and submitted to MAF.	1.2.1.2.1 Provincial annual operation plan, including annual timber harvesting plan
1.2.1.3 The Government ('PM Office') has approved an annual timber harvesting plan and MAF has issued the Notification to PAFO for harvesting operations. ('is this a quota')	1.2.1.3.1 Notification Letter on Annual timber harvesting plan of Prime Minister Office
	1.2.1.3.2 Notification Letter on annual timber harvesting plan of MAF
1.2.1.4 PAFO has issued the harvesting permit ('for a specific year/season') for the FMA.	1.2.1.4.1 Harvesting permit issued by PAFO)
<p>Criterion 1.2.2: Timber harvesting operation shall be in compliance with harvesting principles</p> <p>Legal references</p> <ul style="list-style-type: none"> ▪ Law 06/NA (2007): Law on Forestry ▪ Decision 0182/MAF (2009): Agreement on establishment and management of timber harvest units + enterprises ▪ Decision 0080/MAF (2012): Import, Management and Utilization of Chainsaw ▪ Guideline 2157/DOF (2006): Timber Harvesting in Production Forest ▪ Guidelines 0962/DOF (2010): Management of timber transports from forest to Log yard II ▪ Decision 0116/MAF (2007): Procedure for measuring log, tree stump, tree burl and log quality grading 	
Indicators	Verifiers
1.2.2.1 PAFO has signed a contract with an officially established and legally operating Timber Harvesting Unit (THU) or Timber Harvest Enterprise (THE). (see explanation below)	1.2.2.1.1 Signed harvesting contract
	1.2.2.1.2 Harvesting Unit enterprise establishment permit issued by MAF
	1.2.2.1.3 Harvesting enterprise registration from Provincial Office of Industry and Commerce
	1.2.2.1.4 Vehicles utilization permit
	1.2.2.1.5 Chainsaw utilization permit
1.2.2.2 Timber Harvesting Unit or Enterprise has prepared logging facilities (inc. forest roads, logging units' camp and log landing) according to existing guidelines + timber harvesting plan.	1.2.2.2.1 Harvesting maps
1.2.2.3 Timber Harvesting Unit or Timber Harvesting Enterprise has implemented logging operations according to existing guidelines.	1.2.2.3.1 Monitoring reports during logging by DAFO and PAFO
1.2.2.4 The harvesting operator has recorded all logs after cross-cutting at felling site or log landing 1.	1.2.2.4.1 Selected tree list with records for felled trees and logs from cross-cutting (Form I)
1.2.2.5 At log landing 2, PAFO, DFU (District Forestry Unit and VFO(s) (Village Forestry Officers) have prepared log list, measure, and mark logs with paint, scale and grade the logs according to guidelines.	1.2.2.5.1 Log lists from the log landing 2 (Form IV)

The Timber Harvesting Unit (THU) or Timber Harvest Enterprise (THE) is proscribed in “**Agreement 0812, 23 Feb 2009: On the establishment and management of timber harvest units and enterprises**”, as follows:

“The **Timber Harvesting Unit** is an organisation that is established under license and with approval from the Ministry of Agriculture and Forestry to undertake timber harvesting and transport of timbers from harvesting sites to the 2nd timber yard”

and

“The **Timber Harvest Enterprise** is a business unit established by the Ministry of Agriculture and Forestry. Implement according to the laws and regulations and requirements issued by concerned authorities. It has independent finance to implement and conduct the timber harvest activities according to the required standards.”

4.2.2. Legal framework for managing and harvesting from Conversion Forest areas

The competent government authorities that can approve the conversion of forest areas depends on operational sizes of targeted forest areas as follows:

- The conversion of forestland in the three forest categories (see section 1.1.3) is approved by the Standing Committee of National Assembly.
- The conversion of degraded forestland less than 100 hectares is approved by the Provincial Peoples' Council, between 100 and 1000 hectares by the Government (Prime Minister) and more than 1000 hectares by the National Assembly Standing Committee
- The conversion of barren forestland that is less than 30 hectares is approved by the District or Municipal Administration Authorities, between 30 and 200 hectares by the Provincial Peoples' Council, between 200 and 10,000 hectares by the Government (Prime Minister) and more than 10,000 hectares by the National Assembly Standing Committee.

These authorities are specified in the following two laws:

- ❖ Law 06/NA (2007), Forestry Law, Articles 70, 72 and 73
- ❖ Law 14/NA (2016), on Investment Promotion, Articles 49 and 50,

The legal requirement for management planning for Conversion of forestland is included under Principle 2.2 of the **FLEGT-Lao TLD 2**, as follows:

PRINCIPLE 2.2: INVENTORY AND LOGGING

Criterion 2.2.1: Pre-logging planning shall be established according to the concession agreement

Laws/Regulations

- *Law 06/NA (2007): Law on Forestry*
- *Regulation 0108/MAF (2005): on Forest Inventory*
- *Regulation 0112/MAF (2008): Logging and Post Logging Cleaning in reservoir area of hydropower dam*
- *Order 15/PM (2016): on Strengthening Timber Harvest Management and Inspection, Timber Transport and Timber Business*

Indicators	Verifiers
2.2.1.1 The logging management unit under the provincial committee for field implementation has demarcated the logging area and has surveyed the timber volumes (pre-harvest inventory).	2.2.1.1.1 Survey report and map of logging area
2.2.1.2 PAFO has prepared the annual operation plan for the province, including annual timber harvesting plan for conversion areas and submitted to MAF.	2.2.1.2.1 Provincial annual operation plan, including annual timber harvesting plan
2.2.1.3 The Government has approved the annual timber harvesting plan (including the harvesting plan for the conversion area) and then MAF issued a notification to PAFO for harvesting operations.	2.2.1.3.1 Notification Letter on annual timber harvesting plan of Prime Minister Office to MAF
	2.2.1.3.2 Notification Letter on Annual harvesting plan of MAF to PAFO

Criterion 2.2.2: Logging preparation, logging and post-logging cleaning shall comply with regulations on harvesting in conversion areas.

Laws/Regulations

- *Law 06/NA (2007): Law on Forestry (2007).*
- *Decision 0182/MAF (2009): on establishment and management of timber harvest units and enterprises.*
- *Decision 0080/MAF (2012): on the Import, Management and Utilization of Chainsaw.*
- *Order 15/PM (2016): on strengthening strictness of timber harvest management and inspection, timber transport and business*
- *Regulation 0112/MAF (2008): Logging and Post Logging Cleaning in reservoir area of hydropower dam.*
- *Decision 116/MAF (2007): re. procedure for measuring log, tree stump, tree burl and log quality grading.*

Indicators	Verifiers
2.2.2.1 PAFO has signed a contract with an officially established and legally operating Timber Harvesting Unit or Timber Harvest Enterprise.	<ul style="list-style-type: none"> ▪ Signed harvesting contract ▪ Harvesting Unit/ enterprise establishment permit issued by MAF ▪ Harvesting enterprise registration from POIC ▪ Vehicles utilization permit ▪ Chainsaw utilization permit
2.2.2.2 The Timber Harvesting Unit / Timber Harvest Enterprise has prepared the logging operation according to the logging plan, approved by the logging management committee	Logging plan
2.2.2.3 The Timber Harvesting Unit / Timber Harvest Enterprise reports regularly to the logging management committee on field implementation results.	Field implementation report
2.2.2.4 At log landing 2, the forestry technical officers have measured and graded the logs and marked the logs.	Log list

4.2.3. Legal framework for harvesting from Plantations (based on TLD 3)

Required procedures for legalising timber tree plantations includes registration and permits and depends on the size of plantation. The legal requirement for management planning for Plantations Forests is included under Principles 3.2 in FLEGT-Lao TLD 3 for Plantation Forest,3 as follows:

PRINCIPLE 3.2: PLANTATION ESTABLISHMENT and MANAGEMENT

Criterion 3.2.3: Plantation management must comply with regulations.

Relevant Laws/regulations

- *Notification 1374/MCAF (2010): application for registering tree planting parcels and grown timber certificate.*
 - *Regulation 0196/MAF (2000): Regulations concerning the development and promotion of long-term plantations.*
 - *Instruction 1643/DOF (2010): development of a feasibility study of industrial trees and NTFP investment.*
 - *Instruction 8029/MONRE (2013): Initial Environmental Examination of the Investment Projects and Activities.*
 - *Instruction 8030/MONRE (2013): Environmental+ Social Impact Assessment of Investment Projects and Activities*
- > *Decree 84/GOL (2016): on Resettlement and Compensation.*

Indicator	Verifiers
3.2.3.1 Scattered trees must be certified by the village headman and approved by DAFO.	Planted Tree Certificate
3.2.3.2 Plantations more than 1600 m ² and less than 5 hectares must be registered by DAFO.	Plantation Registration Certificate
3.2.3.3 Plantations more than 5 hectares must be registered by DAFO and approved by PAFO	Plantation Registration Certificate
3.2.3.4 Plantations under lease and concession and plantations with more than 5 hectares must have a management plan.	Management Plan
3.2.3.5 Plantations required to have an ESMMP must regularly report as specified in the ECC (Environmental Compliance Certificate) to the natural resource and environmental sector (area >200 ha: MONRE; area between 20 and 200 ha: PONRE.	Report on ESMMP implementation
3.2.3.6 The project owner must record and seek solutions to all requests regarding environmental and social disputes. If there is disagreement about the settlement, the affected can bring the case to the compensation committee. Unresolved issues can be escalated to a higher level for resolution.	Records of request at project owner's office. Documentation of dispute settlement case at different levels escalated to a higher level for resolution
3.2.3.7 The project owner shall publicly disclose information related to implementation of environmental and social management and monitoring measures.	Reports of project owners on ESMMP implementation

Necessary procedures for plantation harvesting permits depend on timber species and the operators who harvest timber. The legal requirement for harvesting plantations is included under Principle 3.3 of FLEGT-Lao TLD 3 for Plantation Forest, as follows:

PRINCIPLE 3.3: HARVESTING OPERATIONS.

Criterion 3.3.1: Harvesting in plantations or cutting scattered trees shall comply with relevant regulations.

Legal References

- *Official Instruction 3659/DOF (2017): Implementation of harvesting and moving of plantation wood*
- *Law 06/NA (2007): Law on Forestry*
- *Decision 0182/MAF (2009): Agreement on establishment and management of timber harvest units +enterprises*
- *Decision 0080/MAF (2012): Import, Management and Utilization of Chainsaw*

Indicator	Verifiers
3.3.1.1 The volume of harvested timber from plantations or scattered trees with <i>Eucalyptus</i> , <i>Acacia auriculiformis</i> , <i>Acacia mangium</i> , para rubber trees and agarwood must be reported by the plantation owner to DAFO.	Plantation timber volumes record keeping at DAFO
3.3.1.2 Cutting of native tree species from plantations or scattered native trees must be approved by PAFO.	Harvesting approval from PAFO

3.3.1.3 If forestry operation is implemented by a harvesting enterprise, the plantation owner or timber buyer has signed a contract with an officially established and legally operating Timber Harvesting Unit or Timber Harvest Enterprise	<ul style="list-style-type: none"> ▪ Signed harvesting contract ▪ Harvesting enterprise establishment permit issued by MAF ▪ Harvesting enterprise registration from POIC ▪ Vehicles utilization permit ▪ Chainsaw utilization permit
3.3.1.4 If harvesting is implemented by a household laborer with a chainsaw, the chainsaw needs to be registered at PAFO which needs to be notified each time the chainsaw is to be used.	Chainsaw utilization permit

Note on Regulations under revision:

It should be noted that several regulations specified as legal requirements in TLDs 1, 2 and 3 are under revision, and these include

- **Regulation 0112/MAF (2008)** “*Regulation on the Logging and Post Logging Cleaning in reservoir area of hydropower dams*”
It is being revised to include logging in all conversion areas, such as railway alignments, Special Economic Zones (SEZs) and other land or development concessions – which are not included in the 2008 document.
- **Decision 0116 /MAF (2007)**, “*regarding the procedure for measuring log, tree stump, tree burl and log quality grading*”
- **Guideline 0962/DOF (2010)** “*Management of timber transports from forest to Log yard 2*” is being revised, and probably upgraded to a Ministerial Decision.

4.3. Environmental requirements

4.3.1. Legal requirements for environmental consideration in the harvesting of Natural Production Forest areas

The legal requirements for environmental considerations for **Natural Production Forest areas** are organised in TLD 1, under Principle 1.5, as follows:

PRINCIPLE 1.5: POST-HARVESTING OPERATIONS	
<p>Criterion 1.5.1: Post-harvest assessment shall be conducted</p> <p><u>Legal references</u></p> <ul style="list-style-type: none"> ▪ Regulation 0204/MAF (2002), article 13 ▪ Guideline 2157/DOF (2006), chapter 10(3) ▪ Guideline 1036/DOF (2010), section 6 ▪ PSFM Operational Manual DOF (2013) 	
Indicators	Verifiers
1.5.1.1 The PFS, DFU and VFO(s) have conducted assessment of logging performance and logging impacts	<ul style="list-style-type: none"> ▪ 1.5.1.1.1 Post-harvest assessment report
<p>Criteria 1.5.2: The results of post-harvesting operation shall be implemented</p> <p><u>Legal references</u></p> <ul style="list-style-type: none"> ▪ Regulation 0204/MAF (2002), article 13 ▪ Guideline 2157/DOF (2006), chapter 12 ▪ PSFM Operational manual DOF (2013), sections 8.5.2 	
Indicators	Verifiers
1.5.2.1 The Harvesting Unit/Enterprise has mitigated and implemented issues and impacts recommended by PFS, the FMU and the VFO(s)	<ul style="list-style-type: none"> ▪ 1.5.2.1.1 Impact mitigation and implementation report

4.3.2. Legal requirements for environmental consideration for logging of Conversion Areas

The legal requirements for environmental considerations in the logging of Conversion Areas is in TLD 2, under Principle 2.1, as follows:

PRINCIPLE 2.1: ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENTS AND MITIGATION PLANS, CONVERSION APPROVAL AND CONCESSION AGREEMENT	
<p>Criterion 2.1.1: The project owner shall undertake surveys and establish plans for environmental and social impact mitigation of the development project.</p> <p><u>Legal References</u></p> <ul style="list-style-type: none"> ▪ <i>Instruction 8029/MONRE (2013): Initial Environmental Examination of the Investment Projects and Activities</i> ▪ <i>Agreement 8056/MONRE (2013): Endorsement + Promulgation of a List of Investment Projects and Activities Requiring Initial Environmental Examination or Environmental Impact Assessment.</i> ▪ <i>Decision 2797.1/MONRE.DESIA (2016)</i> ▪ <i>Instruction 8030/MONRE (2013): ESIA of Investment Projects and Activities</i> ▪ <i>Decree 84/GOL (2016): on Resettlement and Compensation</i> 	
Indicators	Verifiers
2.1.1.1 For development projects which need as a result of a screening process an IEE (group 1), the IEE report and the ESMMP shall be completed by the project owner with the participation of the Project-Affected Persons and other stakeholders.	<ul style="list-style-type: none"> • IEE Report, including chapter with records and results of consultations. • ESMMP report • Map, indicating all potentially impacted areas
2.1.1.2 For development projects which need as a result of a screening process an ESIA (group 2), the ESIA and the ESMMP shall be completed by the project owner with the participation of the Project-Affected Persons and other stakeholders,	<ul style="list-style-type: none"> • ESIA Report including chapter with result of consultations • ESMMP report • Map, indicating all potentially impacted areas

In addition, an Environmental and Social Management and Monitoring Plan (ESMMP) is mandatory for the logging of Conversion Areas, as provided for under Principle 2.2, Criteria 2.2.3, as follows.

PRINCIPLE 2.2: INVENTORY AND LOGGING (in Conversion Areas)	
<p>Criterion 2.2.3: Forestry and environmental sectors shall monitor logging operation and implementation of relevant management and monitoring plans of the Environmental and Social Management and Monitoring Plan (ESMMP)</p> <p><u>Laws/Regulations</u></p> <ul style="list-style-type: none"> ▪ <i>Regulation 0112/MAF (2008): Logging and Post Logging Cleaning in reservoir area of hydropower dams</i> ▪ <i>Instruction 8029/MONRE (2013): Initial Environmental Examination of the Investment Projects and Activities</i> ▪ <i>Instruction 8030/MONRE (2013): Environmental + Social Impact Assessment of Investment Projects and Activities</i> ▪ <i>Decree 84/GOL (2016): on Resettlement and Compensation</i> 	
Indicators	Verifiers
2.2.3.1 The logging management unit under the provincial committee for field implementation has monitored the phase of on-going operations and the phase of after logging completion in each sub-logging area.	<ul style="list-style-type: none"> • Evaluation reports during operation • Post-harvesting assessment report
2.2.3.2 The environmental sector has monitored social and environmental management and that implementation complies with the ESMMP until the end of logging operation.	<ul style="list-style-type: none"> • Progress reports until end of logging operation

2.2.3.3 The project owner must record and seek solutions to all requests regarding environmental and social disputes. If there is disagreement about the settlement, the affected can bring the case to the compensation committee. Unresolved issues can be escalated to a higher level for resolution.	<ul style="list-style-type: none"> Records of request at project owner's office Documentation of dispute settlement case at different levels
2.2.3.4 The project owner shall publicly disclose information related to implementation of environmental and social management and monitoring measures.	<ul style="list-style-type: none"> Reports of project owners on ESMMP implementation

4.3.3. Environmental considerations for Plantation Forest Areas

The legal requirements for environmental considerations for Plantation Forest Areas is in TLD 3, in Criteria 3.2.1, under Principle 3.2, as follows:

PRINCIPLE 3.2: PLANTATION ESTABLISHMENT and MANAGEMENT	
<p>Criterion 3.2.1: Plantations must comply with technical, environmental and social assessment requirements</p> <p><u>Legal References</u></p> <ul style="list-style-type: none"> Regulation 0196/MAF (2000): Regulations concerning development + promotion of long-term plantations Instruction 1643/DOF (2010): on development of feasibility study of industrial trees and NTFP investment Instruction 8029/MONRE (2013): Initial Environmental Examination of the Investment Projects and Activities Agreement 8056/MONRE (2013): Endorsement + Promulgation of a List of Investment Projects and Activities Requiring Initial Environmental Examination or Environmental Impact Assessment Decision 2797.1/MONRE.DESIA (2016), Instruction 8030/MONRE (2013: Environmental + Social Impact Assessment of Investment Projects + Activities Decree 84/GOL (2016), on Resettlement and Compensation 	
Indicator	Verifiers
3.2.1.1 Plantations owners with a lease or concession and plantations greater than 5 hectares, including those areas owned by several people with areas adjacent to each other more than 5 hectares must conduct a technical analysis, approved by DOF.	Technical Assessment report approval
3.2.1.2 For plantation projects which need as a result of a screening process an IEE (group 1) , the IEE and the ESMMP shall be completed by the project owner with the participation of the Project-Affected Persons and other stakeholders	IEE Report, including chapter with records and results of consultations.
	ESMMP report
	Map, indicating all potentially impacted areas
3.2.1.3 For plantation projects which need as a result of a screening process an ESIA (group 2), the ESIA and the ESMMP shall be completed by the project owner with the participation of the Project-Affected Persons and other stakeholders.	ESIA Report, including chapter with results of consultations.
	ESMMP report
	Map, indicating all potentially impacted areas

4.3.4. Categories and list of protected tree species, including CITES-listed species and permits.

In the Forestry Law (2007), **Article 27** on the “**Preservation of trees and NTFP species**”, states that

“ Preservation of tree and NTFP species, mainly prohibition species and rare or at risk of extinction in natural forests such as May Dou Lai (Pterocarpus macrocarpus sp.), May Kha Nhoung (Dalbergia cochinchinensis), May Khamphi (Dalbergia bariensis), May Long Leng (Cunninghamia sinensis), Fang daeng, Sapan, and other species defined by the State is encouraged to increase and enrich the species. Preservation of tree and NTFP species contains the following measures:

1. Survey of tree and NTFP species;
2. Classification of seed stands, inventory and registration of tree and NTFP species;
3. Planning of conservation and protection areas with local people's participation;

4. Elaborating and implementation regulations and measures on preservation and utilization;
5. Other necessary activities. “

Then in 2012, a list of species of wood trees was provided in in the document “**0008/MAF (11-1-2012): Table listing wood types: prohibited, special and controlled**”, and this list (see Table 14 below) includes:

- 12 Prohibited species/wood trees;
- 24 Special species/wood trees; and
- 41, 17 and 53 Controlled species/woods trees, of levels I, II and III respectively.

However, the functional definition or meaning of Prohibited, Special and Controlled is not given in this document, or elsewhere. Species from the ‘prohibited’ list have been a common, and valuable, export species in the recent past (see section 1.4.2).

This 2012 ‘list’ is very similar to a list provided in **Decision 0116 /MAF (2007)**, “*regarding the procedure for measuring log, tree stump, tree burl and log quality grading*” which specifies log diameter, or criteria for logging of all species in all categories, even the prohibited species, , which appears to contradictory, as if they are prohibited, then there should not be any criteria for logging. However, this **Decision 0116 /MAF (2007)** is currently being revised.

Table 14: List of Scientific names of Prohibited, Special + Controlled timber Tree Species, as per Document 008/MAF(2012)

I	Prohibited wood
1	Dalbergia cochinchinensis
2	Dalbergia cultrata
3	Cunninghamia sinensis
4	Cunninghamia obtusa
5	Cunninghamia lanceolata
6	Desmodium lengipes
7	Gradenia Cambodiana
8	Fagraea fragrans Box
9	Elaeocarpus sianensis
10	Erythrophloeum fordil
11	Michelia champact
12	Dysoxylon lourelri

II	Special Wood	II	Special Wood
1	Tectona grandis	13	Mesua ferra
2	Fokina kawalhajal	14	Fokinia chinensis
3	Pterocarpus macrocarpus	15	Gradenia frangeoides
4	Pterocarpus pedatus	16	Pterocarpus santalinus
5	Afzelia xylocarpa	17	Xylia kerril
6	Agularis Sp.	18	Hopea odorata
7	Milletia leocantha	19	Swetenia macrophylla
8	Cinnamomum liseafoitum	20	Mangiletian Insignis
9	Mansonla gagei	21	Ficus Sp.
10	Mansonla Sp.	22	Cinnamomum cassis BL
11	Diospyros embryoteris	23	Pinus merkusii
12	Diospyros mollis	24	Pinus Kaslya

III	Controlled wood I
1	Shorea harmandii
2	Hopea ferrea
3	Shorea vulgaris
4	Vatica Cinerea
5	Vatica dyeri
6	Terminalia corticosa
7	Lagerstroemia floribunda
8	L. cochinchinensis
9	Melanorrhea laccifera
10	Sindora siamensis
11	Sindora cochinchinensis

IV	Controlled wood II		Controlled wood III
1	Melia azedarach	1	Bombax anceps
2	Gmelia arborea	2	Aistonia scholaris
3	Stereospermum fimbriatum	3	Castanopsis hystrix
4	Irvingia cambodiana	4	Castanea castanopsis (quercus)
5	Sandoricum indicum	5	Pygeum arboretum
6	Dipterocarpus tuberculatus	6	Canarium nigrum
7	Eugenia compongensis	7	Nuclea orientalis
8	Albissia codoratisima	8	Pterospermum lanceaefcilum
9	Cinnamomum iners	9	Carallia lucida
10	Talauma gioi	10	Albizzia procera
11	Dialium cochinchinensis	11	Cananga latifolia

III	Controlled wood I
12	Artocarpus lancefolius
13	Terminalia tomentosa
14	Dipterocarpus obtusifolium
15	Shorea hypochra
16	Shorea obtuse
17	Pentacme siamensis
18	Terminalia belerica
19	Dipterocarpus costatus
20	Dipterocarpus alatus
21	Dipterocarpus turbinatus
22	Dipterocarpus intricatus
23	Mangifera indica
24	Toona febrifuga
25	Chukrasia tabularis
26	Chukrasia Sp.
27	Berrya mollis
28	Anisoptera robusta
29	Parashorea sttellata
30	
31	Adina cordifolia
32	Hopea pierrel
33	Duabanga sonneratioides
34	Xylia dolariformis
35	Eugenia SP
36	Caesalpinia sappan
37	Shorea sp
38	Dysoxylum binectariferum
39	Keteleria tonkinensis
40	Allanthus fauveliana
41	Vatica astrotricha

IV	Controlled wood II		Controlled wood III
12	Peltophorum dasyrashis	12	Aglaia gigantea
13	Samanea saman	13	Paradina hirsuta
14	Coruga piñata	14	Pentacme suavis (P. siamensis)
15	Pentace burmani..	15	Shorea thorelii
16	Sterculia lychnophora	16	Artocarpus lakoocha Anogeissus
17	Dialium indum	17	Acuminata
		18	Vitex pinnata
		19	Castanopsis annamonsis
		20	Castanopsis indica
		21	Canarium kerrii
		22	Lagorstroemia macrocarpa
		23	Cassia garettiana
		24	Litchi chinensis
		25	Crypteronia paniculata
		26	Millingtonia hotensis
		27	Dillenia Spp
		28	Stereospermum Spp
		29	Terminalia chebula vancitrina
		30	Calophyllum salgonensis
42	Azadirachia indica	31	Sterculia foetida
43	Hanglietea clauca	32	Sterculia villosa
44	Peperomia pelluscia	33	Spondias pinnata
45	Cratexylon prunifolium	34	Wrightia tomentosa
46	Michelia masticate	35	Holarrhaena antidysenterica
47	Gardenia philastrel	36	Tetrameles nudiflora
48	Combretum guarangula	37	Parinarium annamensie
49	Garcinia ferra	38	Protium serratum
50	Vitex altissima	39	Cassia siamea
51	Garunia miteflora	40	Amoora polystachya
52	Stephogyne parvifolia	41	Lacticum
53	Pterospermum		

More recently, following the CITES review and recommendations to the Lao PDR of October 2018 (document available on request) the Government of Lao PDR intends to partially replace this list, and in the future will use CITES List Appendices I, II and III. To affect this, the DoFs Wildlife Management Division is currently drafting a new legislative instrument to covers CITES listed species which, apparently, may include only 2 species, being *Dalbergia cochinchinensis* and *Dalbergia oliveri*

The **Forestry Law is also under revision, and the draft of December 2018** pays more attention (compared to the 2007 Forestry Law) to species, when it proposes as follows:

Article 3: (proposed) Interpretation of Terms

The terms applying in this law have the following meaning:

(term) 17: Timber List I refers to timber species that are rare, at risk of extinction, grown and expanded in a particular area, slow growth pace, with unique texture, high-mid durability, which some species are defined in Annex of CITES.

(term) 18: Timber List II refers to timber species that grows and expand in some areas, with slow natural growth, and the timber texture has medium durability.

(term) 19: Timber List III refers to timber species that grow and expand in most areas with decent natural growth pace, and the timber texture has mid-low durability.

Article 48 (proposed): Preservation of Tree and NTFP Species

Preservation of tree and NTFP species, mainly prohibited species, rare species and at risk of extinction that are identified under Appendix I which defined by the state to increase and enrich the species.

Preservation of tree and NTFP species contains the following measures:

1. Survey of tree and NTFP species;
2. Classification of seed stands, inventory and registration of tree and NTFP species;
3. Planning for conservation and protection with participation of the local people;
4. Implementing laws, regulations and measures for preservation;
5. Other necessary activities.

(Note: Appendix I mentioned in Article 48 is not attached to this draft law).

4.4. Employment and safety in forest management and harvesting operation

The legal requirements for employment of personnel, and legally required protection and safety for persons involved in forest management and harvesting activities can be gleaned from the legal references as specified in the FLEGT-Lao Timber Legality Definition 7: Labour Obligation in Forestry, Wood processing and Trading Operations”, v5.2: 06-06-2018, listed in the table 15 below.

Table 15: legal references based on FLEGT-Lao TLD 7: Labour Obligation in Forestry, Wood processing and Trading Operations”

Name of laws and regulations	year	Description or relevant articles
Law 43/NA (2014), Law on Labour	2014	<ul style="list-style-type: none"> ▪ Article 43 on employer obligations to facilitate medical examinations of employees, ▪ Article 97 on the employment of pregnant women or women caring for new born, ▪ Article 119 describing employer obligations on working conditions, health and safety measures for labour, ▪ Article 102 on restriction to use youth employees in activities that are unsafe, dangerous to the health, ▪ Article 122 on risk assessment, Article 123 on person responsible for the safety and health of employees.
Instruction No. 1035/2010 MAF	2010	Re. Implementing the Enforcement of the Labour Law and Paying Attention to Guide Company/Timber Exploitation Division to Strictly Implement, 23 April 2010, Article 3 on safety measures, internal regulations regarding labour and health, yearly medical examinations.
Law 34/NA (2013), Law on Social Security	2013	
Decision 4277/MoLSW (2016),	2016	On the organization and functions of labour Inspectors
New Decision on the use of on-line labour inspection report		(Document could not be accessed)

Name of laws and regulations	year	Description or relevant articles
Decision 0182/ MAF (2009),	2009	Agreement on the establishment and management of Timber Harvest Units and Enterprises
Decision 0080/ MAF (2012), on procedures for importation, management and utilisation of	2012	Currently this guideline only refers to importing, licencing etc. Proposed revision will include training and safety gear.
Guideline 2157/ DOF (2006), Guideline on Timber Harvesting in Production Forest, 2006	2009	<p>Logging contractor selection criteria: Have skill and well-trained human resources on maintenance and use of logging tools and machinery such as power chainsaws, skidders and trucks</p> <p>Construction of logging units' camps: To provide lodging and other facilities. To be located on a site...with sunshine in the morning and good aeration. ...designed in a manner ensuring with sleeping rooms, kitchens...toilets.... Have sufficient supply of drinking and other water, and availability of an appropriate water collection tank...water tanks must be kept clean to avoid mosquito breeding that may cause diseases.</p> <p>Article 2 on protective equipment. Article 3 on felling technique. etc</p>
Decision 0719 /MOIC (2009), on Timber Processing Manufacture Standards	2009	<p>Article 7: Standard of technicians and labors, Article 9: Security, sanitary and environmental standards</p> <p>9.1. ...must have a security management to avoid labor accident, diseases +d negative health impacts of labors.</p> <p>9.2. Must set up a protection guard from possible danger of the machines such as cautious signs, warning signs at the dangerous fields and a plan to maintain machines and tools in a good condition regularly.</p> <p>9.3. Must set up an adequate fire alarm system inside the building such fire alarm, fire extinguisher, fire hose and they must be in a usable condition.</p> <p>9.4. Must have anti dust equipment, smell, noise for labors such as mask cover (mouth, ear, nose, boots, eyes, helmet, and gloves) and uniforms according to ...</p> <p>9.5. Must have an adequate clean drinking water stand, first aid kid box, toilet and dressing room.</p> <p>9.6. Must install an adequate air control system, not too tight, tidy and enough lights.</p>

An analysis of the application of this legal framework on employment and safety in forest management and harvesting operation is provided by NEPCon (2017), in which they quote from a wide range of sources, some of which can be summarised as follows;

Re. employment:

- Plantation workers commonly do not have valid/signed contracts, and salaries not paid timely. Companies may pay a supervisor (often a Vietnamese or Chinese employee of the company, rarely Lao, and never a member of a local minority) for all of the group members' wages, and the supervisor was then responsible for paying each worker which is open to corruption - sometimes the supervisor may pay late, or even not at all.
- Villagers complain that work is difficult and working day was too long for such low wages, which may be result in them not working, which gives the company an excuse to evade Lao labour laws requiring priority be given to Lao citizens in recruiting and hiring employees, thus allowing them to import Vietnamese or Chinese labour.

- A Forest Trends' report (2010) stressed that Lao villagers are largely excluded from employment opportunities in Vietnamese companies. Vietnamese companies do not want to employ Lao labourers, particularly ethnic minority villagers, because Lao workers are considered unskilled, ineffective, less diligent than Vietnamese workers, and unable to communicate with Vietnamese managers. As a result, almost all the loggers are Vietnamese people brought from Vietnam during the dry season (October to May).
- The Lao PDR has not ratified International Labour Organisation Conventions 87 and 98 covering trade union rights on freedom of association and collective bargaining. According to Fry (2008) the lack of democratisation has created a vulnerable situation for employees in Laos. Wages in Laos are very low, putting the majority of workers in a difficult position. There are legal rights to organise, but in reality, there are extremely limited possibilities for associations, labour unions and collective bargaining.
- In Summary:
 - Lack of salary payment or payment on time;
 - Lack of labour contracts; and
 - Risk of priority not being giving to local Lao citizens.

Re health and safety

- Often logging crews do not have safety equipment and live in very basic conditions in forest camps. (eg. shelters are tarpaulin with no hygiene/sanitation facilities).
- Usually, Vietnamese loggers use their own hauling/winch trucks brought from Vietnam (apparently these are not certified/licensed as required by Lao regulations)
- According to Forest Trends' 2010 report, almost all loggers in the southern Lao province of Attapeu are Vietnamese seasonal workers.
- Logging companies and tree plantation holders prefer to employ temporary/seasonal workers instead of full-time workers to avoid liability in case of accidents.
- Logging jobs in Laos are risky business, and injuries and deaths are not uncommon.
- Vietnamese interviewees told Forest Trends that injured workers or families of victims receive only minimum compensation from companies (Forest Trends, 2010).
- All timber sources:
 - Lack of safety equipment and protective gear;
 - Very basic forest camp facilities; and
 - Use of non-certified hauling/winch trucks.
- Failure to clear unexploded ordinance (UXO)/mines (plantations);
- Health issues from handling pesticides. (plantations):

4.5. Social requirements

4.5.1. Recognition of customary rights

The general policy on customary rights to timber is contained in **the Forestry Law Article 42 “ Customary utilization of forests”**, which says “...*“The State allows the use of timber and harvest of forest products in non-prohibited forests for household utilization without adverse impact on forest resources, and the environment as well as reflecting the rights and interest of individuals or organizations. Customary utilization of forest and forest products shall be practiced in accordance with a designed plan and with village regulations and laws and regulations on forests”.*

The only allowed uses are more clearly specified in two related articles, being;

- **Article 40. Utilization of forest and forest products for village benefit)** which says “*Utilization of timber for construction activities such as the village office, meeting hall, schools and dispensary*”; and
- **Article 41. Utilization of forests for households:** “*..The State allows people in the village to use non-prohibited timber species in the village use forest for constructing and repairing houses.....such as households which have no house to reside in, households with very old houses, or houses which have collapsed, damaged or destroyed by disaster, with the approval from the village administration authority and permission from District Agriculture and Forestry Office...*”.

Customary logging of timber and sale of wood is not mentioned, and thus the interpretation of the law is that villagers can neither log nor sell timber from natural forest, even if this was a customary practice.

4.5.2.Social impact assessment,

Social impact assessment is determined in accordance with the 3 sources of timber as follows:

4.5.2.1 Social impact assessment for Production Forest Areas

No social impact assessment is required for management and logging in state production forests.

4.5.2.2. Social impact assessment for Conversion areas

Social impact assessment is required for logging in Conversion areas, and related to the “*PM Decree 84, 05 / 04 / 2016, on Compensation and Resettlement Management in Development Projects*” in the following articles:

Article 8 Implementation of compensation plans

Point 7: In case of loss of trees, crop products, livestock or incomes, the project owner must be responsible for compensation based on the value of compensation;

Article 9 Valuation and estimation of compensation value

Project owners, in collaboration with the committee for compensation and resettlement at the local level, must estimate the value for compensation for land, constructed facilities, crop products, livestock and potential incomes and organize consultations with affected people by selecting the right and appropriate options based on prices applied by the state, market prices or average prices applicable for period of compensation and based on the types of properties and locations.

However, because villagers are not allowed to sell timber, as the timber belongs to the state, then communal or natural trees lost due to development projects have no legal commercial value to villagers, and thus not compensatable from that point of view. On the other hand, the village community is legally allowed to use natural timbers for housing, and village social infrastructure, and thus loss of such timber may be considered as value-lost for villagers by a development project. But what happens in practice is that a development project often rebuilds houses and facilities for project affected persons and communities, and this is considered compensation for the loss of timber for buildings. However, in cases that trees are definitely owned by individuals such as teak plantings, rubber plantations, and fruit tree orchards, then their loss due to development projects are surveyed and compensated for.

The legal requirement for social impact assessment in Conversion Areas is provided in the FLEGT-Lao Timber Legality Definition 2, Principle 2.1, Criteria 2.1.1, as follows.

PRINCIPLE 2.1: ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENTS AND MITIGATION PLANS, CONVERSION APPROVAL AND CONCESSION AGREEMENT

Criterion 2.1.1: The project owner shall undertake surveys and establish plans for environmental and social impact mitigation of the development project.

Relevant Laws/Regulations

- Decree 84/GOL (2016): on Resettlement and Compensation
- Instruction 8029/MONRE (2013): Initial Environmental Examination of Investment Projects + Activities
- Instruction 8030/MONRE (2013): Environmental and Social Impact Assessment of the Investment Projects and Activities
- Agreement 8056/MONRE (2013): Endorsement + Promulgation of a List of Investment Projects and Activities Requiring Initial Environmental Examination or Environmental Impact Assessment (EIA)
- Decision 2797.1/MONRE.DESIA (2016): (do not have this document)

Indicators	Verifiers
2.1.1.1 For development projects which need as a result of a screening process an IEE (group 1), the IEE report and the Environmental and Social Management and Monitoring Plan (ESMMP) shall be completed by the project owner with the participation of the Project-Affected Persons and other stakeholders.	IEE Report, including chapter with records and results of consultations.
	ESMMP report
	Map, indicating all potentially impacted areas
2.1.1.2 For development projects which need as a result of a screening process an Environment and Social Impact Assessment, the ESIA and the ESMMP shall be completed by the project owner with the participation of the Project-Affected Persons and other stakeholders,	ESIA Report including chapter with result of consultations
	ESMMP report
	Map, indicating all potentially impacted areas
2.1.1.3 For development projects subject to compensation and resettlement, the project owner shall prepare a compensation and a resettlement plan in consultation with affected people.	Compensation Plan
	Resettlement Plan
	List of affected people
2.1.1.4 The value for compensation shall be estimated in collaboration with the committee for compensation and resettlement at the local level and based on the unit price of the committee.	Minutes of agreement on the price of the compensation signed between Project-Affected Persons, compensation and Resettlement Committee and the project developer
2.1.1.5 The project owner shall publicly disclose information related to environmental and social impact assessments.	For development projects which need an IEE, public disclosure section of IEE and ESMMP
	For development projects which need an ESIA, public disclosure section of ESIA and ESMMP

4.5.2.3. Social impact assessment for Forestry Plantations

Social impact assessments for development of forestry plantations are specified in TLD3, Principle 3.2, Criteria 3.2.1, as follows

PRINCIPLE 3.2: PLANTATION ESTABLISHMENT AND MANAGEMENT.	
Criterion 3.2.1: Plantations must comply with technical, environmental and social assessment requirements	
Legal references	
<ul style="list-style-type: none"> ▪ Regulation 0196/MAF (2000), concerning the development + promotion of long term plantations ▪ Instruction 1643/DOF (2010), on development of a feasibility study of industrial trees and NTFP investments ▪ Instruction 8029/MONRE (2013), Initial Environmental Examination of Investment Projects + Activities ▪ Agreement 8056/MONRE (2013), Endorsement + Promulgation of a List of Investment Projects and Activities Requiring Initial Environmental Examination or Environmental Impact Assessment (EIA) ▪ Decision 2797.1/MONRE.DESIA (2016), (do not have this document) ▪ Instruction 8030/MONRE (2013), Environmental and Social Impact Assessment of Investment Projects + Activities ▪ Decree 84/GOL (2016), on Resettlement and Compensation 	
Indicator	Verifiers
3.2.1.2 For plantation projects which need as a result of a screening process an IEE (group 1), the IEE and the ESMMP shall be completed by the project owner with the participation of the Project-Affected Persons and other stakeholders	IEE Report, including chapter with records and results of consultations. ESMMP report Map, indicating all potentially impacted areas
3.2.1.3 For plantation projects which need as a result of a screening process an ESIA (group 2), the ESIA and the ESMMP shall be completed by the project owner with the participation of the Project-Affected Persons and other stakeholders.	ESIA Report, including chapter with results of consultations. ESMMP report Map, indicating all potentially impacted areas
3.2.1.4 For plantation projects subject to compensation, the project owner shall prepare a compensation plan in consultation with affected people.	Compensation Plan List of affected people
3.2.1.5 The value for compensation shall be estimated in collaboration with the committee for compensation and resettlement at the local level and based on the unit price of the committee.	Minutes of agreement on the price of the compensation signed between Project-Affected Persons, compensation committee and the project owner
3.2.1.6 The project owner shall publicly disclose information related to environmental and social impact assessments.	For development projects which need an IEE, public disclosure section of IEE and ESMMP For development projects which need an ESIA, public disclosure section of ESIA and ESMMP

4.5.3. “Free prior and informed consent (FPIC)”

The Government of Lao PDR is not a signatory country of the ILO Convention 169 (Indigenous and Tribal Peoples Convention, 1989). The principle of FPIC has not been specifically enshrined in the legislation or policy of Lao PDR, although some policies do specify that consensus is required. There are regulations that require participation and consultation process to those who might be affected by land conversion (see 4.5.2.2) and plantations (see 4.5.2.3), which specify that consultations are required to develop compensation plan to those who might be affected by land conversion and plantation.

4.5.4. Sharing of benefits.

Benefit sharing, with local villages, of the proceeds from commercial logging, is covered by the *Presidential Ordinance 001/2012*, on “...the distribution of Income from the sale of wood that is cut/logged from Production Forests.”, especially in the following Article 4 and 5, as follows:

<p style="text-align: center;">Chapter 2 (of Presidential Ordinance 001/2012) The Revenue Division from the Sales of Wood Exploited in the Production Forest Areas</p> <p>Article 4: The Division of Revenue Gained from the Sales of Wood Exploited in the Production Forest Areas</p> <p>The revenue gained from the sales of wood exploited in the production forest areas has to be divided into two parts as follows:</p> <ol style="list-style-type: none">1. Part 1: Seventy percent (70%) of the total revenue as the state budgetary revenue;2. Part 2: Thirty percent (30%) of the total revenue as the budget to support the forestry management, protection-conservation, and development activities, primarily the production forests, and the funds for the development of villages or the village groups bordered with the production forests. <p>Article 5: The Division of the Part 2 of the Total Revenue (the 30%)</p> <p>In order to be used into various purposes, the second part of the total revenue has to be segregated into 4 portions as follows:</p> <ol style="list-style-type: none">1. First portion: Twenty (20%) percent as the trust funds for developing the forests and the forestry resources;2. Second portion: Twenty (20%) percent as the trust funds for developing the production forest throughout the nation3. Third portion: Twenty (20%) percent as the trust funds for developing the exploited production forests.4. Fourth portion: Forty (40%) percent as the trust funds for developing the villages or village groups that are the agreement partners in the management of the production forests.

Thus, it can be calculated, based on the above articles 4 and 5, that 12% of the proceeds from commercial logging would accrue to village trust funds. However, the extent of application of this revenue sharing in practice is unknown, except in the few/limited cases of logging undertaken under the SUFORD project.⁷

4.6. Control measures to verify legality of harvesting

The legal instruments which (currently) are aimed at verifying and ensuring the legality of harvesting are:

- “Guidelines 1097/DoF (2007), on Chain of Custody (CoC) Control of Timber Harvesting & Transport in Production Forest”, and then
- “Guideline 0962/DoF (2010) on Management of timber transports from forest to Log yard II”.

However, the system for the full application of these Guidelines to verify the legality of harvesting is difficult, and at times possibly not existing or implemented. Thus, these Guidelines are in the process of being revised, and a TLAS (Timber Legality Assurance System) is being developed and piloted. It is assumed that this system will be in place in the Lao PDR in the near future, and will be taken as the standard for future timber legality assurances by all wood products importing countries.

⁷ <http://www.suford.org/>

5. LEGISLATIONS ON TRANSPORTATION AND PROCESSING OF WOOD AND WOOD PRODUCTS

5.1. Laws and regulation on transportation of logs

Timber Legality Definitions (TLDs) 1, 2 and 3 identify laws and regulation regarding transportation of logs from Production Forest Areas, Forest Conversion and Plantations, as follows

Name of laws and regulations	Description
Law 06/NA (2007),	Law on Forestry, Articles 53: Transport of timber and forest products
Order 17/PM (2008),	Concerning the enhancement of forestry management, protection, and coordination in the management of forestry and wood business
Order 57/PM (2014)	Concerning Income collection Management of Sales of Timber and NTFPs
Instruction 3211 /MOF (2015),	Re. the Implementation of PM Order 57(2104) re Income Management from Sales of Timber and NTFPS
Regulation 1726/ MOIC (2012)	On Regulations on Sales and Purchase of Timber
Decree 32/PM (2012),	Decision 32/PM (2012) adoption of Meeting minutes of National Forest Conference on Forest Management and Forestry Business.
Guideline 0962/DOF (2010),	Regarding the Management of timber transports from forest to Log yard II
Regulation 0112/MAF (2008),	Regulation on the Logging and Post Logging Cleaning in reservoir area of hydropower dams
Decision 116/MAF (2007),	Regarding the procedure for measuring log, tree stump, tree burl and log quality grading
Official Instruction 3659/DOF (2017)	On the implementation of harvesting and moving of plantation wood

5.2. Laws and regulations regulating processing of wood and wood products.

TLD 8 identifies the laws and regulation regarding transportation in the wood processing and trading sector of the industry, as follows;

Name of laws and regulations	Description
Law 46/NA (2013),	Law on Enterprise
Law 48/NA (2013)	Law on Industrial processing
Law 06/NA (2007),	Law on Forestry
Law 70/NA (2015),	Law on Customs and Duties
Law 29/NA (2012),	Law on Environmental Protection
Regulation 0719/MOIC (2009),	Decision on Wood Industry Standard
Instruction 8030/ MONRE (2013),	Environmental and Social Impact Assessment of the Investment Projects and Activities
Instruction 8029/ MONRE (2013).	Initial Environmental Examination of the Investment Projects and Activities
Instruction No: 3281/MoF (2014).	On Tax Revenue Collection Management. This document is a generic, for all enterprises, but does not specifically mention the forestry sector
Notice 1429/DDT (2016)	Re. wood product transportation for the domestic market
Draft Decision on CoC, Version 2.2, 8/1/2019/MOIC.	On the Management and Monitoring of timber Input and Output in wood processing and trading

5.3. Legally defined procedures for the transportation of logs

The Forestry Law (2017), Article 53 on ‘transport of timber and forest products’ states that;

“ Transportation of logs and forest products within the country shall be in compliance with the laws and regulations such as: the payment of resource tax and duties, each log must be marked and stamped as “PM” (in Lao alphabet Por Mor), with documents for transport, transporting through pre-determined routes with weight checkpoints, in the right season and time, and declaration at the prescribed checkpoints.

This is assumed to relate only to logging from natural forest, as while logs of native species from plantations (such as teak), require a permit but logs of non-native species, such as Eucalypts spp, *Acacia auriculiformis*, *Acacia mangium*, rubber and agarwood do not need a transport permit.

5.3.1. Legally defined procedures to transport logs from natural Production Forest, and documents to accompany logs from harvesting operation (LL II) to processing factories (LL III)

PRINCIPLE 1.4 TIMBER TRANSPORTATION	
Criteria 1.4.2 Compliance with the transport requirements from log landing II to log landing III	
<u>Legal references</u>	
<ul style="list-style-type: none"> ▪ Order 17/PM (2008), Concerning the enhancement of forestry management, protection, and coordination in the management of forestry and wood business ▪ Order 57/PM (2014) on Income collection Management of Sales of Timber and NTFPs ▪ Instruction 3211 /MOF (2015) Implementation of PM Order 57(2104) re Income Management from Sales of Timber and NTFPS ▪ 1726/ MOIC (2012) Regulations on Sales and Purchase of Timber ▪ Decree 32/PM (2012), on “Decision 32/PM (2012) adoption of Meeting minutes of National Forest Conference on Forest Management and Forestry Business. ▪ Guideline 0962/DOF (2010), Management of timber transports from forest to Log yard II 	
Indicators	Verifiers
1.4.2.1 The timber buyer has in place all transport documents before timber movement	1.4.2.1.1 Receipt of timber sales 1.4.2.1.2 Cancellation letter of log lists from state assets register 1.4.2.1.3 Log list (Form V) 1.4.2.1.4 Transport permit from PAFO

5.3.2. Legally defined procedures to transport logs from Conversion Areas, and documents to accompany logs from harvesting operation (LL II) to processing factories (LLIII)

PRINCIPLE 2.4: TIMBER TRANSPORTATION	
Criterion 2.4.1 The harvesting operator shall comply with transport requirements from cutting area to log landing.	
<u>Legal references</u>	
<ul style="list-style-type: none"> • Regulation 0112/MAF (2008), on the Logging and Post Logging Cleaning in reservoir area of hydropower dams • Decision 116/MAF (2007), re the procedure for measuring log, tree stump, tree burl and log quality grading • Law No. 06/NA (2007), Law on Forestry, Article 53 	
Indicators	Verifiers
2.4.1.1 At log landing 1, the technical staff from the logging management unit has marked the logs and recorded number of trees, number of logs and logging zone in the log list.	<ul style="list-style-type: none"> • Log list of log landing 1

2.4.1.2 At log landing 2, the technical staff from the logging management unit has stamped “PM (Forestry)” on the logs with forestry hammer.	• Log list
<p>Criterion 2.4.2: Timber buyer shall comply with the transport requirements from LL II to LL III</p> <p>Legal references:</p> <ul style="list-style-type: none"> • Law 06/NA (2007), Law on Forestry, Article 53 • Order No.17/PM (2008), Concerning the enhancement of forestry management, protection, and coordination in the management of forestry and wood business • Instruction No.3211/MOF (2015: Implementation of PM Order 57(2104) re Income Management from Sales of Timber and NTFPS ▪ Decree 32/PM (2012), on “Decision 32/PM (2012) adoption of Meeting minutes of National Forest Conference on Forest Management and Forestry Business. • Guideline 0962/DOF (2010), Management of timber transports from forest to Log yard II 	
Indicators	Verifiers
2.4.2.1. The timber buyer has all transport documents in place before timber movement.	2.4.2.1.1 Receipt of timber sales 2.4.2.1.2 Cancellation letter from state assets register 2.4.2.1.3 Log list 2.4.2.1.4 Transport permit from PAFO

5.3.3. Legally defined procedures to transport logs from Plantation Areas

PRINCIPLE 3.5: TIMBER TRANSPORTATION	
<p>Criterion 3.5.1: Transportation of timber from plantation/scattered trees to the buyer’s log yard must comply with relevant regulations.</p> <p>Legal references</p> <ul style="list-style-type: none"> ▪ Official Instruction 3659/DOF (2017) 	
Indicator	Verifiers
3.5.1.1 Transportation of timber from eucalypts, <i>Acacia auriculiformis</i> , <i>Acacia mangium</i> , rubber and agarwood doesn’t need a transport permit. (however). Transportation of native timber species from plantations/scattered trees must be approved by PAFO	3.5.1.1.1 Transport permit for native tree species, from PAFO.

5.4. Legally defined procedures for the transportation wood products

The legally defined documents required in order to legally transfer wood products domestically is defined in **Notice 1429 22/11/2016, MOIC/DTD, on the domestic transportation of wood products**. In the FLEGT-Lao system, this is specified under criteria 8.1.2 (see section 5.5 below). The key text of this Notice 1429 is as follows:

Article 1 : the transportation of wood products, ie, processed/finished wood and semi-finished wood products, should be accompanied by the following key documents

- Declaration of cost, but the company (Invoice)
- Declaration of the Goods, by the company (packing list)
- Form A.5 (of the Division of Industry, of MOIC)
- Approval of transportation of wood (of Agriculture and Forestry sector)
- Receipt of the payments of value added tax and other duties

However, Form A.5 is not provided, nor the format of the approval of the Agriculture and Forestry sector.

The transportation of wood product from the final processing factory to the point of export is covered under Prime Minister’s Office No. 1818/PMO, 18 Nov 2016 on **“Wood products verification procedure (loading on vehicle) for exporting to overseas”**, and then **Order instruction 2143/MOIC/DIMEX (25/11/16)**, on **“Procedures to Certify Wooden Products Before Loading to Container”**.

These regulations require that when wood products are loaded into the shipping container at the processing (furniture) factory, they are checked by staff from related agencies, being (i) Provincial Office of Industry and Handicraft, (ii) Provincial Agriculture and Forestry and (iii) Provincial Finance office staff (in the case of wood products made from natural timbers). As these staff check the loading of the goods at the factory, they fill out an Inspection Certificate or Loading Inspection Certificate, being:

- Form OC-01: Loading Certificate (container) for natural wood products (annex 4), and
- Form OC-02: Loading Certificate (container) for plantation wood products (annex 5),

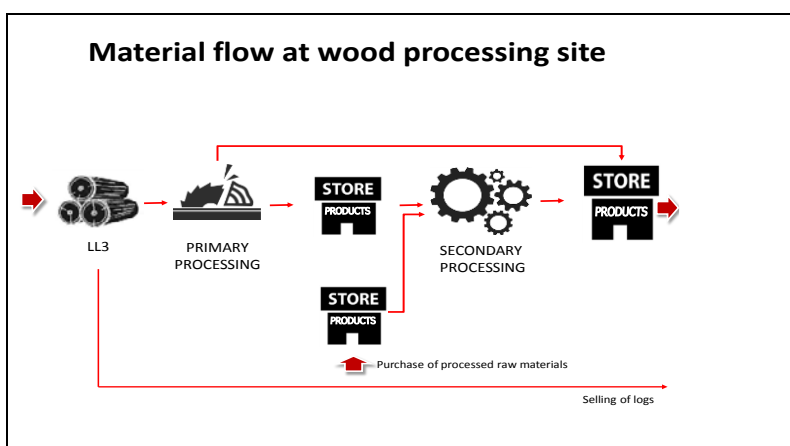
In the past an export licence was needed, but this requirement has been replaced by the above process. Thus, the transportation of the wood products from the factory to the point of export would be covered by the above two documents, the contents of which would be specified in **section 6.6**.

5.5. Processing wood and wood products

Material flows at wood processing site consist of three main operations: (i) storing of round logs and processed raw materials, (ii) processing of timber and (iii) storing of processed products, as shown in figure 7 below. All the logs entered into the wood processing site are stored at LL3, which is generally the log yard of the wood processor. Logs are either used for primary processing at their site or they can be on-sold to traders or directly to other timber processors.

At the primary and secondary processing stages, inputs of logs or processed raw materials and outputs of processing should be recorded. The recovery rate is calculated based on the comparison of the input and output volumes.

Figure 7: Simplified diagram of material flow at wood processing site (after FLEGT-Lao)



Note that:

- Primary processing means the conversion of round logs in large or medium size boards; and
- Secondary processing means the conversion of boards into a variety of sawn timber, which can be used directly by the construction, furniture and other wood industries.

For the secondary processing, companies may use their own raw or semi processed materials, and/or purchase processed products (such as components) from other companies. Processed products, including processed raw materials purchased from other companies, are stored in specific areas (such as warehouses) and records should be kept on products entered, stored in and left these areas. The legal

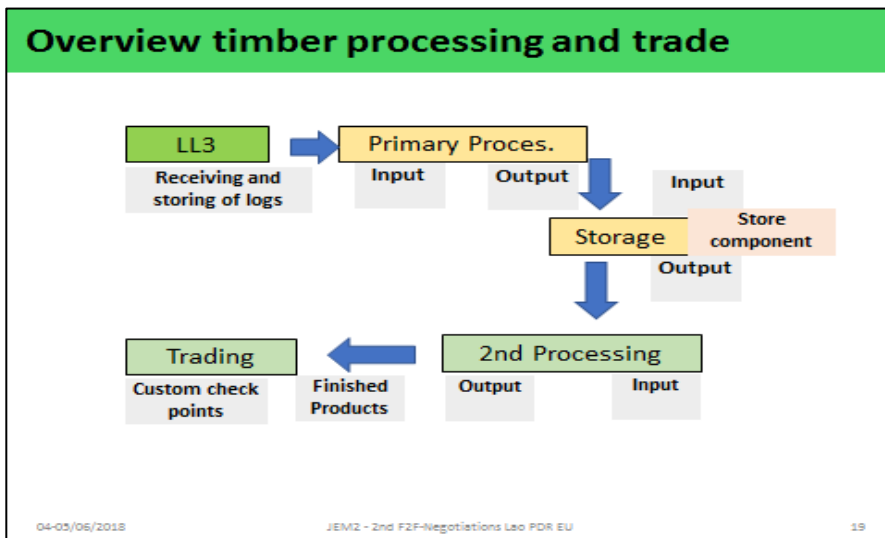
requirements for the processing of wood and wood products is identified in FLEGT-Lao TLD 8 on Wood Processing and Trading, V4.2: 6-8-2018, the relevant sections of which are extracted below

PRINCIPLE 8.1: REQUIREMENTS AND PROCEDURES FOR WOOD PROCESSING AND TRADING	
Criteria 8.1.1 Compliance with the requirements for legally established wood processing and trade enterprise.	
<u>Legal references</u>	
<ul style="list-style-type: none"> • Law 46/NA (2013), Law on Enterprise • Law 048/NA (2013), Law on Industrial processing • Law 06/NA (2007), Law on Forestry. • MOIC Agreement 0002 (3Jan18), on the List of Wooden products for Export • Regulation 0719/MOIC (2009), Decision on Wood Industry Standard 	
Indicators	Verifiers
8.1.1.1 The operator possessed valid license and permits for wood processing and trading operations.	8.1.1.1.1 Enterprise registration certificate
	8.1.1.1.2 Factory operation certificate
	8.1.1.1.3 Forestry business registration

5.6. The system of supervision and control measures to verify legality of transporting and processing wood and wood products

While there is currently no system in place to supervise, control and verify the legality of transporting and processing wood and wood products, the MOIC is drafting and testing such a CoC document and procedure, and this is the “*MOIC.DIH, “Decision on the management and monitoring of timber input and output in wood processing and trading”*”, revision of 8 January 2018. A simplified diagram of the steps in the market chain in which input and output recording and monitoring could be undertaken - but no yet clearly specified in the under-drafting Decision - is shown in figure8 below.

Figure 8: Overview of input, output and trade at which checks could be undertaken (after FLEGT-Lao)



This draft Decision is a key legal reference in the under-drafting TLD 8, (V4.2: 6-8-2018, but updated with new CoC draft decision of MOIC re CoC – see legal reference below), under the 2nd criteria, Criteria 8.1.2 specifically addressing the issue of **Compliance with supply chain control procedures for wood processing and trade**, as follows:

PRINCIPLE 8.1: REQUIREMENTS AND PROCEDURES FOR WOOD PROCESSING AND TRADING

Criteria 8.1.2: Compliance with supply chain control procedures for wood processing and trade

Legal references

- Draft Decision on the Chain of Custody from Log yard III to Export, (Ver2.2, 8/1/2019_ MOIC).
- Guideline 0962/DOF (2010): on the management of timber transports from forest to Log yard II
- Notice 1429/DDT (2016): on the domestic transportation of wood products
- Law 70/NA (2015): Law on customs duty, tax.
- Instruction No: 3281/MoF (2014): on Tax Revenue Collection Management

Indicators	Verifiers
8.1.2.1 The operator has a system in place to manage and record the received raw materials to ensure their legal origin.	8.1.2.1.1 Input report on timber and wood products (Form I).
	8.1.2.1.2 Balance system in place
8.1.2.2 The operator has a system in place to record and maintain the recovery rate in its entire production process.	8.1.2.2 .1 Report on implementation of a calculation system by the operator for consumption norms for primary and/or secondary processing.
8.1.2.3 The operator has the system in place to control output and balance of timber and wood products.	8.1.2.3.1 Report on timber output and balance (Form II)
	8.1.2.3.2 Tax invoice
8.1.2.4 The operator (Excluding household businesses) has fulfilled all obligations related to payment of taxes.	8.1.2.4.1 Annual tax payment certificate
8.1.2.5 Household business has paid lump sum tax.	8.1.2.5.1 Annual lump sum tax receipt

The Government's intention to develop a system to ensure compliance with supply chain control procedures for wood processing and trade can be seen in an Article in the Vientiane Times Newspaper of Jan 119and also the FET –lao websites) , which include the following:

On the 10th and 11th of January 2019, government agencies held a national consultation workshop to discuss on the final draft of the Ministry of Industry and Commerce (MOIC)'s decision on the management and monitoring of timber input and output in wood processing and trade sector. The meeting was chaired by Mr Somphong Soulivanh, Deputy Director General of the Department of Industry and Handicraft and joined by representatives of the prime minister's office, state inspection, Ministry of Agriculture and Forestry, Ministry of Finance and provincial representatives from the Provincial Offices of Industry and Commerce from all Lao provinces.

"This decision is an important step in strengthening the timber supply chain control in wood processing and trade of the Lao PDR, and is a direct link to support PM 15 that strengthens timber management and suspends all illegal timber trade activities"said Mr Somphong Soulivanh, Deputy Director General of the Department of Industry and Handicraft of the Ministry of Industry and Handicraft. „ The system of supply chain control will show the source of the timber, and track it through the operators who trade, transport, and process the timber to ensure that all timber products are in compliance with the Law of the Lao PDR" He added.....

Provincial Industry and Commerce sector will be used to revise and agree on critical points within the decision. The decision has been under development since early 2016, and will support strengthening management and monitoring of timber supply from wood processing companies and traders until reaching sales on domestic or foreign markets. It will mandate timber processors and traders to perform supply chain control, and set up an internal material accounting system for timber products entering and leaving operators' premises. Processors are required to establish reports on timber recovery for all relevant processing stages, to be able to report to relevant state control entities. The policy will include not only the process for monitoring the balance of timber input and output through the business operator's records, but also clear mechanisms for monitoring agencies to inspect traders and suppliers, and review their compliance.

The MOIC decision is an important part of the Timber Legality Assurance System (TLAS). It is being developed with support of the component "Support to the Lao-EU FLEGT process (ProFLEGT) "of the German Development Cooperation programme Protection and Sustainable Use of Forest Ecosystems and Biodiversity (ProFEB)...etc.

6. LEGISLATIONS ON TRADING WOODS AND WOOD PRODUCTS

6.1. Laws and regulation on trading woods and wood products

While PM Order No 15 (2016) prohibits logging in natural Production Forest Areas (following the PM Order No 31 (2013) on suspension of logging at Production Forest), and also bans the exportation of logs, sawn wood, processed wood from natural forest, the trading and exportation of wood products from Conversion Areas is permitted, and on-going, and thus legal frameworks are in place or being developed to cover these activities, and also to cover the future re-opening of Production Forest to logging for the processing into wood products export.

Thus, TLD 8 (v4.2: 06-06-2018) organizes the relevant legislations and provide indicators and verifiers for export trade, as follows;

PRINCIPLE 8.2: REQUIREMENTS AND PROCEDURES FOR EXPORT	
<p>Criteria 8.2.1: Compliance with law and regulations on export</p> <p>Legal References</p> <ul style="list-style-type: none"> ▪ 0002/MOIC (2018) (replaces decision 1833/MOIC (2016): on the approval of revised list of eligible export products of wood ▪ Order 2143/MOIC. DIMEX (2016): Procedures to certify wooden products before loading to container ▪ Notification 1161/DOIH (2016): Applications to Certify Natural Wooden Products and Planted Wooden Products for Export ▪ Notification 1818/PMO (2016): Wood products verification procedure (loading on vehicle) for exporting to overseas ▪ Draft Decision on COC from Log Landing III to export, Version 2, dated 2/4/2018/MOIC 	
Indicators	Verifiers
8.2.1.1 The wood products for export are in compliance with product scope and standard for products derived from logs from natural or planted forest which are allowed and not allowed for export.	8.2.1.1.1 'Loading certificate for wood product export (Form "IC-01" applied for wooden products from natural forest) (I=Industry and C=Commerce) 8.2.1.1.2 'Loading certificate for wood product export (Form "IC-02" applied for wooden products from plantation forest)
8.2.1.2 The exporter has all required information for wood product export.	8.2.1.2.1 Approved custom declaration form
<p>Criteria 8.2.2: Compliance with wood product export under CITES Regulation</p> <p>Legal References</p> <ul style="list-style-type: none"> ▪ Regulation 0141/MAF (2010): Forest and Forest Resource case action (to be amended to cover trees species after the forestry law is approved). ▪ Law 18/NA (2017): on Treaties and International Conventions. ▪ Order 05/PM (2018): Order to increase efforts to manage and check prohibited wildlife and fauna 	
Indicators	Verifiers
8.2.2.1 The wood product exporter complies with CITES Convention and its Appendices I, II and III.	8.2.2.1.1 CITES permit.

6.2. Trade of wood products – Product type

As explained in section 1.4 above, there are no official or even unofficial data or information on the volume of the various types of wood products exported from the Lao PDR. However, following from the PM Order 15 of May 2016, the type and dimensions of wood products that are approved for export have

been more clearly defined. The most recent specification of the type and dimension of wood products approved for export are provided in **MOIC Agreement 0002, of 2/1/2018**, on **“the Revision of the agreement No. 1833/MOIC, issued on 3 October 2016 on the list of wood products for exports”**. The list, which reflects what is exported from the Lao PDR, is provided as annex 3, and includes;

- Wooden Briquettes, Pellets
- Wooden Charcoal
- Wooden Parquet, Interior flooring. Wall and ceiling Panel, Finger Joint Wood
- Plywood and different types of manufactured boards
- Wooden handle products
- Builders’ joinery and carpentry of wood
- Window and door frames, etc
- Other articles: such as cutting boards, clothes hangers, etc
- Wooden furniture

The FLEGT-Laos program is preparing their own list of products covered by, or prohibited under the EU VPA programs, which is very similar to the MOIC list, but in the EU VPA format – see table 9 below.

Table 9: Draft-List of products to be covered by, or prohibited under VPA between Lao PDR and the EU

(Note: text colour is the same as the FLEGT draft document)

HS Heading	Description
WOOD AND ARTICLES OF WOOD	
- 4403	Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared (Prohibited from export under the Law PDR law. Therefore, products under this HS code may not be FLEGT licensed).
- 4404	Hoop wood; split poles; piles, pickets and stakes of wood, pointed but not sawn lengthwise; wooden sticks, roughly trimmed but not turned, bent or otherwise worked, suitable for the manufacture of walking sticks, umbrellas, tool handles or the like; chip wood and the like
	Sheets for veneering (including those obtained by slicing laminated wood), for plywood or for similar laminated wood and other wood, sawn lengthwise, sliced or peeled, whether or not planed, sanded, spliced or end-jointed, of a thickness not exceeding 6 mm.
- 4408 10	Coniferous
- 4408 31	Dark Red Meranti, Light Red Meranti, and Meranti Bakau
- 4408 39	Other tropical wood species-
	HS code 4408.XX.XX in Lao PDR; Size exceeding T>0.6cm, W>150cm, L>300cm are prohibited from export under the Law PDR law. Therefore products under this HS code and sizes restriction may not be FLEGT licensed)
- 4409 22	Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, moulded, rounded or the like) along any of its edges, ends or faces, whether or not planed, sanded or end-jointed. –coniferous
- Ex. 4409 10	Of tropical wood
4409 29	Non-coniferous wooden parquet, wooden flooring, wooden piece for wall, wooden piece for ceiling – other (not from rattan)
	Other (HS code 4409.XX.XX in Lao PDR; Size exceeding T>5cm, W>20cm, L>600cm are prohibited from export under the Lao PDR law. Therefore, products under this HS code and sizes restriction may not be FLEGT licensed).
- 4410 11	Particle board, oriented strand board (OSB) and similar board (e.g. wafer board) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding Substances
	Of wood, particle board (HS code 4410. XX.XX in Lao PDR; Size exceeding T>5cm, W>122cm, L>244cm are prohibited from export under the Lao PDR law. Therefore, products under this HS code and sizes restriction may not be FLEGT licensed).
- 4411 12	Fiberboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances. MDF and fibre board thickness not exceeding 5 mm (HS code 4411. XX.XX in Lao PDR; Size exceeding T>5cm, W>122cm, L>244cm are prohibited from export under the Law PDR law. Therefore, products under this HS code and sizes restriction may not be FLEGT licensed)

HS Heading	Description
- 4412 31 - Ex. 4412 99	Plywood, veneered panels and similar laminated wood Other plywood, consisting solely of sheets of wood (other than bamboo), each ply not exceeding 6 mm thickness: – – With at least one outer ply of tropical wood. Other, Blockboard, laminboard and battenboard (not from rattan)
- 4413	Densified wood, in blocks, plates, strips or profile shapes. Wooden frames; for paintings, photographs, mirrors or similar objects
- 4414 00	Wooden frames; for paintings, photographs, mirrors or similar objects Of tropical wood and other wood
- 4415 10 - 4415 20	Packing cases, boxes, crates, drums and similar packings, of wood; cabledrums of wood; pallets, box pallets and other load boards, of wood; pallet collars of wood Cases, boxes, crates, drums and similar packings; cable-drums Pallets, box pallets and other load boards; pallet collars
- 4416 00	Casks, barrels, vats, tubs and other cooper's products and parts thereof, of wood, including staves
- 4417 00	Tools, tool bodies, tool handles, broom or brush bodies and handles, of wood; boot or shoe lasts and trees, of wood
- - 4418 10 - 4418 20 - 4418 40 - 4418 50 - 4418 74 - 4418 79 - 4818 99	Builders' joinery and carpentry of wood, including cellular wood panels, assembled flooring panels, shingles and shakes (HS code 4418. XX.XX in Lao PDR; Size exceeding T>6cm, W>12cm, L>250cm are prohibited from export under the Law PDR law. Therefore, products under this HS code and sizes restriction may not be FLEGT licensed). <i>Windows, French windows and their frame</i> <i>Doors and their frames and thresholds</i> <i>Shuttering for concrete constructional work</i> <i>Shingles and shakes</i> <i>Other, for mosaic floors, mosaic parquet</i> <i>Other, assembled flooring panels –</i> <i>Other (including Glue-laminated timber)</i>
- 4419 90	Tableware and kitchenware, of wood <i>Boards, chopping boards, cutting boards, bread boards, chopstick from tropical wood and other wood</i>
- 4420 10 - 4420 90	Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles, of wood; statuettes and other ornaments, of wood; wooden articles of furniture not falling in chapter 94 Statuettes and other ornaments, of wood Other (including wood marquetry and inlaid wood)
- 4421 10	Other articles of wood: Cloth hangers
Chapter 92: MUSICAL INSTRUMENTS, PARTS AND ACCESSORIES OF SUCH ARTICLES	
9202	Other string musical instruments (for example, guitars, violins, harps):
9207	Musical instruments, the sound of which is produced, or must amplified, electrically (for example, organs, guitars, accordions):
9209	Parts (for example, mechanisms for musical boxes) and accessories (for example, cards, discs and rolls for mechanical instruments) of musical instruments; metronomes, tuning forks and pitch pipes of all kinds
Chapter 94: FURNITURE; BEDDING (HS code 9403. XX.XX.XX in Lao PDR; Diameter exceeding R>120 cm; Live edge table top or bench top in shape of lumber from through and through sawing of a log are prohibited from export under the Law PDR law. Therefore, products under this HS code and sizes restriction may not be FLEGT licensed)	
9403 30	Wooden furniture of a kind used in offices
9403 40	Wooden furniture of a kind used in the kitchen
9403 50	Wooden furniture of a kind used in the bedroom
9403 60	Other wooden furniture
9403 90	Furniture parts (made from wood)

6.3. Legally required documents or records for Trading Woods and Wood Products

The best, and most recent, explanation and listing of the legally required documents or records can be found in **“(draft) Decision on the management and monitoring of timber input and outputs in wood processing and trading” Version 2.2, dated 8/1/2019/MOIC**. This Decision is still under a process of drafting and development and is being piloting by the FLEGT-Lao program, in Attapeu Province. However,

most of its contents are based on existing laws and regulations and will be legal basis for the future export of woods and wood products from Lao PDR. Table 10 summarises the required documents for the legal trading woods and wood products from the Draft Decision.

Table 10: Legally required documents (trade dossier) to export wood/wood products, from “Draft Decision on COC from Log Landing III to export”, Version 2, dated 2/4/2018/MOIC.

<p>Article 15: Regulation for trade dossiers for selling timber and timber product for domestic and export</p> <p>For any change of ownership (sales) the buyer needs to be able to present a set of trade dossier. Depending on the destination for sales (domestic or export) a different set of documents is required.</p> <p>1. Required standard documentations for domestic market</p> <p>For timber and timber products to be sold within domestic market, the buyer needs to be able to present the following from the seller:</p> <ol style="list-style-type: none"> 1. Product list /Packing list issued/signed by operator 2. Receipt of value-added tax payment (VAT Invoice) <p>2. Required standard documentations for export</p> <p>For timber and timber products to be sold for export based on the most updated policy of the Lao government regarding the eligible exporting of timber and timber products, the exporter needs to be able to present the following: Mandatory documents:</p> <ol style="list-style-type: none"> 1. Sales Purchase Contract registered with state assets office 2. Product list /Packing list issued/signed by operator 3. Commercial sales invoice 4. Customs declaration form 5. Receipt of value-added tax payment (VAT Invoice (if applicable) 6. Loading certificate (<i>consultants note: assume this is from OC-01 and OC-02</i>) 7. CITES license and other relating production records if CITES species are used <p>When applicable: Other support documents when needed</p> <ul style="list-style-type: none"> • Certificate of origin (i.e, that the product is from the Lao PDR) • Phytosanitary Certificate <p>3. Additional legal timber exports dossiers</p> <p>Supplementary documents with detailed explanation and proof of compliance to be submitted when required by MOIC /POIC during any compliance inspections or approval of exports dossiers are included:</p> <ol style="list-style-type: none"> 1. Harvesting permit 2. Transportation permit for timber, timber products, stumps, burls from log landing II to III 3. Wood Sales contract for timber, timber products stumps, burls at log landing II 4. Log list at log landing II 5. Official receipt/tax receipt for timber, timber products, stumps, burls 6. Minutes of receiving of timber and timber products at log landing III

While the forms of the ‘Loading Certificate’ are not specified in the document above, it is assumed that these are **Form IC-01** and **Form IC-02**, which are specified in “**Order 2143/MOIC. DIMEX (2016) on Procedures to certify wooden products before loading to container**”. These two Forms (annex 4 and 5):

- Form IC-01 for natural wood products and
- Form IC-02 for plantation wood products

...are already used in the Lao PDR, but they are only in Lao language, even if the goods loaded are destined for exports. These Forms include a checklist of document to be provided by the wood products traders, and to be approved as sighted by POIC, PAFO and POF staff before loading. Some of the documents required to be seen by the MOIC and POIC prior to loading include:

- i. information of the company’s registration approvals
- ii. information on the approval to cut the timber

(up to 8 documents were sighted that cover points i and ii above)

- iii. information on the consignment – same as packing list
- iv. information on the transportation vehicle

Examples of documentation from actual consignments

Examples of documentation from actual consignments of wood products made from natural timbers was not able to be accessed or sighted by the consulting team

However, examples of the list of documents compiled by a plantation timber and furniture company in order to support its approval for export to England were sighted. These documents are listed in table 11 below (which does not include documents on company registration, logging permits or factory registration and permits).

Table 11: Documentation used to export wood products from Lao plantation and furniture company to a company in England (September 2018)

	Name of document	Description	Issuing authority
1 Documents Completed at the Factory, prior to loading onto shipping container			
1.1 Documents provided by the company for a consignment			
a	Invoice	Document sent by a provider of a product to the purchaser	The wood Products Company
b	Packing list	List of goods sent	The wood Products Company
c	Certificate of Origin	To demonstrate origin of country	Lao National Chamber of Commerce and Industry (LNCCI), under authority of MOIC
d	Fumigation Certificate	To ensure that products used in a cargo shipment have been fumigated	Fumigation company (there are 3 companies in Lao PDR)
e	Phytosanitary Certificate	To ensure that products have received phytosanitary treatment	Plant Quarantine Authority of Lao PDR, Department of Agriculture, MAF
f	Insurance Policy Schedule	If goods sold CIF	Insurance Company,
1.2: Document completed (in Lao language) and approved by Provincial Office of Industry and Commerce			
	Form IC02 ('ak kor 02') – Loading certificate for plantation wood product export	<ul style="list-style-type: none"> ▪ To demonstrate legal compliance for export wood and wood products ▪ IC02 is for plantation wood products, and IC01 for natural timber products 	<ul style="list-style-type: none"> ▪ POIC, or Provincial Office of Industry and Commerce. ▪ PAFO and POF are also in the inspection team,
2: Documents Completed at the border (point of export)			
2.1	Customs Declaration	ASEAN Customs Declaration Document: Form B10	Border Customs Tax Unit, Tax Management Division, Department of Tax, MoF
2.2	Packing list	Description – type, dimension, number of each etc) in the consignment	'as above'
3 Documents Completed at the border transit point - Port in Thailand			
	Bill of Lading	Bill of Lading issue subject to UNCTAD/ICC Rules for Multimodal Transport Documents (ICC Publication 481)	Shipping Company

7. OTHERS

7.1. International framework relevant to combatting illegal harvesting and associated trade

7.1.1. CITES

Lao PDR was accessed to CITES in 01/03/2004, coming into force on 30/05/2004. The management, scientific and enforcement authorities of CITES in the Lao PDR is specified in table 11 below.

Table 12: CITES Management, Scientific and Enforcement Authorities in the Lao PDR

<p><u>Management Authority.</u> Ministry of Agriculture and Forestry Mr. Sousath Sayakoummane Director General of Department of Forestry, MAF P.O. Box 2932, VIENTIANE Tel: +856 (21) 21 50 00, Fax: +856 (21) 21 74 83 Email: ssayakoummane @ gmail.com, cc: ckeophouvong@yahoo.com</p>
<p><u>Scientific Authority</u> Ministry of Science and Technology 1: Dr. Souriodong Sundara, Vice Minister to the Ministry of Science and Technology, Biotechnology and Ecology Institute P.O. Box 2279, VIENTIANE CAPITAL Tel: +856 (21) 73 22 07, Fax: +856 (21) 74 06 30 Email: souriodong @ yahoo.co.uk 2: Dr. Kosonh Xayphakatsa, Deputy Director General, Biotechnology and Ecology Institute, Ministry of Science and Technology (MOST), Scientific Assistant to CITES SA, email: kosonh @ yahoo.com 3. Mr Khamkeo Senginvong, Deputy Director Division, MOST Technical Assistant to CITES SA, email: ksenginvong @ yahoo.com, Tel: +856 (21) 255 631</p>
<p><u>Enforcement Authority</u> Ministry of Agriculture and Forestry Department of Forestry Mr Thongphanh Ratanalangsy Deputy Director General of Department of Forest Inspection P.O Box 2932, VIENTIANE, Tel: +856 2055391239, Fax: +856 (21) 216 508 email: tphanhr@gmail.com</p>

7.2. Voluntary schemes on legality / sustainability of wood and wood products

7.2.1. Currently certificated Forests, via FSC FM (as of 20/09/18)

There are currently 3 FSC Certified Forest Areas, and 2 FSC Certified wood processors, in the Lao PDR:

i) FSC Certificate Code: RA-FM/COC-001711: License Code FSC-C006743

Main Address: Ministry of Agriculture and Forestry, Vientiane Capital, P.O. Box: 2932, Lao PDR

Name: Department of Forestry, Lao PDR (DOF)

Certificate Data: Status: Valid Forest Area: 10,949.00 ha

First Issue Date: 2005-12-06: Last Issue Date: 2017-03-02: Expiry Date: 2022-03-01

Valid Group member/sites

- Provincial Forestry Section, Bolikhamxay Province

- Xiengleu and Xiengxien Villages, Bolikhan District, . Bolikhamxay Province

Products:

Product Type	Trade Name	Species	Primary Activity	Main Output Category
N4 Straw, wicker, rattan and similar N4.1 Rattan cane (rough form)	Rattan cane (rough)	Calamus bimaniferus T.Evans & al; Calamus gracilis Roxb.; Calamus palustris Griff; Calamus poilanei Conrard; Calamus rhabdocladus Burret; Calamus solitarius T.Evans & al.; Daemonorops jenkinsiana (Griff.) Mart; Korthalsia laciniosa (Griff.) Mart.; Palmijuncus tetradactylus (Hance) Kuntze	gathering of non-wood products	FSC 100%

ii): Certificate Code: GFA-FM/COC-003037

License Code: FSC-C133641

Main Address: Kaysone Phomvihane Av. 46, Vientiane, PO Box 118 34, LAOS

Name: Stora Enso Lao Co., Ltd

Certificate Data Status: Valid. Forest Area: 3631.00 ha
 First Issue Date: 2017-12-08 Last Issue Date: 2017-12-08. Expiry Date: 2022-12-07

Products:

Product Type	Trade Name	Species	Primary Activity	Main Output Category
W1 Rough wood W1.1 Roundwood (logs)		Acacia spp.; Eucalyptus spp; Tectona grandis	Logging	FSC 100%

iii): Certificate Code GFA-COC-002829 License Code FSC-C106097

Main Address: 46 Kaysone Phomvihane Road, Ban Phonsaat, Vientiane, 11834, LAOS,

Name: Burapha Agroforestry Co., Ltd. Website: <http://www.buraphawood.com>

Certificate Data Status: Valid Standard: FSC-STD-40-004 V3-0
 First Issue Date: 2011-05-16, Last Issue Date: 2017-03-22 Expiry Date: 2022-03-21

Products

Product Type	Trade Name	Species	Primary Activity	Main Output Category
W1 Rough wood		Eucalyptus spp; Tectona grandis	Primary Processor	FSC 100%
W9 Engineered wood products		Eucalyptus spp; Tectona grandis	Secondary Processor	FSC 100%
W11 Wood for construction		Eucalyptus spp; Tectona grandis	Primary Processor	FSC 100%
W12 Indoor furniture		Eucalyptus spp; Tectona grandis	Secondary Processor	FSC 100%
W5 Solid wood (sawn, chipped, peeled)		Eucalyptus spp; Tectona grandis	Primary Processor	FSC 100%
W13 Outdoor furniture and gardening		Eucalyptus spp; Tectona grandis	Secondary Processor	FSC 100%
W10 Wood package and similar		Eucalyptus spp; Tectona grandis	Secondary Processor	FSC 100%

iv): Certificate Code GFA-FM/COC-002679

License Code FSC-C110786

Main Address: 46 Kaysone Phomvihane Rd, Ban Phonsaath, Vientiane, P.O. Box 11 834, LAOS

Name: Burapha Agroforestry Co., Ltd. website: <http://www.buraphawood.com>

Certificate Data: Status: Valid Forest Area: 3430.10 ha
 First Issue Date: 2013-03-22, Last Issue Date :018-03-22 Expiry Date: 2023-03-21

Valid Group member/sites

Name	Street	Town/City	Country	Valid From	Valid To
Burapha Agroforestry Pty. Ltd.	46 Kaysone Phomvihane Av	Vientiane Capital	LAOS	2018-03-22	2023-03-21
SiengKum	B.Sean-oudom, Xaythani	Vientiane Capital	LAOS	2018-03-22	2023-03-21
Soupavanh Thienchanxay	B.Sean-oudom, Xaythani	Vientiane Capital	LAOS	2018-03-22	2023-03-21
Viengxay	B.Sean-oudom, Xaythani	Vientiane Capital	LAOS	2018-03-22	2023-03-21

Products

Product Type	Trade Name	Species	Primary Activity	Main Output Category
W1 Rough wood W1.1 Roundwood (logs)		Acacia spp.; Eucalyptus spp; Tectona grandis	Logging	FSC 100%

v): Certificate Code RA-COC-005819 License Code FSC-C108811

Main Address: Phoxay Village, Unit 06, Sisattanak District, Vientiane capital, LAOS

Name: Danlao Company Ltd. **Website:** <http://www.danlaorattan.com>

Certificate Data: Status: Valid Standard: FSC-STD-40-003 V2-1; FSC-STD-40-004 V3-0
 First Issue Date: 2012-02-29, Last Issue Date: 2017-06-16, Expiry Date: 2022-06-15

Valid Group member/sites

Site Subcode	Name	Street	Town/City	State/Country	Valid From	Valid To
RA-COC-005819-B	Thavixok Import Export Ltd	Ban Sisomseun	Sikhottabong District	Vientiane/LA	L	

Products

Product Type	Trade Name	Species	Primary Activity	Main Output Category
N4 Straw, wicker, rattan and similar N4.5 Rattan furniture components	Rattan furniture components	Calamus bimaniferus T.Evans & al; Calamus gracilis Roxb.; Calamus palustris Griff; Calamus poilanei Conrard; Calamus rhabdocladus Burret; Calamus solitarius T.Evans & al.; Calamus tetradactylus Hance; Daemonorops jenkinsiana (Griff.) Mart; Korthalsia laciniosa (Griff.) Mart.	Secondary Processor	FSC 100%
N4 Straw, wicker, rattan and similar N4.3 Decorative objects and wickerwork	Decorative objects and Wickerwork	Calamus gracilis Roxb.; Calamus poilanei Conrard; Calamus solitarius T.Evans & al.; Calamus tetradactylus Hance	Secondary Processor	FSC 100%
N4 Straw, wicker, rattan and similar N4.4 Rattan furniture	Rattan Furniture	Calamus bimaniferus T.Evans & al; Calamus gracilis Roxb.; Calamus palustris Griff; Calamus poilanei Conrard; Calamus rhabdocladus Burret; Calamus solitarius T.Evans & al.; Calamus tetradactylus Hance; Daemonorops jenkinsiana (Griff.) Mart; Korthalsia laciniosa (Griff.) Mart.	Secondary Processor	FSC 100%

7.2.2. Forest Certification – current and in planning

There are no regulations or subsidies that encourage to use of forest certification schemes in the Lao PDR. The WB Lao PDR Green Growth Development Policy Financing Operation has 5 main components,

(“projects.worldbank.org”) one of which is to increase Production Forest Area (PFA) Certification to around 230,000 ha from the current 10,949 ha.

According to DOF, 170,000 ha of this will be supported by WB funding, and the remainder by other funding, and all on State Production Forest Areas (table 13 below). The first PFAs proposed to be certified are items 1.4, 2.3, 2.4 and 2.5, in table 2, totalling 169.050 ha. These PFAs located in Savannakhet and Khammouane were audited in May 2018. As expected, there were a lot of Corrective Action Requests as a result of the audit. To close them and to be awarded a certificate, they will have to pass a 2nd audit due in December 2019.

Table 13: Location and area of Department of Forestry long term plan for forest certification

	Province	PFA	FMA	Production	HCVF	Total	comment
1	FSC FM Certification						
1.1	Khammoune	Dong Phousoi	Xebangfai	30,984.7	4,131.7	35,116.4	
1.2	Khammoune	Dong Phousoi	Mahaxay	20,764.7	1,786.7	22,551.4	
1.3	Khammoune	Nakathing	Mahaxay	10,372.0	298.0	10,670.0	
1.4	Savannakhet	DongSithoune	Thaphangthong	81,345.5	3,824.4	85,169.9	1 st areas
	2 Province	3 PFAs	3 Districts	143,466.9	10,040.8	153,507.7	
2	FSC CW Certification						
2.1.	Bolikhamsai	PhakBeuak	Bolikhhan	65,198.0	13,814.0	79,012.0	
2.2	Bolikhamsai	PhakBeuak	Viengthong	4,301.0	314.0	4,615.0	
2.3	Khammoune	Dong Phousoi	Xaybouathong	14,379.7	463.2	14,842.9	1 st areas
2.4	Khammoune	Nakathing	Xaybouathong	29,030.2	709.7	29,739.9	1 st areas
2.5	Khammoune	Nakathing	Boualapha	44,294.6	1,742.6	46,037.2	1 st areas
2.6	Savannakhet	Dong Khapho	Phalanxay	9,550.0	403.0	9,953	
2.7	Savannakhet	Dong Khapho	Phin	23,650.5	1,127.2	24,777.7	
2.8	Vientiane	NongPhet Naseng	Feuang	3,945.0	280.0	4,225.0	
2.9	Vientiane	NongPhet Naseng	Kasi	34,632.1	2,955.1	37,587.2	
2.10	Vientiane	NongPhet Naseng	Met	2,596.5	117.9	2,714.4	
				231,577.6	21,926.7	253,504.3	

Note:

- FSC-FM = FSC Forest Management
- FSC-CW = FSC Controlled Wood

8. INTERVIEWS/FIELD SURVEY (LOGISTIC RECORDS)

8.1. Interviews

Table 14: List of interviews undertaken

Name of interviewees	Date	Title	Organisation	Main topics
Mr Sousath Sayakoumane	18/9	Director General	Department of Forestry, DoF, MAF.	<ul style="list-style-type: none"> ▪ General review of the ITTO study. ▪ Forest certification ▪ Legislation (regulations) currently under revision ▪ Persons and Department responsible for what aspects
Mr Martin Forsen	19/9	CEO	Burapha Agro-Forestry Company	Plantation sector
Ms Souphayvanh Thiengchankxay	19/9	Vice -President	Lao Furniture Association	<ul style="list-style-type: none"> ▪ Export Legislation and documentation ▪ Furniture Export data
Heiko Woerner...	19/9	CTA	ProFLEGT, GTZ	FLEGT-Laos
Peter Schwab	19/9	TA	ProFLEGT, GTZ	FLEGT-Laos
Ms Hillary Smith	13/9	Forest Governance Specialist	ACIAR	<ul style="list-style-type: none"> • Forest Legality Compendium, 2015. • Legal flow charts Recent legislation
Mr Esa Psutjarvi	15/9	CTA	Sufored projects	Forest certification
Mr Somnouk	24/	Head	PRLMDiv, DoF	Conversion Forest logging.
Mr Lattana Thamlong	24/9	Dep Head	PRLMDiv, DoF	Forest certification: areas under process
Mr Martin Forsen	26/9	CEO/COO	Burapha Agro-Forestry Company	Plantation Sector, Furniture Production
Ms Souphayvannh Thiengchanhxay	26/9	Vice President,	LFA, Lao Furniture Association	<ul style="list-style-type: none"> ▪ Export Legislation and documentation Furniture Export data
Mr Vangchai Vang		Head of Export Management Div	DIMEX, MOIC	Management of wood products exports
Dr. Khamfeua Sirivongs	By email	Head,	Legislation and Forest Inspection Policy Division, DOFI	FLEGT-Laos
Mr VanPheng Somsana	8/10/18	Manager	Khamphay Sana Group company	Wood processing sector. LFA. Teakn furniture sector
Mr Bounpheng Phengsisavath	9/10/18	Executive Director	Lao Furniture Association/LFA	The LFA. Furniture factories that may be following legal procedures

8.2. Field Survey

No field surveys have been undertaken to date

Annex 1: Index to soft and hard copies of legal references for Timber Legal Definitions 1, 2 and 3 (in this table I have deleted the last 2 columns)

Nr	Laws and other legislation or regulatory instruments/documents	Applicable timber source			Availability of soft files	
		Production Forest Area	Conversion Forest	Plantation Forest	Soft/Lao	Soft/Eng
1	Law 04/NA, Law on Land (2003)			X	X	X
2	Law 06/NA, Law on Forestry (2007)	X	X	X	X	X
3	Law 14/NA, Law on Investment Promotion (2016)		X	X	X	X
4	Order 17/PM (2008), on the enhancement of forestry management, protection, and coordination in the management of forestry and wood business	X	X		X	X
5	Order 57/PM (2014), on Income collection Management of Sales of Timber and NTFPs	X			X	X
6	Order 15/PM (2016), on strengthening Strictness of Timber Harvest Management and Inspection, Timber Transport and Business.		X		X	X
7	Decree 59/PM (2002), on sustainable management of production forest areas	X				X
8	Decree 88/PM (2008), on the Implementation of the land Law			X	X	X
9	Decree 32/PM (2012), adoption of Meeting minutes of National Forest Conference on Forest Management and Forestry Business.	X	X			X
10	Decree 84/GOL (2016), on Resettlement and Compensation		X	X	X	X
11	Regulation 0196/MAF (2000), concerning the development and promotion of long-term plantations			X		X
12	Regulation 0204/MAF (2003), on the establishment and sustainable management of production forests	X	X			X
13	Regulation 0108/MAF (2005), on Forest Inventory	X	X			X
14	Regulation 0112/MAF (2008), on the Logging and Post Logging Cleaning in reservoir area of hydropower dams		X			X
15	Regulation 1726/ MOIC (2012), on Sales and Purchase of Timber	X	X		X	X
16	Guideline 2156/DOF (2006), on Sustainable Production Forest Management Planning	X				X
17	Guideline 2155/DOF (2006), on Participatory Forest Inventory	X				X
18	Guideline 2157/DOF (2006), on Timber Harvesting in Production Forest	X				X

Nr	Laws and other legislation or regulatory instruments/documents	Applicable timber source			Availability of soft files	
		Production Forest Area	Conversion Forest	Plantation Forest	Soft/Lao	Soft/Eng
19	Guideline 0962/DOF (2010), on Management of timber transports from forest to Log yard II	X	X			X
20	Instruction 3211/ MOF (2015), Implementation of PM Order 57(2104) re Income Management from Sales of Timber and NTFPS	X	X			X
21	Instruction 8029/MONRE (2013), Initial Environmental Examination of Investment Projects and Activities		X	X		X
22	Instruction 8030/MONRE (2013), Environmental and Social Impact Assessment of the Investment Projects and Activities		X	X		X
23	Instruction 3659/DOF (2017), Implementation of harvesting and moving of plantation wood			X		X
24	Instruction 1643/DOF (2010), on development of a feasibility study of industrial trees and NTFP investment			X		X
25	Presidential Ordinance 0001(2012), on Distribution of Revenue from Timber sales	X			X	X
26	Decision 0182/ MAF (2009), on the establishment and management of timber harvest units and enterprises	X	X	X		X
27	Decision 0080/ MAF (2012), on the Import, Management and Utilization of Chainsaw	X	X	X	X	X
28	Decision 0116/MAF (2007), regarding the procedure for measuring log, tree stump, tree burl and log quality grading	X	X			X
29	Decision 2797.1/MONRE.DESIA (2016), on the development of IEE: Initial Environment Examination, for investment and other projects		X	X		
30	Agreement 8056/MONRE (2013), Endorsement + Promulgation of a List of Investment Projects and Activities Requiring Initial Environmental Examination or Environmental Impact Assessment		X	X		X
31	Notification 1374/MAF (2010), re. the application for registering tree planting parcels and grown timber certificate.			X		X
32	Notification 1813/ MOIC.DIMEX (2015) to be amended according to requirements of the indicator, and to include timber sale contract	X				

Some Legislation not in TLDs:

- Decree 96 (2003): regarding commercial tree planting and environmental protection
- Order 1812(2005), MOIC/DIMEX, re extension of notification 790/PSPM.SO (May 2015) and 1360/PSPM.DE (August 2015)
- Instruction 3281/MoF, Oct 2014, on Tax Revenue Collection Management
- Order 9/PM (2.7.2018) concerning the enhancement of governance in the use of land concessions for industrial tree plantation and other plantation crops.

Annex 2: Index to soft and hard copies of legal references for Timber Legal Definitions 8 “Wood Processing and Trading, v4.2: 06-06-2018

Nr	Laws and other legislation or regulatory documents	Availability of files	
		Soft/Lao	Soft/Eng
1	Law 06/NA (2007), Law on Forestry		
2	Law 29/NA (2012), Law on Environmental Protection		
3	Law 46/NA (2013), Law on Enterprise		
4	Law 48/NA (2013), Law on Industrial processing		
5	Law 70/NA (2015), Law on customs, duty, tax		
6	Law 18/NA (2017), Treaties and International Convention		X
7	Notification 0530/MOIC, (2002) & Notif'n 0538/MOIC (2002)		
8	Regulation 0719/MOIC (2009), Decision on Wood Industry Standard		X
9	Regulation 0141/MAF (2010), article 21. On Forest and Forest resources Inspection and Case Action		X
10	Guideline 0962/DOF (2010), On the management of timber transports from forest to Log yard II		X
11	Instruction 8029/ MONRE (2013). Initial Environmental Examination of the Investment Projects and Activities		X
12	Instruction 8030/ MONRE (2013), Environmental and Social Impact Assessment of the Investment Projects and Activities		X
13	Notification 1161/DOIH (2016). Applications to Certify Natural Wooden Products and Planted Wooden Products for Export		X
14	Notification 1818/PMO (2016). Wood products verification procedure (loading on vehicle) for exporting to overseas		X
15	Notice 1429/DDT (2016): 22/11/2016, MOIC/DTD, on the domestic transportation of wood products	X	X
16	Order instruction 2143/MOIC. DIMEX (2016) Procedures to certify wooden products before loading to container		X
17	Decision-0002/MOIC (2018) (after PMO 2035/17) On “approval of revised list of eligible export products of wood”	X	X
18	Draft Decision of CoC LL III to export, Vers 2.1, 8/1/2019/MOIC.		X
19	Order 05/PM (2018) Order to Increase efforts to manage and check prohibited wildlife and fauna	X	

Annex 3: "PMO Notification 2035/2017_MOIC Agreement 0002/3Jan18 on the List of Wooden products for Export"



ອ.ຄ 01

ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ
ສັນຕິພາບ ເອກະລາດ ປະຊາທິປະໄຕ ເອກະພາບ ວັດທະນະຖາວອນ

ແຂວງ/ນະຄອນຫຼວງ.....
ພະແນກອຸດສາຫະກຳ ແລະ ການຄ້າ ເລກທີ.....
ວິງວັນທີ

**ໃບຢັ້ງຢືນ
ຜະລິດຕະພັນໄມ້ ຫຳມະຊາດ ເພື່ອສົ່ງອອກ**

- ອີງຕາມການສະເໜີຂອງໂຮງງານ/ບໍລິສັດ.....
ເລກທີ....., ວິງວັນທີ.....
ໃນວັນທີ.....ເດືອນ.....ປີ.....ເວລາ.....ໂມງ, ໄດ້ມີຄະນະກຳມະການກວດກາ ແລະ ຢັ້ງຢືນຜະລິດຕະພັນໄມ້ ເພື່ອສົ່ງອອກ, ຊຶ່ງປະກອບດ້ວຍຜູ້ຕາງໜ້າ ດັ່ງນີ້:
- 1. ທ່ານ....., ຕາງໜ້າ ຄະແໜງອຸດສາຫະກຳ ແລະ ການຄ້າ;
- 2. ທ່ານ....., ຕາງໜ້າ ຄະແໜງກະສິກຳ ແລະ ປ່າໄມ້;
- 3. ທ່ານ....., ຕາງໜ້າ ຄະແໜງການເງິນ;

ໄດ້ພ້ອມກັນລົງກວດກາຜະລິດຕະພັນໄມ້ຂອງໂຮງງານ/ບໍລິສັດ.....
ດັ່ງຢູ່: ບ້ານ....., ເມືອງ....., ແຂວງ/ນະຄອນຫຼວງ.....
ໂດຍຊ່ອງໜ້າ ທ່ານ ໃນນາມ..... ໂທລະສັບ.....
ມີຖື..... ເພື່ອສົ່ງອອກໄປປະເທດ..... ໂດຍຜ່ານດ່ານສາກົນຂາອອກ:.....

ລາຍລະອຽດດັ່ງນີ້:

- 1. ຂໍ້ມູນຂອງບໍລິສັດ/ໂຮງງານ
 - 1.1 ໃບທະບຽນວິສາຫະກິດເລກທີ....., ວິງວັນທີ.....
 - 1.2 ໃບອະນຸຍາດດຳເນີນກິດຈະການໂຮງງານເລກທີ....., ວິງວັນທີ.....
 - 1.3 ສັນຍາຊື້-ຂາຍວັດຖຸດິບໄມ້ (ປຸງແຕ່ງ,ແປຮູບ)ເລກທີ....., ວິງວັນທີ.....
 - 1.4 ໃບຢັ້ງຢືນການສຳລະເງິນ ຄ່າພັນທະອາກອນເລກທີ....., ວິງວັນທີ.....
 - 1.5 ບັນຊີ ໄມ້ທ່ອນເລກທີ....., ວິງວັນທີ.....
 - 1.6 ໃບອະນຸຍາດເຄື່ອນຍ້າຍໄມ້ທ່ອນຈາກສະໜາມ II ຫາ ສະໜາມ III ເລກທີ....., ວິງວັນທີ.....
 - 1.7 ໃບຢັ້ງຢືນການເສຍອາກອນ (ຜະລິດຕະພັນໄມ້ແປຮູບ, ເຄິ່ງສຳເລັດຮູບ)ຈຳນວນ:.....

2. ຜະລິດຕະພັນໄມ້ ທີ່ຄະນະກຳມະການໄດ້ກວດກາ ມີລາຍລະອຽດ ດັ່ງນີ້:

ຫົວໜ່ວຍ ໂດລາ (USD)

ລ/ດ	ລາຍການຜະລິດຕະພັນໄມ້	ລະຫັດສິນຄ້າ (HS Code)		ຊະນິດໄມ້	ຈຳນວນ	ຫົວໜ່ວຍ	ຄະໜາດ (ຊມ)			ບໍລິມາດ ມ ³	ບໍລິມາດ ທັງໝົດ ມ ³	ນ້ຳໜັກ ລວມ <input type="checkbox"/> ກລ <input type="checkbox"/> ໂຕນ
		ລະຫັດໂດຍທົ່ວ (Heading) 4 ໂຕລກ	ລະຫັດໂດຍເລີຍ (Sub-Heading) 8 ໂຕລກ				ໜາ	ກວ້າງ	ຍາວ			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		(12)
1.	ໄມ້ອິດປະສານ (ຕົວຢ່າງ)	44.12	4412.94.00	ຍາງ	500	ແຜ່ນ	5	200	600	0.6	300	
2.	ໄມ້ບຸນເຊືອມຕໍ່ປະສານ (ຕົວຢ່າງ)	44.09	4409.90.00	ໄມ້ດູ່	1000	ຊິ້ນ	2.5	20	400	0.02	20	
3.												
4.												
5.												
6.												
7.												
8.												
9.												
ລວມ												

ບໍລິມາດລວມທັງໝົດ ຂຽນເປັນຕົວໜັງສື.....
 ມູນຄ່າລວມທັງໝົດ ຂຽນເປັນໜັງສື.....

3. ຜະລິດຕະພັນໄມ້ ທີ່ໄດ້ລະບຸໄວ້ໃນຕາຕະລາງ ໄດ້ຂຶ້ນຂຶ້ນລົດ:

ສີ:ປະເພດ: ຍີ່: ເລກທະບຽນ: ອອກຊື່ໂດຍ:
 ເລກຈັກ..... ເລກຖັງ..... ຊື່ຜູ້ຮັບລົດ:
 ເປີໂທລະສັບ:

ຄະນະກຳມະການ ໄດ້ໜີບກົວ ຈຳນວນ ຈຸດ, ຊຶ່ງມີລາຍລະອຽດດັ່ງນີ້:

1. ຈຸດທີ.....ເລກລະຫັດກົວ....., ບ່ອນທີ່ໜີບ.....
2. ຈຸດທີ.....ເລກລະຫັດກົວ....., ບ່ອນທີ່ໜີບ.....
3. ຈຸດທີ.....ເລກລະຫັດກົວ....., ບ່ອນທີ່ໜີບ.....
4. ຈຸດທີ.....ເລກລະຫັດກົວ....., ບ່ອນທີ່ໜີບ.....
5. ຈຸດທີ.....ເລກລະຫັດກົວ....., ບ່ອນທີ່ໜີບ.....
6. ຈຸດທີ.....ເລກລະຫັດກົວ....., ບ່ອນທີ່ໜີບ.....
7. ຈຸດທີ.....ເລກລະຫັດກົວ....., ບ່ອນທີ່ໜີບ.....
8. ຈຸດທີ.....ເລກລະຫັດກົວ....., ບ່ອນທີ່ໜີບ.....
9. ຈຸດທີ.....ເລກລະຫັດກົວ....., ບ່ອນທີ່ໜີບ.....
10. ຈຸດທີ.....ເລກລະຫັດກົວ....., ບ່ອນທີ່ໜີບ.....
11. ຈຸດທີ.....ເລກລະຫັດກົວ....., ບ່ອນທີ່ໜີບ.....
12. ຈຸດທີ.....ເລກລະຫັດກົວ....., ບ່ອນທີ່ໜີບ.....

ການຍິງຍືນຜະລິດຕະພັນໄມ້ ເພື່ອສິ່ງອອກ ໄດ້ເຮັດຂຶ້ນທີ່....., ວັນທີ

ໄດ້ກວດກາຄວາມຖືກຕ້ອງຕາມຊະນິດ, ຈຳນວນ ແລະ ບໍລິມາດຕົວຈິງແລ້ວ. ຫາກກໍລະນີກວດພົບເຫັນຢູ່ດ້ານສິ່ງອອກວ່າມີການເອົາໄມ້ຈາກແຫຼ່ງອື່ນມາປົນ ຫຼື ບໍ່ສອດຄ່ອງຕາມໃບຍິງຍືນຜະລິດຕະພັນໄມ້ ເພື່ອສິ່ງອອກນີ້, ແຕ່ສາຍລວດ ແລະ ເມັດກົວຍັງມີສະພາບປົກກະຕິ ແມ່ນເປັນຄວາມຮັບຜິດຊອບຂອງຄະນະກຳມະການກວດກາຮ່ວມກັບເຈົ້າຂອງໂຮງງານ. ກົງກັນຂ້າມ, ຖ້າຫາກມີການແກ້ໄຂ, ທຳລາຍ ຫຼື ປ່ຽນແປງສະພາບຂອງສາຍລວດ, ເມັດກົວທີ່ໜີບໄວ້ ຫຼື ດັດປັບລົດເພື່ອເອົາໄມ້ສອດໄສ້ ແມ່ນເປັນຄວາມຮັບຜິດຊອບຂອງເຈົ້າຂອງໂຮງງານ ແລະ ເຈົ້າຂອງລົດເປັນຜູ້ຮັບຜິດຊອບ. ດັ່ງນັ້ນ, ຄະນະກຳມະການກວດກາ ຈຶ່ງໄດ້ລົງລາຍເຊັນນີ້ໄວ້ຮ່ວມກັນເພື່ອເປັນຫຼັກຖານ.

ຜູ້ອຳນວຍການໂຮງງານ/ບໍລິສັດ

ຄະນະກຳມະການກວດກາຜະລິດຕະພັນໄມ້ ເພື່ອສິ່ງອອກ

1. ຊື່.....ລາຍເຊັນ.....
2. ຊື່.....ລາຍເຊັນ.....
3. ຊື່.....ລາຍເຊັນ.....

ຍິງຍືນ ແລະ ຮັບຮອງໂດຍ
ຫົວໜ້າພະແນກອຸດສາຫະກຳ ແລະ ການຄ້າ

Annex 5: Loading Certificate 'Form OC-02' for Plantation Wood Products



ອ.ຄ 02

ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ
ສັນຕິພາບ ເອກະລາດ ປະຊາທິປະໄຕ ເອກະພາບ ວັດທະນະຖາວອນ

ແຂວງ/ນະຄອນຫຼວງ.....

ພະແນກອຸດສາຫະກຳ ແລະ ການຄ້າ

ເລກທີ.....

ລົງວັນທີ

**ໃບຢັ້ງຢືນ
ຜະລິດຕະພັນໄມ້ ສວນປູກ ເມື່ອສົ່ງອອກ**

– ອີງຕາມການສະເໜີຂອງໂຮງງານ/ບໍລິສັດ.....
ເລກທີ....., ລົງວັນທີ.....

ໃນວັນທີ.....ເດືອນ.....ປີ.....ເວລາ.....ໂມງ, ໄດ້ມີຄະນະກຳມະການກວດກາ ແລະ ຢັ້ງຢືນຜະລິດຕະພັນໄມ້ຈາກສວນປູກ (ຂົນລົດ) ຊຶ່ງປະກອບດ້ວຍຜູ້ຕາງໜ້າ ດັ່ງນີ້:

1. ທ່ານ....., ຕາງໜ້າ ຂະແໜງອຸດສາຫະກຳ ແລະ ການຄ້າ;
2. ທ່ານ....., ຕາງໜ້າ ຂະແໜງກະສິກຳ ແລະ ປ່າໄມ້;

ໄດ້ພ້ອມກັນລົງກວດກາຜະລິດຕະພັນໄມ້ ຈາກສວນປູກຂອງໂຮງງານ/ບໍລິສັດ.....
ດັ່ງຊື່: ບ້ານ....., ເມືອງ....., ແຂວງ/ນະຄອນຫຼວງ.....

ໂດຍຊ່ອງໜ້າທ່ານ....., ໃນນາມ..... ໂທລະສັບ.....
ມີຖື.....ເມື່ອສົ່ງອອກໄປປະເທດ..... ໂດຍຜ່ານດ່ານສາກົນຂາອອກ:.....

ລາຍລະອຽດດັ່ງນີ້:

1. ຂໍ້ມູນຂອງບໍລິສັດ/ໂຮງງານ

- 1.1 ໃບທະບຽນວິສາຫະກິດເລກທີ....., ລົງວັນທີ.....
- 1.2 ໃບອະນຸຍາດດຳເນີນກິດຈະການໂຮງງານເລກທີ....., ລົງວັນທີ.....
- 1.3 ການຈັດທະບຽນສັນຍາຊື້-ຂາຍ ເລກທີ....., ລົງວັນທີ.....
- 1.4 ໃບຢັ້ງຢືນການເສຍອາກອນເລກທີ....., ລົງວັນທີ.....
- 1.5 ສັນຍາຊື້-ຂາຍວັດຖຸດິບໄມ້ (ປຸງແຕ່ງ,ແປຮູບ) ເລກທີ....., ລົງວັນທີ.....
- 1.6 ສັນຍາຊື້-ຂາຍຜະລິດຕະພັນໄມ້ເລກທີ....., ລົງວັນທີ.....
- 1.7 ໃບອະນຸຍາດເຄື່ອນຍ້າຍໄມ້ທ່ອນຫຼື ແປຮູບເລກທີ....., ລົງວັນທີ.....
- 1.8 ໃບແຈ້ງລາຄາເລກທີ....., ລົງວັນທີ.....

2. ຜະລິດຕະພັນໄມ້ ສ່ວນປຸກ ທີ່ຄະນະກຳມະການໄດ້ກວດກາ ມີລາຍລະອຽດ ດັ່ງນີ້:

ຫົວໜ່ວຍ ໂດລາ (USD)

ລ/ດ	ລາຍການຜະລິດຕະພັນໄມ້	ລະຫັດສິນຄ້າ (HS Code)		ຊະນິດໄມ້	ຈຳນວນ	ຫົວໜ່ວຍ	ຮະໜາດ (ຊມ)			ບໍລິມາດ ມ ³	ນ້ຳໜັກລວມ ກລ/ ໂຕນ
		ລະຫັດສິນຄ້າ (Heading) 4 ໂຕລາ	ລະຫັດຍ່ອຍ (Sub-Heading) 8 ໂຕລາ				ໜາ	ກວ້າງ	ຍາວ		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1.											
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
ລວມ:											

ບໍລິມາດລວມທັງໝົດ ຂຽນເປັນຕົວໜັງສື.....

ມູນຄ່າລວມທັງໝົດ ຂຽນເປັນໜັງສື.....

3. ຜະລິດຕະພັນໄມ້ ສວນປູກ ທີ່ໄດ້ລະບຸໄວ້ໃນຕາຕະລາງ ໄດ້ຂົນສົ່ງຂຶ້ນລົດ:

ສີ:ປະເພດ:ຍີ່ຫໍ້:.....ເລກທະບຽນ:.....ອອກຊື້ໂດຍ:.....
ເລກຈັກ..... ເລກຕັ້ງ..... ຊື່ຜູ້ຊົບລົດ:.....
ເປີໂທລະສັບ:.....

ການຍົ່ງຍົນຜະລິດຕະພັນໄມ້ (ຂົນສົ່ງ) ໄດ້ເຮັດຂຶ້ນ ທີ່, ວັນທີ
ໄດ້ກວດກາຄວາມຖືກຕ້ອງຕາມຊະນິດ, ຈຳນວນ ແລະ ບໍລິມາດຕົວຈິງແລ້ວ. ຫາກກໍລະນີກວດພົບເຫັນຢູ່ຕໍ່າມາສິ່ງອອກວ່າມີການ
ເອົາໄມ້ຈາກແຫຼ່ງອື່ນມາປິນ ຫຼື ບໍ່ສອດຄ່ອງຕາມໃບຍົ່ງຍົນຜະລິດຕະພັນໄມ້ສວນປູກ (ຂົນສົ່ງ) ຕາມທີ່ຄະນະກຳມະການກວດກາ
ແມ່ນເປັນຄວາມຮັບຜິດຊອບຂອງ ເຈົ້າຂອງໂຮງງານ, ແຕ່ຖ້າຫາກສະພາບຂອງການຫຸ້ມຫໍ່ຜະລິດຕະພັນໄມ້ຫາກຜິດປົກກະຕິ, ຊຶ່ງ
ເຮັດໃຫ້ຕົວເລກຂອງຜະລິດຕະພັນໄມ້ ບໍ່ກົງກັບການຕົວເລກທີ່ເຈົ້າໜ້າທີ່ລາຍງານ ແມ່ນເປັນຄວາມຮັບຜິດຊອບຂອງເຈົ້າຂອງລົດ.
ດັ່ງນັ້ນ, ຄະນະກຳມະການກວດກາ ຈຶ່ງໄດ້ລົງລາຍເຊັນນີ້ໄວ້ຮ່ວມກັນ ເພື່ອເປັນຫຼັກຖານ.

ສຳລັບການກວດກາຜະລິດຕະພັນໄມ້ ສວນປູກ (ຂົນສົ່ງ) ເພື່ອສິ່ງອອກ ແມ່ນບໍ່ມີການປົກກົວ, ແຕ່ຕ້ອງໄດ້ຈັດທະບຽນ
(ສັນຍາຊື້-ຂາຍ) ນຳຂະແໜງຄຸ້ມຄອງຊັບສິນຂອງລັດ ທຸກຄັ້ງ ກ່ອນສິ່ງອອກ, ຖ້າບໍ່ດັ່ງນັ້ນ ຈະບໍ່ອະນຸຍາດໃຫ້ສິ່ງອອກ.

ຜູ້ອຳນວຍການໂຮງງານ/ບໍລິສັດ

ຄະນະກຳມະການກວດກາຜະລິດຕະພັນໄມ້

1. ຊື່.....ລາຍເຊັນ.....
2. ຊື່.....ລາຍເຊັນ.....

ຍົ່ງຍົນ ແລະ ຮັບຮອງໂດຍ
ຫົວໜ້າພະແນກອຸດສາຫະກຳ ແລະ ການຄ້າ

Annex 6: Overview of Company Plantation Sector

Currently there are five main foreign investors establishing forest plantations for timber production in Lao PDR (Table 1). Most of the companies favor fast growing species, . eucalyptus, acacia.

These companies have generally focused on building a plantation estate to support a pulp mill in Lao PDR, but until such a pulp mill is established, they are either exporting raw materials or making and exporting furniture

Table 1: Current data (mid-2018) on foreign Company owned timber plantation in Lao PDR

Company	Investor origin	Planted	Land area	Comment	Current Products
Burapha Agroforestry Co.	Sweden	4,500	8,000	Concession (2000) and cooperation	
Stora Enso Co.	Finland/Sweden	~ 3,500	4 000	Concession (2000) and cooperation	
Birla Lao Pulp & Plantation Co	India	~ 20,000	50,000	Concession	
Mekong Timber Plantations (was Oji, but now Newforest)		~ 16,000	74,974	Concession	
Sun Paper	China	~ 2-3,000	9,235	Concession	Has just built a pulp mill.
TOTAL					

A: Burapha Agroforestry Company:

A1: Plantations:

- Currently have planted 4,500 ha (or which 3,430.10 are FSC certified) but have land agreement with villagers up to 8,000 ha.
- Plan for the short/medium term to increase plantation area to 15,000 ha.
- Long term plan (5-8 years time) is to get 60,000 ha of company plantation, and ideally up to 30,000 ha of villages own plantations.
- Species: use varieties and hybrids based on *Eucalyptus deglupta*, *E. camaldulensis*, *E. pellita*, *E. urophylla* and *E. grandis*, and some *Acacia auriculiformis* and *A. mangium*.

In the long term, they aim for 70-80% self-sufficiency to reduce the risk enough for an industrial investment, which would mean approx. 60 000 ha company land and 30 000 ha smallholders (depending on their achieved growth rate).

A2: Processing facilities

- Currently operate one wood processing facility, producing timber and wood products, including furniture, from plantation wood – eucalyptus and teak.
- Future plan is to build a pulp and plywood mill, in Hin Heup District. To take 8 to 30 cm logs, process 50,000 m³ per year, So first plant 5000 ha to supply the plywood mill.
2nd expand the plantations to 60 000 ha in 2 steps (first 15' and then 60'
3rd build larger forest industry cluster (pulpmill, plywood, sawmill, biofuel, green electricity etc.)

A3: Exports over the last 5 years

- Maldives: sawn teak and eucalyptus. For teak decking and eucalyptus roof shingles,
- China: Sawn teak and teak furniture
- UK: Teak furniture
- Thailand, then too US: Teak furniture
- Denmark and Sweden: small quantities of teak and eucalyptus furniture
- Korea: cutting boards, flooring

B: Stora Enso:

They follow an AgroForestry model whereby the Eucalyptus is intercropped with rice during the first year, and employing villages on all aspects of plantation management, which aims to help with food security and poverty alleviation mainly in rural areas.

The company objective is to grow logs for (a) pulp and paper, and (b) veneer logs (for plywood) for either export or sale to processing companies in Lao. Do not intend to build their own processing facilities.

Plantations: currently have about 3,500 ha (of which 3,631 ha are FSC certified), but the long-term plan is to 35,000 ha.

C: Oji – sold to Newforest and renamed “Mekong Timber Plantations”:

The company has approximately 24,000 hectares of plantation area - of which 22,000 ha is planted, mainly Eucalyptus and a small area Acacia - in Bolikhamxay and Khammouane Provinces, under a land concession agreement, and about 5,000 ha of outgrower farmer plantations.

Whereas Oji was intending to sell the tree for pulp, MTPs aims more for saw logs and veneer logs which will required replanting to other varieties .

Mekong Timber Plantations (MTP), the International Finance Corporation (IFC) and the Dutch development bank (FMO) have agreed to cooperate in the re-design of a smallholder forestry program in Lao, by a 2-year program to address the structural issues with the existing Outgrower Scheme (“OGS 1”), established in 2005 by the previous management company. The program aims to assess the current system and undertake a comprehensive redesign, developing “OGS 2”.

D: Birla Lao

An Indian Company, is considering selling their plantations (land concession leases) to Sun Paper, China

E: Sun Papers aper Processing facilities

They have built a new factory in Savannakhet provinces, which will include waste paper recycling from Europe and America – to avoid the Chines Government restrictions on imports of waste paper into China (due to pollution concerns)

E: White Charcoal

Japan’s Eisei Corporation and the Borikhamxay White Charcoal Industry Factory and Plantation & Charcoal Processing Co., Ltd.

A total area of 90.05 hectares in Thaphabath district is being utilised by the company under a concession deal inked by the Borikhamxay White Charcoal Factory Limited and the Lao National Veterans Federation in April last year.

Annex 7: Hierarchy of Laws in the Lao PDR

Legal Document Type	Authority	Summary
Constitution	National Assembly	
Law	National Assembly	A law is legislation that is developed by the authorized authority, adopted by the National Assembly and promulgated by the President of the Republic that defines principles, regulations and measures governing social relationships in many areas or in a specific area, and is effective nationwide and is long lasting.
Resolutions of the National Assembly	National Assembly	A Resolution of the National Assembly is a decision on a specific matter brought into discussion at the National Assembly session related to a social-economic development plan, state budget plan, implementation of a law and other matters under the mandate of the National Assembly.
Resolution/Directive of the Standing Committee of the National Assembly	National Assembly Standing Committee	Resolution on any matter brought into a meeting of the Standing Committee of the National Assembly on the implementation of a resolution of the National Assembly, the inspection of the implementation of the Constitution, laws including interpretation of the Constitution, and laws and other matters under the rights and duties of the Standing Committee of the National Assembly.
Presidential Ordinance	President	A President Ordinance is legislation that defines principles, regulations and measures for governing social relationships or amending selected articles of a law issued by the President of the Republic in accordance with the proposal of the Standing Committee of the National Assembly.
Decrees of the Government	President	A Government Decree is legislation of the Government issued to: <ul style="list-style-type: none"> 1. Implement a resolution of the National Assembly, resolution of the Standing Committee of the National Assembly, social-economic development plan and a strategic plan; 2. Govern social relationships in a certain area to meet the needs for State management and social-economic management where conditions to make a law is lacking; 3. Establish the organization and activities of a ministry [and] a Government agency. In addition, the Government may also issue a decree to instruct the implementation of a law by elaborating and providing detailed explanations to certain articles of the law to make it easier to understand and to ensure uniform implementation of the law or in case that the law required that specific regulations shall be developed.
Resolution of the Government	Government	A Resolution of the Government is a decision on certain matters brought into consideration at the Government meeting, for instance: National Social-Economic Development Plan, State Budget Plan, and other matters under the mandate of the Government
Orders (Decrees) and Decision of the Prime Minister Decree,	Prime Minister	as above for Decree of the Government

Legal Document Type	Authority	Summary
Orders, Decision and Instructions of the Minister or Head of Government Authority	Heads of Relevant State Organizations	An Order is legislation issued by the head of the relevant Government agency to require individuals or organizations to implement a plan, laws, Presidential Decree and other legislation and other matters under their scope of rights and duties. A Decision is legislation issued by the head of a relevant government authority to implement its rights and duties or to elaborate and implement higher government legislation. An Instruction is legislation that is issued by the head of the relevant government authority to implement the National Social-Economic Development Plan, the State Budget Plan, a law, other legislation, a plan or certain activities by providing a general understanding, methods, procedures and the use of equipment, timeframe for the implementation, coordination and others.
Orders, Decision and Instructions of the Provincial or City Governor	Provincial or City Governor	as above, as issued by the Governor of a Province or City
Orders, Decision and Instructions of the District or Municipal Chief	District or Municipal Chief	as above, as issued by the Head of a District or Municipality
Village Regulation	Village Authorities	A village regulation is a legislation that is issued by the village authority to implement legislation of higher level or to manage the security and public order under its jurisdiction.

Legal Document Type	Authority
Constitution	National Assembly
Law	National Assembly
Resolutions of the National Assembly	National Assembly
Resolution/Directive of the Standing Committee, National Assembly	National Assembly Standing Committee
Presidential Ordinance	President
Decrees of the Government	President
Resolution of the Government	Government
Orders (Decrees) and Decision of the Prime Minister Decree,	Prime Minister
Orders, Decision and Instructions of the Minister or Head of Government Authority	Heads of Relevant State Organizations
Orders, Decision and Instructions of the Provincial or City Governor	Provincial or City Governor
Orders, Decision and Instructions of the District or Municipal Chief	District or Municipal Chief
Village Regulation	Village Authorities

Annex 8: References

- i. FLEGT-Lao Website www.flegtlaos.com
- ii. Department of Forestry Inspection (DOFI) and Department of Forestry (DoF) “Forestry Legality Compendium “, 3 December 2015:
- iii. EIA, “Checkpoints: How Powerful Interest Groups Continue to Undermine Forest Governance in Laos” Sept 2012
- iv. Forest Trends, EFI/ EU “Baseline Study 2, Lao PDR: Overview of Forest Governance, Markets and Trade, July 2011
- v. Forest Trends,” Importation of timber materials from Laos into Vietnam *Present status and future trends*”
- vi. To Xuan Phuc , Nguyen Ton Quyen , Huynh Van Hanh, Tran Le Huy, Cao Thi Cam . April 2016
- vii. PADETC/RECOFTC, “Capacity Development Needs Assessment for Lao CSO on Forest Governance including FLEGT-VPA process and REDD+”, Christopher Flint , 9 Feb 2018
- viii. MRLG “Review and Analysis The State 70% Forestland Policy and its geography in Lao PDR, its implications for land use and land tenure, and constraints to the re-delineation of State Forestland,”, Christopher Flint , 2 March 2018.
- ix. Lao Trade Portal
- x. ...many .others to be added
- xi. FAO, GLOBAL FOREST RESOURCESASSESSMENT 2010: COUNTRY REPORT: LAO PEOPLE’S DEMOCRATIC REPUBLIC, FRA 2010/112, Rome, 2010
- xii. Forests and Trees of the Central Highlands of Xieng Khouang, Lao P.D.R. *A field guide:* Lutz Lehmann Martin Greijmans, David Shenman
- xiii. Report on Survey of forest cover, 2010, FIPD, DoF, MAF
- xiv. Sustainable Forestry and Rural Development Project “Laos Certified Forest Products”, February, 2013
- xv. “The Capacity Development Project for Establishing National Forest Inventory: Completion Report”, March 2016, Department of Forestry, Ministry of Agriculture and Forestry Lao People’s Democratic Republic. Japan International Cooperation Agency Joint Venture KOKUSAI KOGYO CO., LTD. ASIA AIR SURVEY CO., LTD.
- xvi. “Lao PDR’s Forest Reference Emission Level and Forest Reference Level for REDD+ Results Payment under the UNFCCC January 2018”, Department of Forestry Ministry of Agriculture and Forestry, Lao PDR
- xvii. “REGIONAL WORKSHOP ON CAPACITY BUILDING NEEDS TO SUPPORT FLEGT IN ASIA FLEGT in Asia: Supporting good governance and responsible trade for Asias forest”, Hosted by the Royal Forest Department of the Kingdom of Thailand, Bangkok, Thailand16 and 17 October 2013
- xviii. “Opportunities for Sustainable commercial White Charcoal production in Laos: RESEARCH FINDING”
- xix. “Assessment of existing Supply Chain Control and Legality Compliance Monitoring : From Planning to Log Landing 3 for Timber from Production Forest Areas of Lao PDR and Conclusions for a future TLAS, GIZ, 10.05.2016
- xx. “Vietnam – Lao Timber trade 2012 – 2015 (and 2016 Update)”, PPT by Forest Trade and Finance, Vientiane 24 May 2016, by Xuan Phuc, Policy Analyst, Forest Trends.

- xxi. “Importation of timber materials from Laos into Vietnam: Present status and future trends”
Hawa, FPA Binh Dinh and Forest Trends, April 2016 , To Xuan Phuc, Nguyen Ton Quyen,
Huynh Van Hanh, Tran Le Huy, Cao Thi Cam
- xxii. “Report executive summary: Review of data and information on import and export of timber
and timber products of Lao PDR”, Author: To Xuan Phuc, Publish date: 17 May 2018.
- xxiii. DALAM, MAF, 2018. “Manual for Participatory Forest and Agricultural Land Use Planning,
Allocation and Management”. (in Lao Version)
- xxiv. “Timber Legality Risk Assessment Laos, Country Risk Assessments” NEPCON, support from LIFE
programme of the European Union, UK aid from the UK government and FSCTM Version 1.1 |
May 2017
- xxv. “Opportunities for Sustainable commercial White Charcoal production in Laos”: Research
Finding, PTT Consultation meeting, June 26th 2018 NAFRI Prepared by Vongkhamho, S. et al
- xxvi. NEPCON : Timber Legality Risk Assessment 1.1 | May 2017
- xxvii. IMF Work Paper: LAO P.D.R.: Assessing the Quality of Trade Statistics WP/17/251 October
2017.
- xxviii. “Opportunities for Sustainable commercial White Charcoal production in Laos: Research
Finding”, June 26, 2018 NAFRI, Vongkhamho, S. et al

