

Overview of Forestry Sector and Timber Trade in Lao PDR and the FLEGT/VPA Negotiation Process with special reference to a Forestry Legality Compendium

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Content

- Forestry Sector In Lao PDR
- Timber exports
- FLEGT/VPA Process
- Forestry Legality Compendium

Forest Categories

❖ 3 Forest Categories 16 M. ha

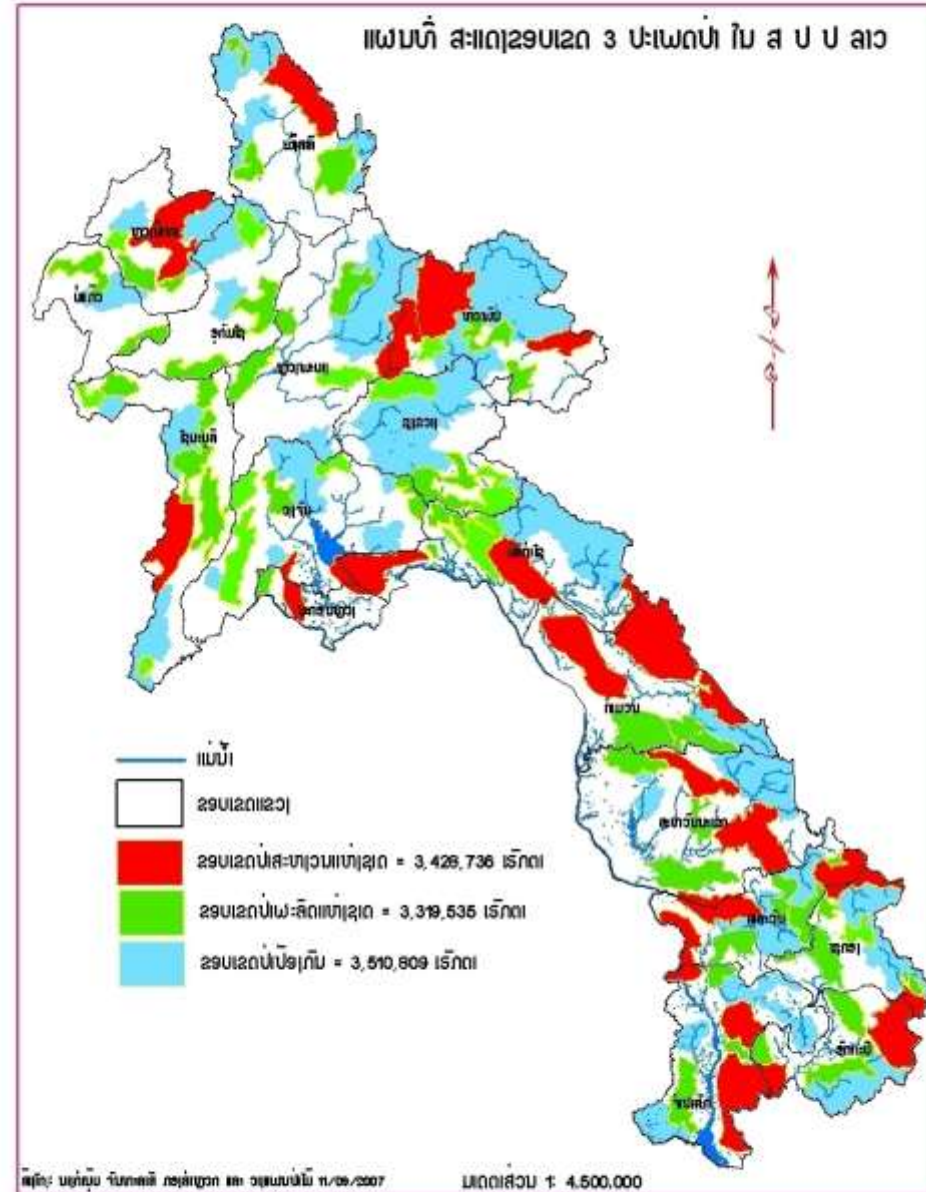
- Protection Forest 8,2
- Conservation Forest 4,7
- Production Forest 3.1

❖ Other Forest Areas 2.56 M. ha:

- Village Forests 1.56
- Industrial Tree Plantations 0.50
- Smallholder Woodlots <0.50

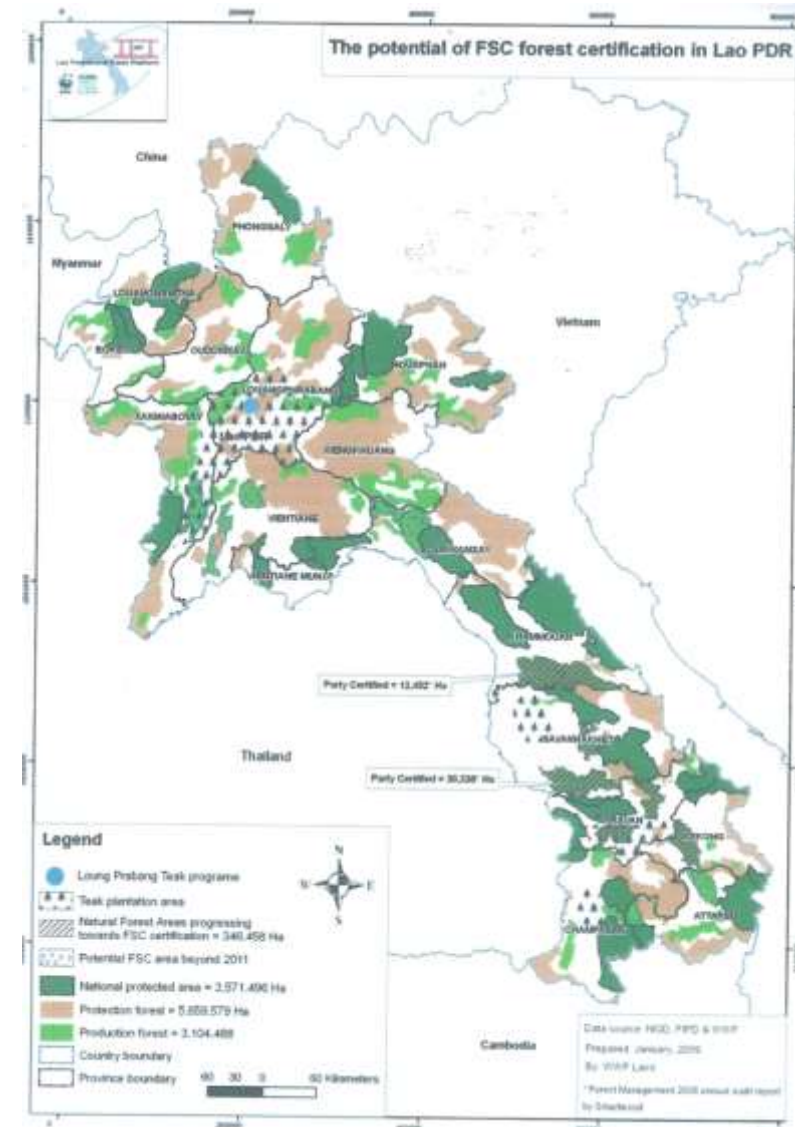
❖ Forest Management Authority:

- MoNRE: Protection & Conservation Forest Areas
- MAF: Production Forest Areas, Plantation, Village Forest



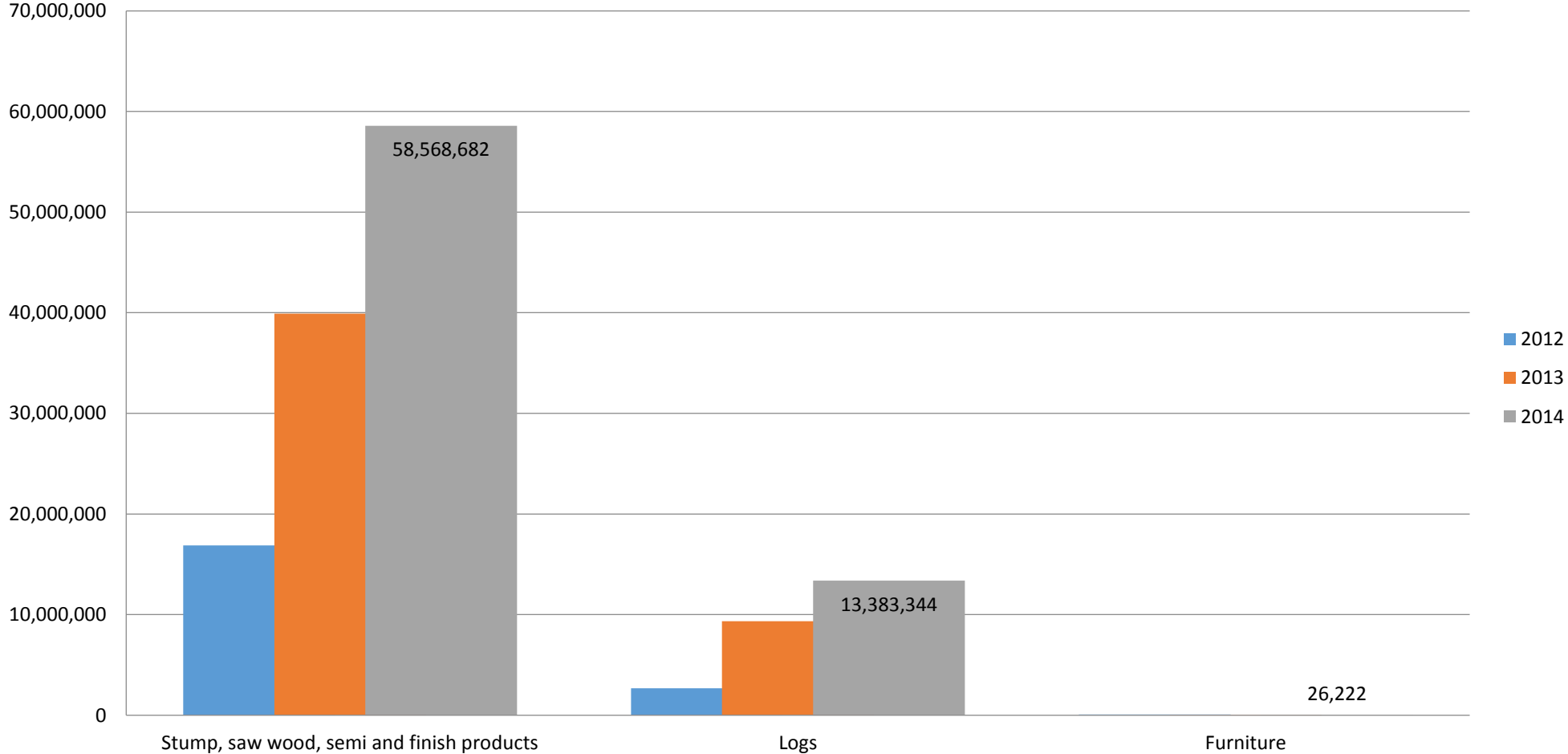
Sustainable Forest Management in Laos Production Forest

- Identification of Production Forest Areas: Decree No. 27,321,270/PM (51 Production Forest Areas) – with the total area of 3,1 mha
- Each Production Forest Areas are segmented into Forest Management Areas or district.
- Each Management Areas or district are divided into Sub-Forest Management Areas/village cluster for development.
- The areas are identified and allocated by collecting information of random sample plot.
- Analysis of tree density and volume stock.
- The management plan of each Sub-Forest Management Areas developed.



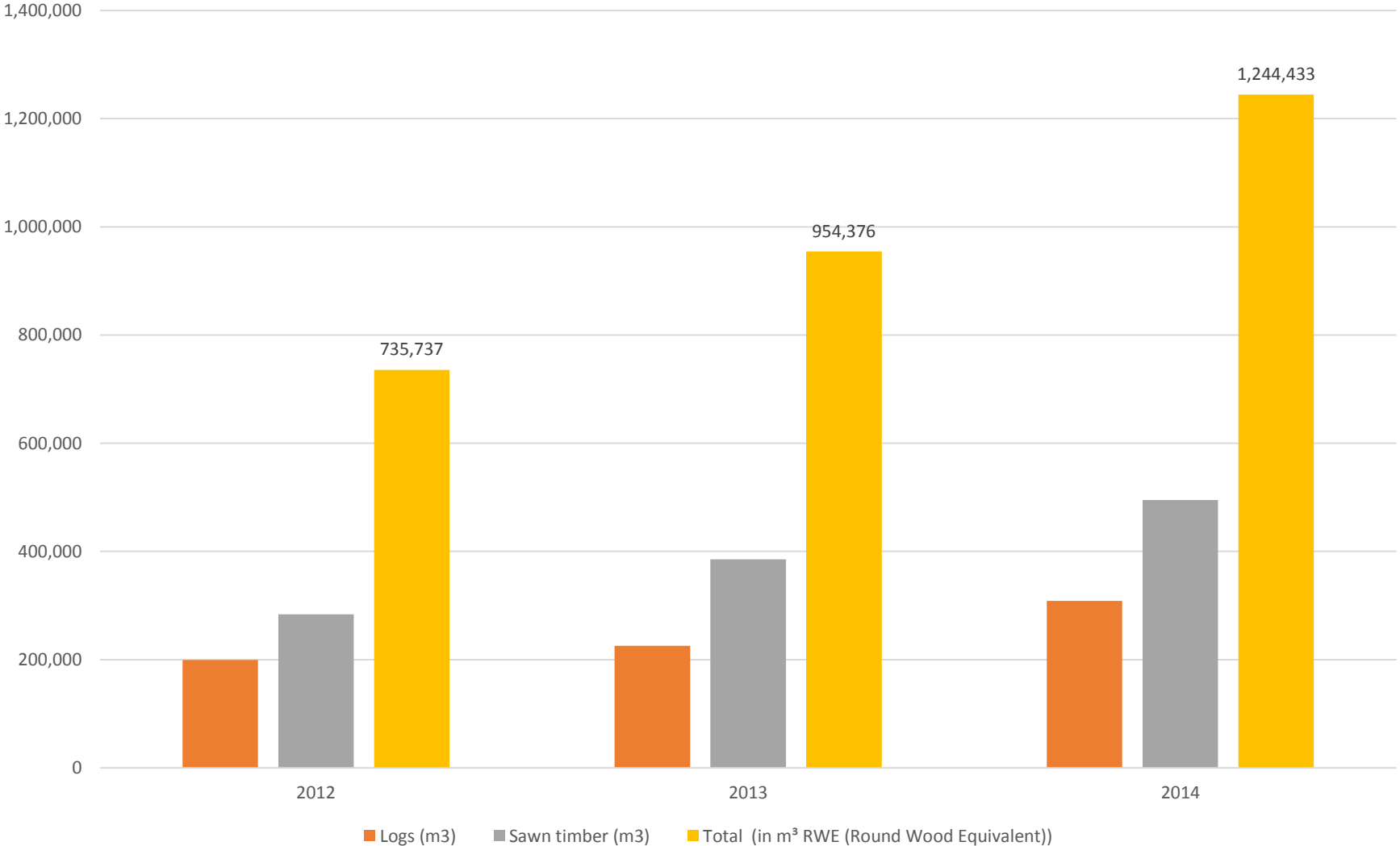
Timber exports from Laos to Vietnam in USD

(Source: DIMEX/MOIC)



Timber exports from Laos to Vietnam

(Source: Vietnamese Customs)



Existing issues of data collection

- Weak coordination mechanism between agencies
- Some existing systems are not productive
- Every ministry has its own data collection system
- Not functional traceability/accountability system
- Lack of specific/well-trained staffs
- Customs Clearance mistakes (comma, full stop)

How to address the issues?

- Assessment of the legal framework (Forestry Legality Compendium)
- Finding existing gaps/constraints
 - Conduct analysis on data collection of timber export (Laos) & import (Vietnam)
 - Identify timber and wood products' species between Laos and Vietnam
- Improving traceability system
 - Relying on existing system e.g CoC system, ASYCUDA, etc.
- Training for staffs
 - Regular trainings for relevant staffs
- Improving integrity of staffs
 - Transparency, responsibility and accountability
- Consultation process on the **timber legality definition (TLD)** with relevant stakeholders under FLEGT/VPA

FLEGT/VPA Process

- FLEGT VPA in Laos was initiated in 2010. Ministers of MAF and MOIC submitted the interest letter to the EU and the aim is to participate in FLEGT VPA.
- In 2010 and 2011, a mission team from two ministries, together with European Forest Institute (EFI) and German International Cooperation (GIZ) had conducted a “Baseline Study on Timber Flow in Lao P.D.R.
- On 28/02/2012, MAF, MOIC and MONRE had sent the interested letter which was signed by three vice ministers of the concerned ministries to the EU Commission regarding the negotiation and to participate in VPA.
- In 2012 Memorandum of understanding (MOU) signed between Laos and Vietnam to strengthen the cooperation between the two countries in Forest Law Enforcement especially between DOFI and Forest Protection Department (FPD) Vietnam
- In 2013, a FLEGT Standing office for coordination of the process was established in DOFI/MAF.

FLEGT/VPA Process

➤ *National structure and arrangements for negotiation.*

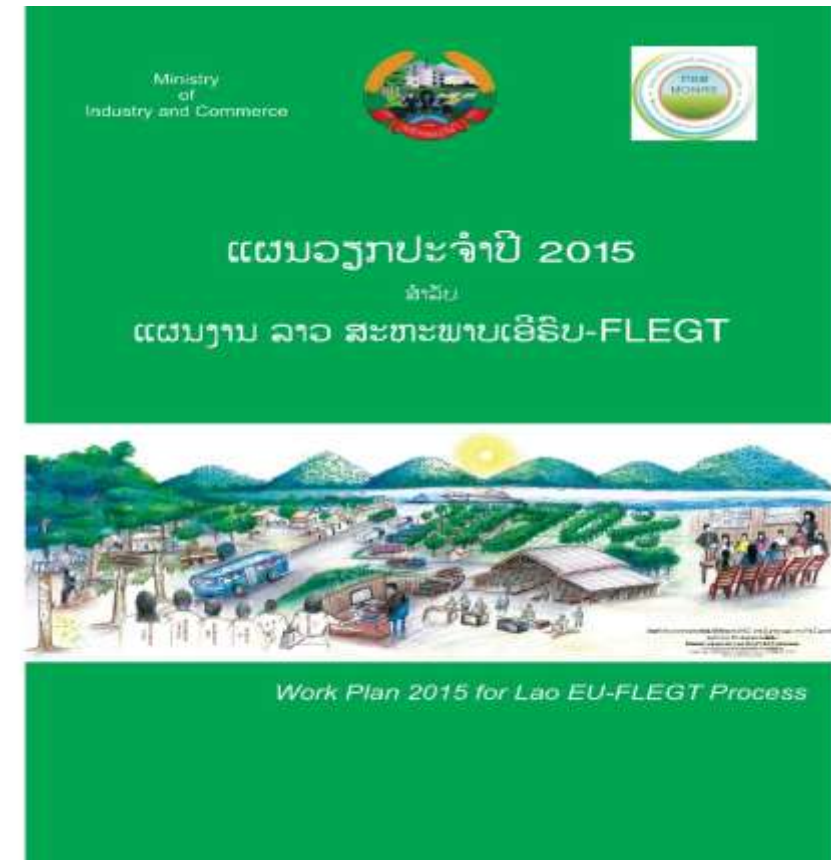
- Minister of MAF issued the Decision, No.1915/MAF, concerning the appointment of Negotiation Support and Development Committee and Technical Working Group (TWG), to support the VPA process between Lao and EU and development of FLEGT.
- Chaired by Director General of Department of Forest Inspection, Ministry of Agriculture and Forestry.
- Representatives from Government, Private sector, Academia and Civil Society.
- 3 Thematic Expert Groups (TEG) along the supply chain established to develop timber legality definition based on national laws (4 more TEG planned)
- Drafts for TOR of National Steering Committee, Negotiation Team including Chief Negotiator available

FLEGT/VPA Process

- Operational plan 2015 developed, approved and under implementation

Capacity Building:

- Organized national and international workshops and trainings for Negotiation Support and Development committee and Technical Working Group in term of preparation of VPA.
- Created awareness on regulations and EU FLEGT to government agencies and private sector



- Visit of Lao delegation to Vietnam to learn from VPA process and to foster the collaboration between the two countries in forest law enforcement and international timber trade

FLEGT/VPA Process

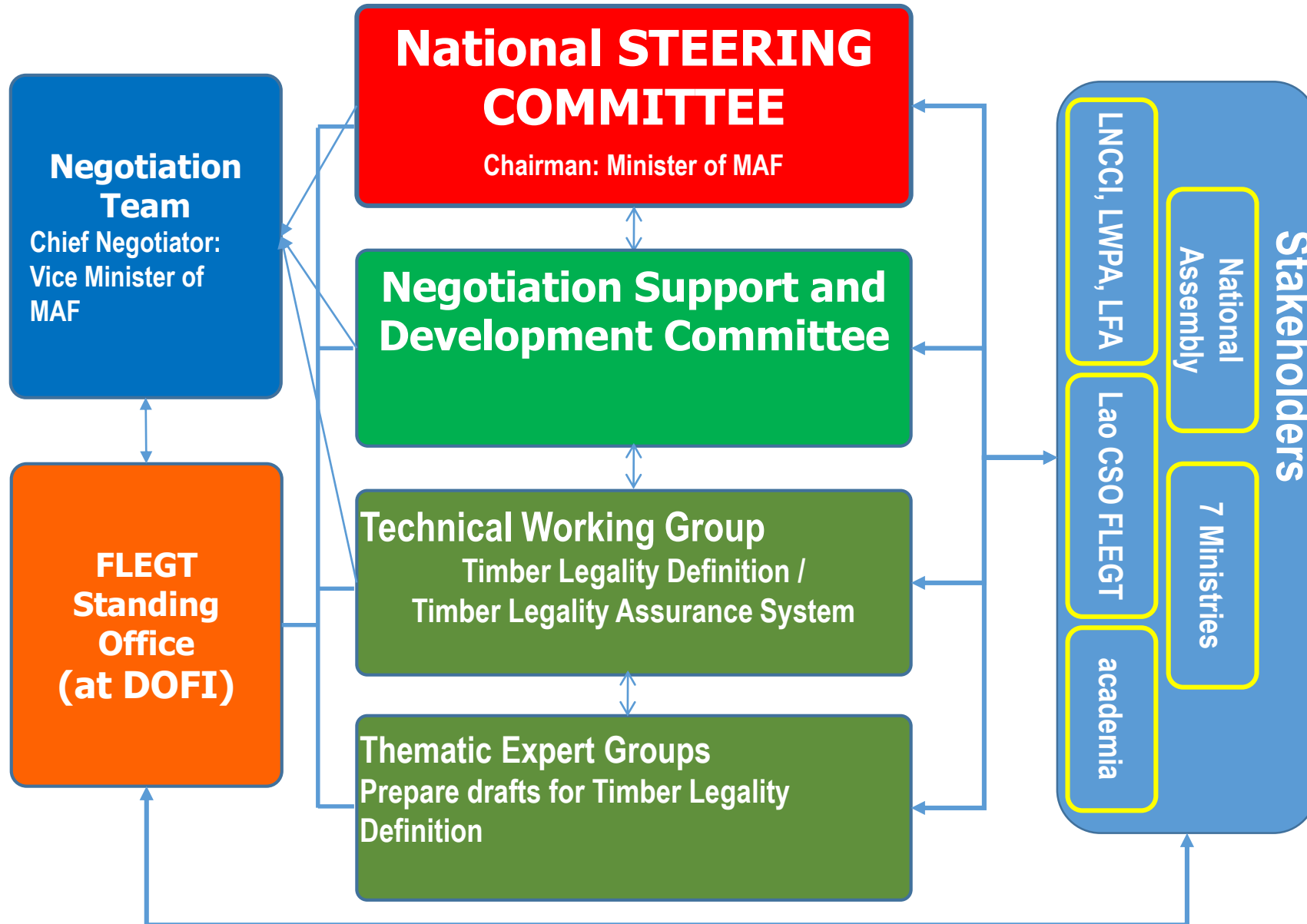
➤ **Negotiation Arrangements – Bilateral Process**

▪ Joint 2 Video Conferences:

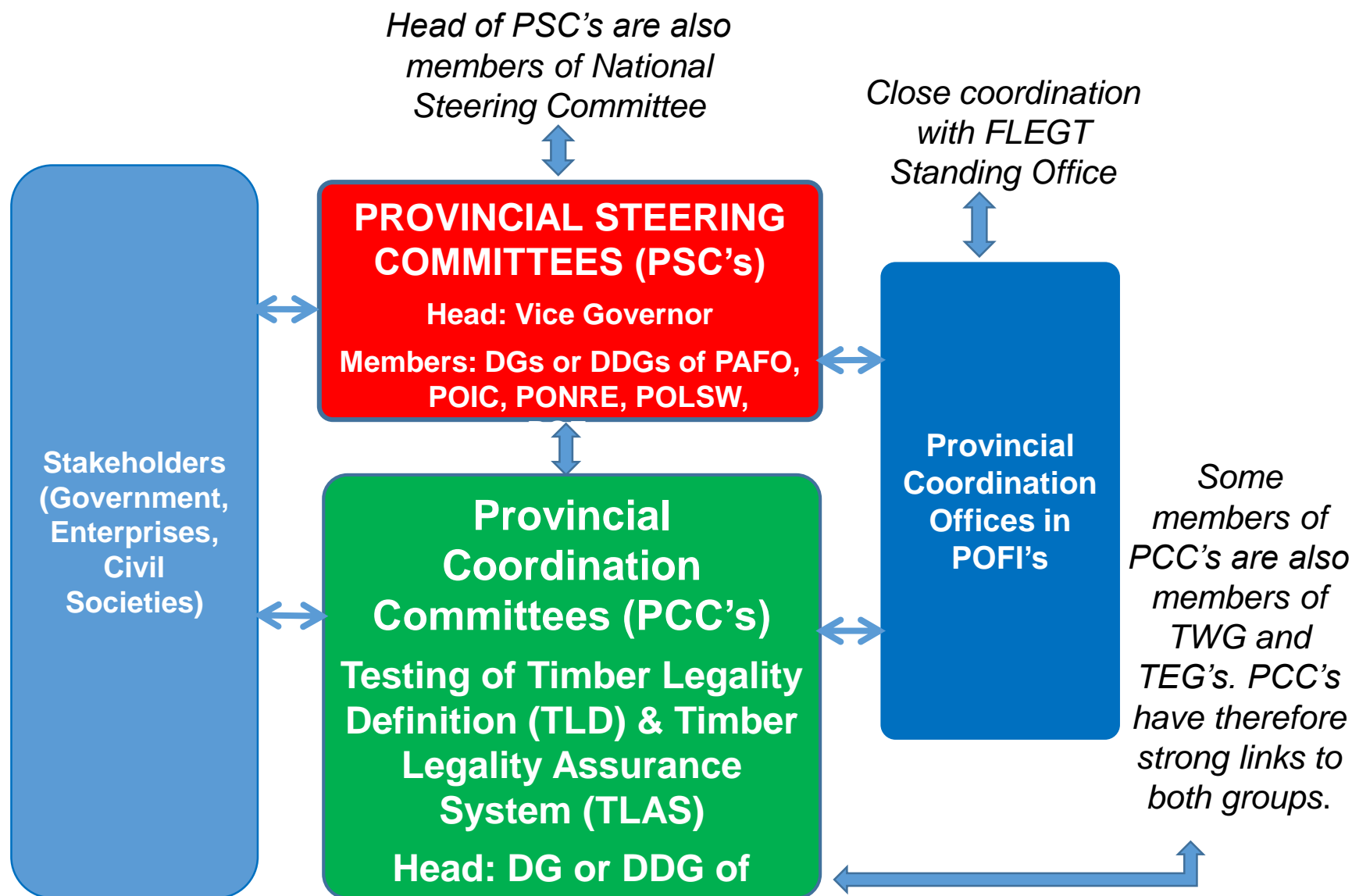
- Dated on 5/1/2014 chaired by Vice Minister of MAF
- Dated on 15/5/2014 chaired by DG of DOFI

➤ Update of Timber Flow study presented in a workshop in April 2015

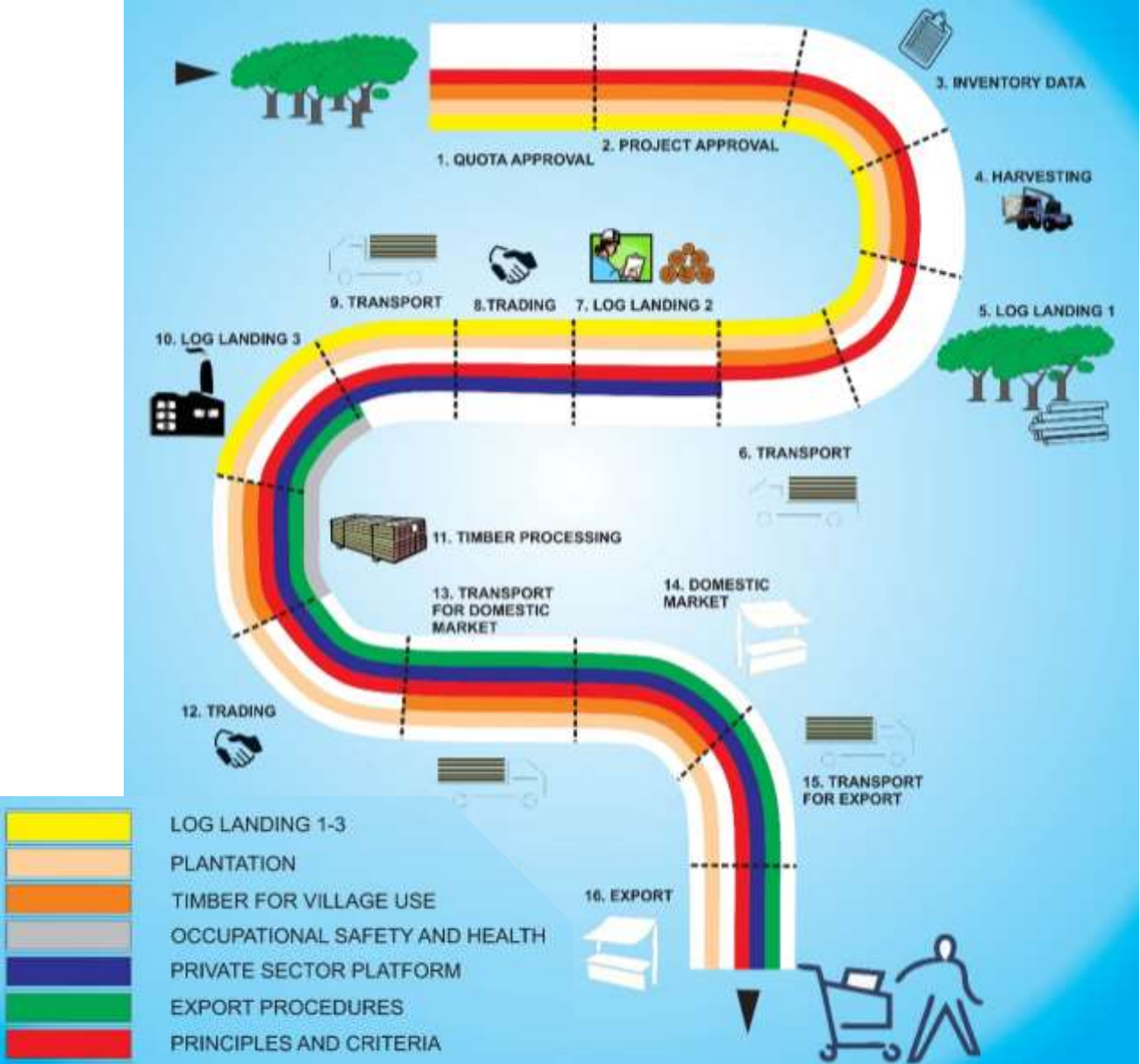
Organizational Structure for VPA for Lao PDR



Organizational Structure in Pilot Provinces for piloting the FLEGT-VPA



Thematic Expert Groups for Timber Legality Definition



Challenges for the TLD Development

- The regulatory framework governing the forestry sector in Lao PDR is diverse and extensive in the number of legal instruments that apply.
- There is a lack of clarity, overlap, inconsistency, etc.
- Requirement of clarity in the forestry legal framework and need to undertake a comprehensive review of the legal framework for the forestry sector in Lao DPR
- Over workload of the government staffs
- Regular rotation of the staffs who in charge
- Incomplete forestry law (land use, tenure & rights of indigenous/local communities, etc.)

Forestry Legality Compendium

Scope of the Review

- Sources of timber and wood:
 - Production forest,
 - Forest conversion areas,
 - Plantations – investment and household/smallholder
 - Village Forest/trees owned by individuals

Production Forest Areas



SAVANNAKHET PROVINCIAL FORESTRY SECTION
*Provincial Forestry Section, Provincial Agriculture and Forestry Office,
Savannakhet Province, Laos*

*is certified by SmartWood as a well-managed source of wood products
whose forest management practices adhere to strict environmental
and socioeconomic standards in accordance with the
Principles and Criteria of the Forest Stewardship Council (FSC).*

SmartWood is a program of the Rainforest Alliance accredited by the FSC.

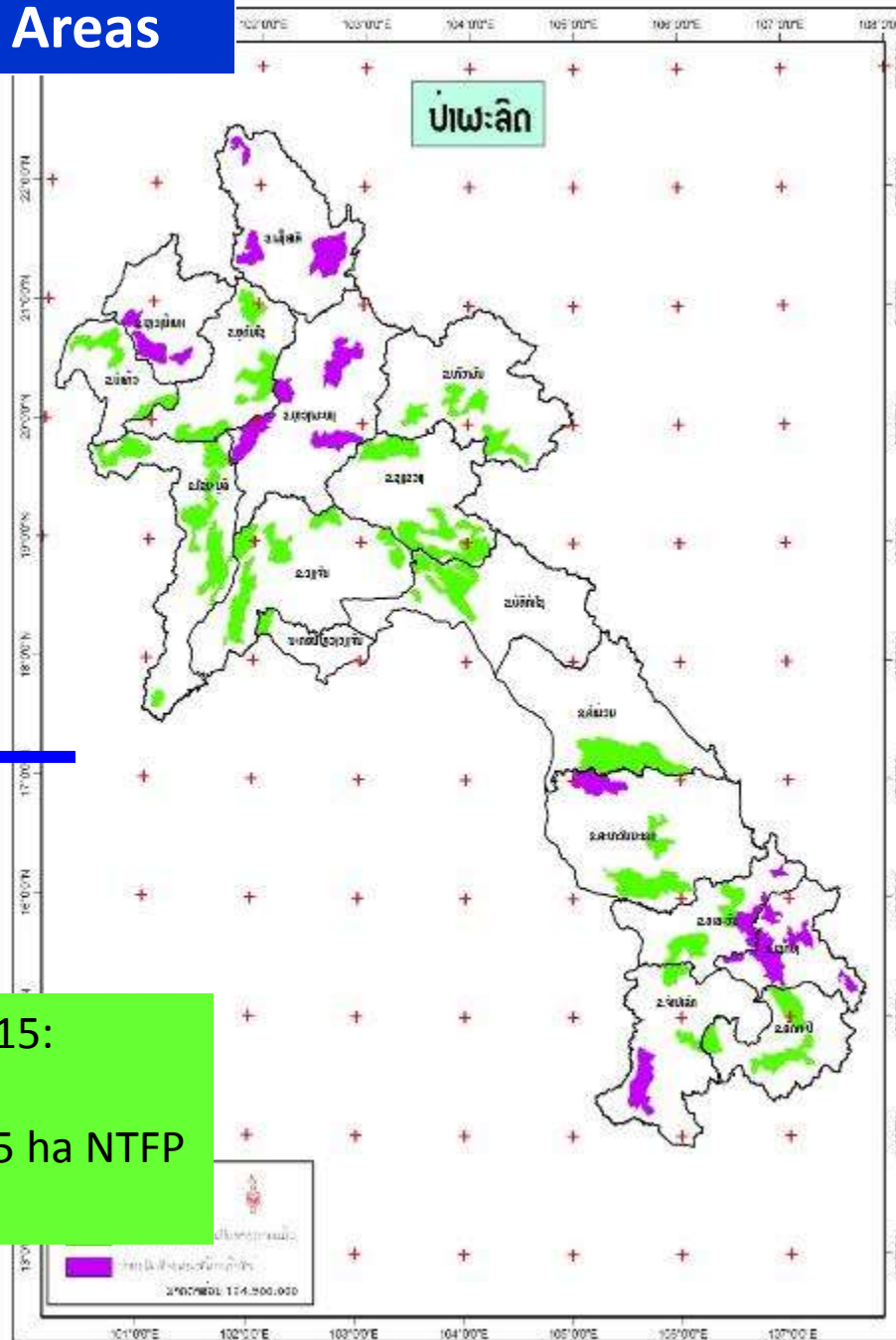


ACCREDITED
FSC-AC

FSC Trademark © 1996 Forest Stewardship Council, A.C.

Certificate Registration Code: SW-FM/COC-1754

**Forest Certification from 2010-2015:
10 Members in the certified pool
Areas = 82,760 ha of, of which 725 ha NTFP
(Rainforest-alliance, 2012)**



Forest conversion areas

Clearance for agriculture,
large (commercial) and
small scale (farmers)



Mining

Hydro-power projects



Plantation



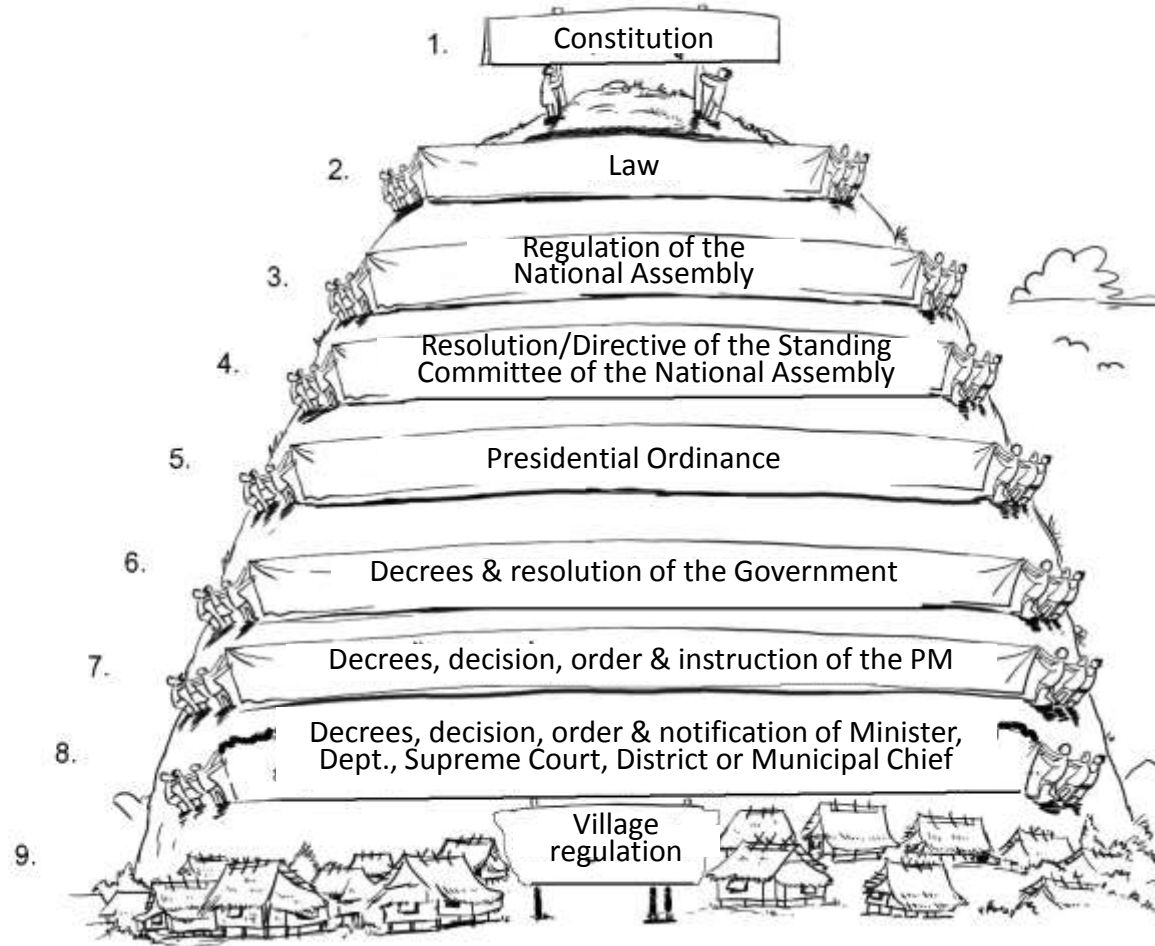
Article 82. Forest and forestland areas preserved and developed by villages

District Governor or Municipality major is responsible for allocating forests to village administration authorities for management, preservation, development and use it according to land management, and the forest allocation plan at the village level.

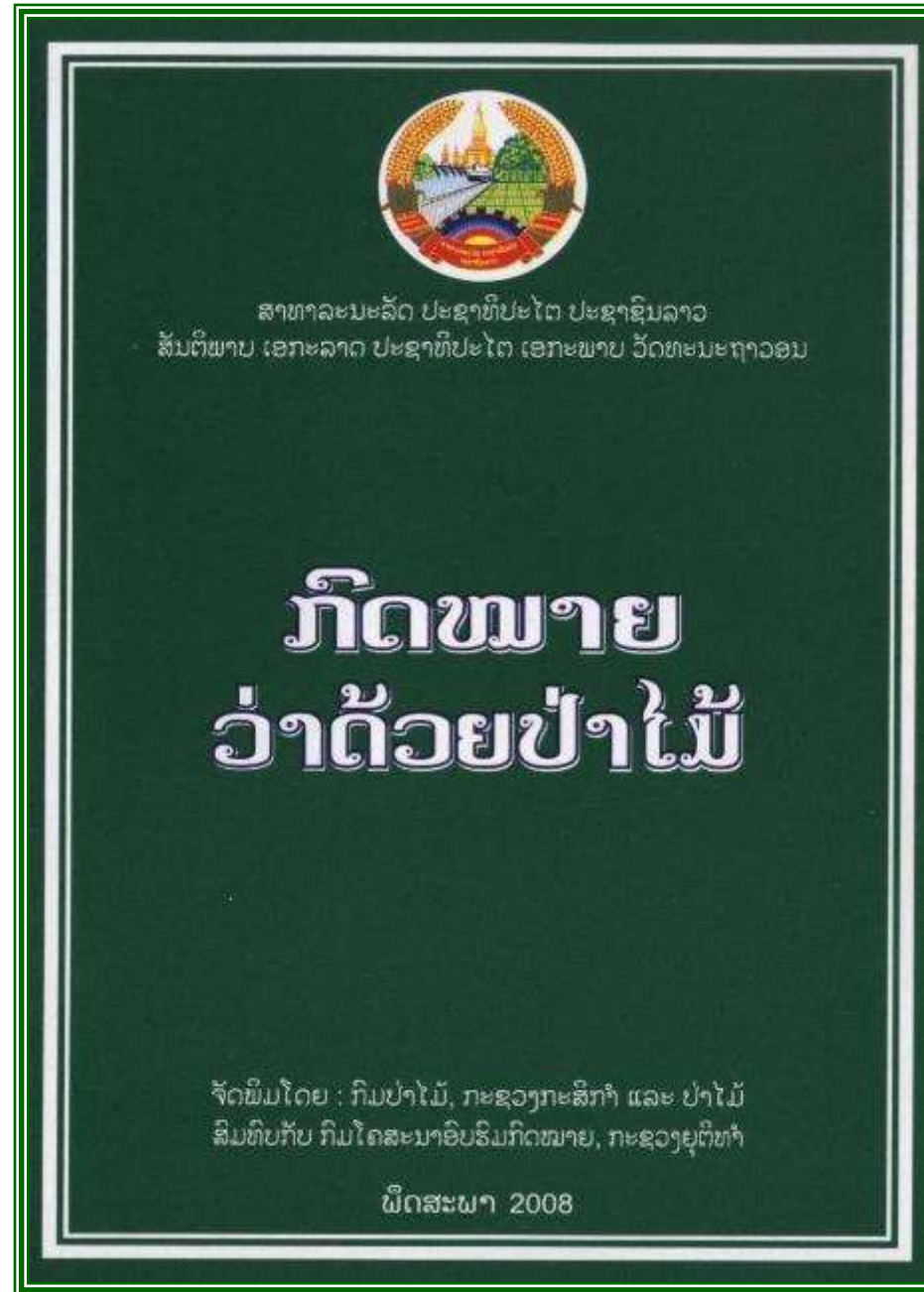


Scope of the Review Cont.

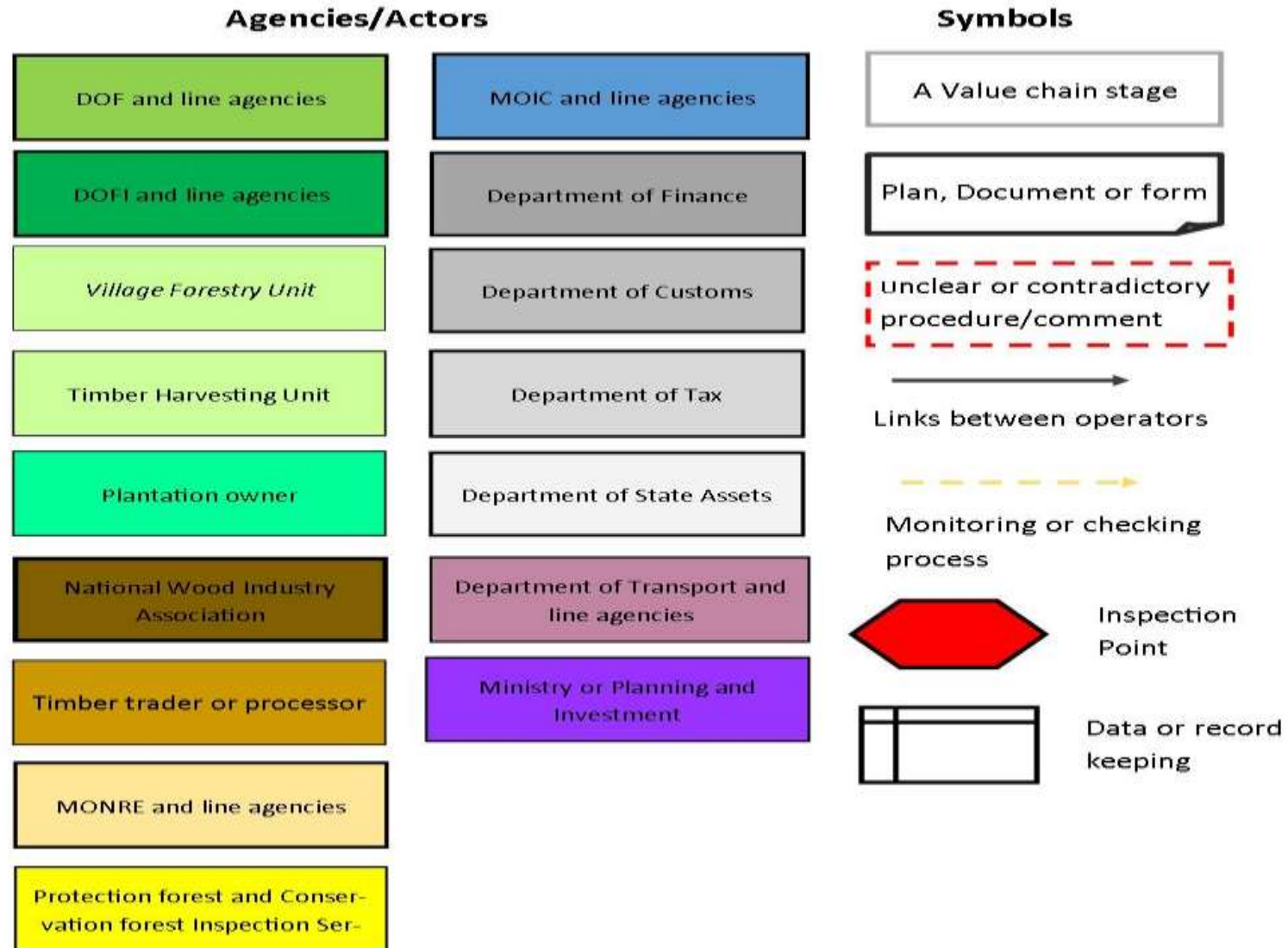
- Following the hierarchy of legal instruments as set out in the Law on making Legislation



- Structured on the basis of the Forest Law 06/NA (2007)



- Identifying roles and responsibilities of governmental institutions and the industry



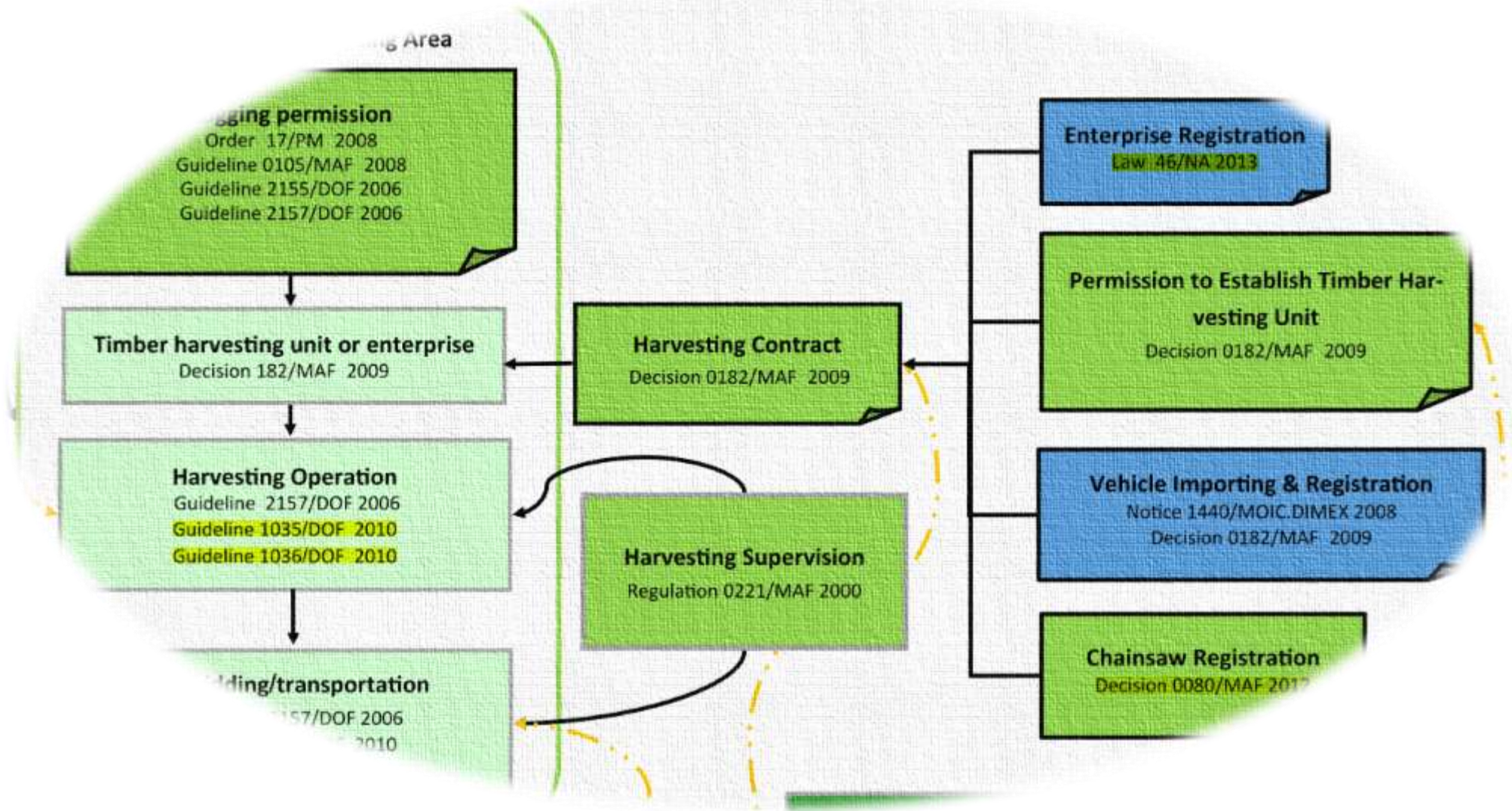
Process of the Review

- Research, compile and analyze all relevant legislation
 - ✓ Around 150 legal sources and guidelines
- Consultation with different government agencies and actors, including thematic expert groups under FLEGT/VPA, provinces, including private sector and civil society
- Undertake the legal analysis and system mapping
 - ✓ Key Articles
 - ✓ Inconsistencies and conflicts
 - ✓ Gaps
- Presented at National Workshop on 6th of November 2015

Outputs

- **Forest Legality Compendium** of the current legislation
 - Flow diagrams for supply chain sectors with legal source
 - Detailed tabulated compendium
 - Library of regulations and information (online in webpage www.FLEGTLaos.com)
 - Open ring book printed format and Digital format with hyperlinks

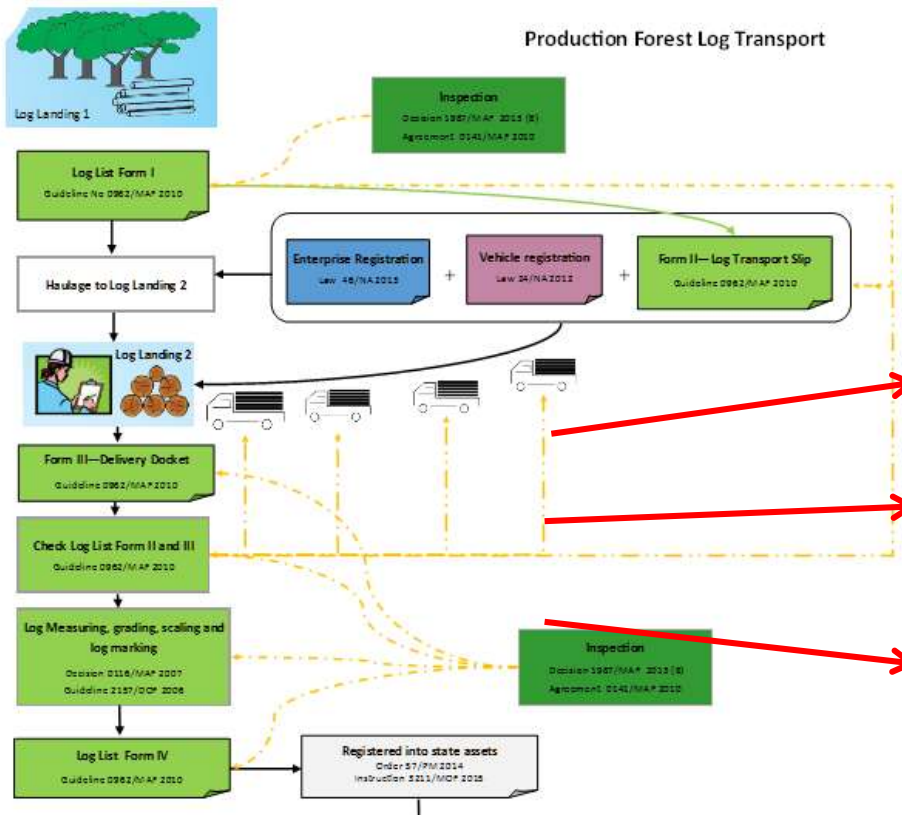
Legal Flow Diagrams



Tabulated Compendium

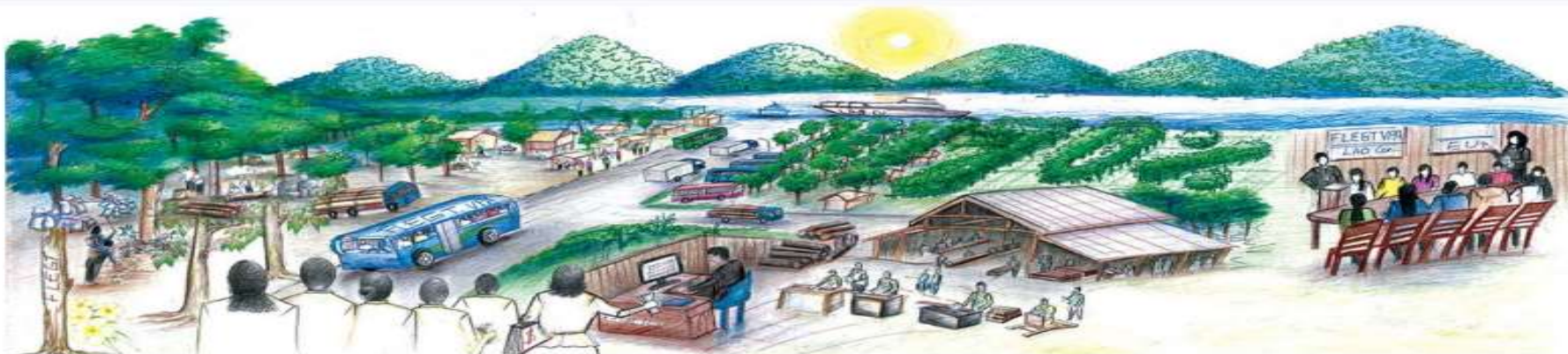
FLOW DIAGRAM REFERENCE	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		landing 1 to log landing 2 landing by passing through a public road, the regulations of the Ministry of Communication, Transport, Post and Construction should be strictly respected.		
Form II Log Transport Slip	Article 53. Transport of timber and forest products	Guideline No0962/MAF Concerning the management of timber log transport from cutting area to Log Landing 2, 2010 4.3. The transport of timber to Log yard II 4.4. The listing of timber transported to Log yard II Form II Log transport slip from Log Landing 1 to Log landing 2	Not specified	A log transport slip is required for the movement of logs from Log Landing 1 to Log Landing 2
Form III Delivery Docket	Article 53. Transport of timber and forest products	Guideline No0962/MAF Concerning the management of timber log transport from cutting area to Log Landing 2, 2010 4.3. The transport of timber to Log yard II 4.4. The listing of timber transported to Log yard II Form III Log delivery docket (daily record) into Log Landing II	Not specified	A log transport Permit is required for the movement of logs from Log Landing 1 to Log Landing 2
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Tabulated Compendium and Flow Diagrams



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Library of all relevant laws and regulations



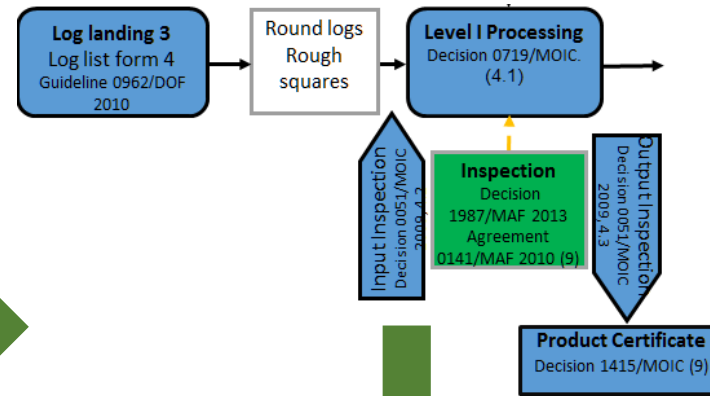
- Legislation
 - Business and enterprise certification
 - Concessions and leases
 - English
 - Lao
- Constitution
- Decentralization
- Enforcement
- Environment
- Export
- Forestry Law
- General orders
- Governance
- Harvesting
- English
- Lao
- Investment
- Labour
- Land & Property
- Land allocation and land tax
- Non Timber Forest Products
- Planning inventory and quota
- Plantations
- Processing

Name

- 2000 No 0221 MAF Regulation on management of timber harvest and forest produce
- 2006 No 045 NT2 Forest Clearing Unit - NT2
- 2006 No 2155 DOF-Guideline-on-Participatory-Forest-Inventory 2006
- 2006 No 2157 MAF Guideline On Timber Harvesting in Production Forest 2006
- 2007 No 0116 MAF_log scaling and grading_Eng 2007
- 2007 No 1097 DOF Guidelines on Chain of Custody (CoC) Control of Timber Harvesting & Transport in ...
- 2008 No 112 MAF Regulation on the Logging and Post Logging Cleaning 2008
- 2008 No 0396 DOF Guideline on Monitoring the Implementation of Production Forest Management 20...
- 2008 No 1440 MOIC, DIMEX Notification on management of wood machinery and vehicles 2008
- 2009 No 0182 MAF Agreement on Establishment and Management of Timber Harvest Units and Enter...
- 2010 No 0962 DOF Guideline on the management of timber transports from forest to Log yard II 2010
- 2010 No 1036 MAF Guideline To Boost Provincial Forestry Sector's Attention in Steering Timber Expli...
- 2012 No 0080 MAF Decision Import, Management and Utilization of Chainsaw 2012



Legislation	Name
Business and enterprise certification	2000 No 0221 MAF R
Concessions and leases	2006 No 045 NT2 For
Constitutions	2006 No 2155 DOF-G
Decentralization	2006 No 2157 MAF-G
Enforcement	2007 No 0116 MAF-Jc
Environment	2007 No 1097 DOF-G
Export	2008 No 112 MAF Rb
Forestry Law	2008 No 0396 DOF-G
English	2008 No 1440 MOIC-I
Lao	2009 No 0182 MAF-A
General orders	2010 No 0962 DOF-G
Governance	2010 No 1096 MAF-G
English	2012 No 0080 MAF-D



FLOW DIAGRAM	FORESTRY LAW/ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Tree landing	Article 114 (Log list form 4)	Article 117 (Round logs and rough squares)	DOFI	Tree landing and rough squares
Level I Processing	Article 115 (Level I Processing)	Article 116 (Level I Processing)	DOFI	Level I Processing
Product Certificate	Article 113 (Product Certificate)	Article 114 (Product Certificate)	DOFI	Product Certificate



Next Steps

- Approval of final version by DOF and DOFI
- Printing of the ringbook (Hardcopy)
- Launching of the digital version with hyperlinks to online database
- Application as a reference tool in FLEGT Thematic Expert Groups
- Use as training material for capacity building in forestry laws & regulations
- Ensure regular update by including new law & regulations