

Timber Supply Chain System Village Use Forest in Laos

INTRODUCTION

This briefing note aims to present the key findings of a study on village use forest timber supply chain undertaken by RRDPA to inform the discussions on Village Use Forest timber supply chain management system in the forestry law reform and the voluntary partnership agreement (VPA) negotiations between Lao PDR and the European Union. The EU and the government of Lao PDR have entered into formal negotiations in 2017 to conclude a trade agreement, so-called VPA, to make sure that any timber exported from Laos to the EU is legal, stop illegal logging and improve forest governance and regulation.

The study was undertaken in two stages:

1. A desk study on existing definitions of the village use forest both for individuals and for family use according to the existing legal framework, highlighting any gaps and inconsistencies if any.
2. A survey in two villages of Khammouane province to gather information on practices around village use forest. Practices how much timber is needed by families and by communities, for which purposes and through what kind of decision-making processes, clarify whether timber harvesting from village use forest is done by families and communities or if it is outsourced to other stakeholders.



Rural Research and Development Promoting Knowledge Association (RRDPA)

FPT University, 3 rd Floor, room 305, Lane 12, 23 Singha Rd Ban Nongbone,

P.O.Box 11633, Vientiane, Lao PDR

Phone: (856) 21 453 091, Fax: (856) 21 453 092

Email: sisavath@rrdtc.org <sisavath@rrdtc.org>

Website: <http://www.rrdtc.org/>



Recommendations

In accordance with a compilation of updated legislation for village use forest, timber can be used for customary utilization, households, and village benefits. However, timber harvesting from VUF is still not allowed for commercial use.

In order to unlock village use forest for commercial use and inform the VPA process, it is recommended to take into consideration the proposed article 65 in the draft revised forestry law (May 2019) and that the National Assembly will consider it favourably. Thereafter, regulations and implementing guidelines need to be developed. In particular:

- Regulations should be updated or developed when necessary for local authorities such as villages and districts levels for implementing the legal provisions,
- All villages should benefit from land demarcation or get updated land demarcation,
- The Agriculture and Forestry District Offices (DAFO) should support villagers to develop timber harvesting annual plans. This will help DAFO to understand needs of timber volumes and inform governmental decision making,
- Village forest management plans should include, among others, Village Use Forest, VCF and VPF as applicable. They should be developed comprehensively and implemented by villagers in a sustainable manner,
- Guideline for monitoring of timber harvesting and processing at household level is also required. For example, the chain of custody system should be introduced for villagers and guidelines for approval of harvesting should also be prepared for them. Such guidelines should be made accessible and understandable for villagers.
- Until now, the article 22 (revised land law) seems that the forestry law has not been implemented or linkage where forest allocated area and land area is not demarcated on the ground, numbers of the village have no certificate for forest land area and forest types have no demarcated land area. There also no land titling that has been granted for the individual/household from the case studies.



Village forests in Laos - historical background

The current forestry law 2007 (article 3.13) defines the village forests are 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. The forestry law 2007 (article 82) also stipulates that the forests under the village responsibility shall be classified into three categories i.e. Protection Forest that includes water resources and river side forests, road side forests, Conservation Forest that include sacred forests and cemetery forests, and village use forests. In addition, there shall be unclassified land areas which are defined as production areas. However, there is a new draft of the forestry law that will be discussed at the National Assembly in June 2019.

The new draft version of the forestry law 2019 of May states (article 3.7) that the village forest area is an area of all forest categories under village management area which is designated according to land use planning and land and forest allocation at village level, including village use forest, conservation forests or protected forests. The land-forest allocation at village level refers to the allocation of forest and forestland to the village authority to manage, preserve, develop and use, but is not an allocation to individuals or households to use as per the article 3.9 of the draft revised forestry law (May 2019). However, these new definitions still need to be approved/discussed at the National Assembly in June 2019.

Village use forest (VUF) management system has been based on both the legal system and customary practices. The VUF has been defined and allocated specifically for the local community/village. Villagers have often harvested and used timber from their community land, especially from VUF, but also harvested from the standing trees in/ surrounding their agricultural farmland. In accordance with the draft revised forestry law, article 64 (May 2019) on the legal use of the Customary Utilization of Forest, Timber, and NTFPs, customary utilization is the use of forest, timber, and NTFPs that has been practiced for a long time within village forest areas such as the uses for traditional festivals and religious ceremonies, according to allocation plans and laws.



Village use forest in two villages of Khammouane province

The research team conducted a field survey in two villages, namely Thongkong village, Yomalath district, and Natoung village, Mahaxay district, Khammouan province (October 2018). Both villages have been done land allocation but that are obsolete i.e. Thongkong village's map was available in 2007 (Yomalath district) and Natoung's map was found in 1996 (Mahaxay district), Khammouan province (October 2018). Meetings were held with the heads of the Agriculture and Forestry District (DAFO) offices, heads of villages, village forestry unit, Lao Women Union, Lao Youth Union, other organization units and some villagers. Discussions were about the implementation and enforcement of forestry law and regulations by the local authorities, monitoring and control of the use of the forest resources from VUF along the supply chain, land-use planning, forest management plans, forest inventory, forest harvesting, transportation processing and utilization for house construction and public facilities construction. Approval processes for timber harvesting and processing in the VUF were also discussed.

Timber harvesting uses at the community level

The research team was unable to gather information on how much timber is needed by families and by communities because there is no clear annual harvesting plan and no recording form on harvested timber for these two villages.

Villagers harvest timber for building and maintaining housing and public benefits such as school and road, farming, firewood, fence post.

Timber mainly derives from village use forest, rock mountain, and agriculture land area, but some

villagers could cut timber from protected forests and conservation forests because the regulations on demarcation of forest categories were not respected.

Before the issuance of the Prime Minister Order number 15 in 2016 on "Strengthening Strictness of

Timber Harvest Management and Inspection, Timber Transport and Business", villagers in these two villages harvested timber from village use forest for commercial purposes. Harvested timber was sold to furniture businesses in the surroundings. With the enforcement of the PMO 15, logging practices for sale in village use forest have immediately stopped. The research team did not find any evidence of timber sale and villagers suggested that even if they wanted to cut or sell timber, no more buyers were coming to the villages.

However, harvesting timber for customary use such as for building houses and village benefits is still possible.



Decision-making process to harvest timber from the village use forest for customary use. Permission for harvesting timber seems not to follow the legislation. Practically, the head of villages and organizational members are the most influential or decision makers in permitting the use of timber. For instance, a villager has to make an oral or written request to the village committees to use timber from village use forest.

Interviewed villagers claimed that the offered amount of 5m³ per household per year is inadequate, thus additional volume of timber must be added until house construction is finished by making multiple requests based on 5m³. Permission to harvest additional timber for customary use (for housing and village facilities building) can be given via internal discussions between village forestry unit, head of villages, women union and village consultant members.

However, the limited amount of 5m³ was not mentioned in the forestry law (2007) or the draft revised forestry law (2019). This is based on article 8.1 of MAF Regulation No. 535 (2001) on Village Forest Management. Buying process is usually agreed between buyers and villagers based on verbal negotiation and proceed without any written documentation. This can lead to some misunderstanding by villagers or local authorities.

The PMO 15/2016 forbids the utilisation of chainsaws. Villagers are only allowed to use handsaw for felling trees and convert them to logs and squared/sawn timber. This is very time consuming for villagers who would like to be allowed to use chainsaws for public benefits, customary use and households.

- Roles and responsibilities in timber supply chain from village use forest.

In the two targeted villages, timber harvested from village use forest is done by villagers themselves. Before PMO 15/2016, villagers usually got orders from buyers to fell down trees using a chainsaw and then converted them into lumber or squared logs depending on buyers' requests. Before PMO 15/2016, the chainsaw was allowed which has facilitated illegal logging practices. Lumber or squared logs were stored at their home but sometimes could be stored in the forest areas near roads so that buyers could easily get access to the logs.

The research team did not find any evidence of formal overhanding from harvesters to buyers and relevant documents such as harvesting permit, certificate of ownership, transport permit etc. In the current Forestry Law (2007) there is no provision for harvesting timber from VUF for commercial purposes but only for customary and community use.

¹ The village forestry unit is one of the village organization that is responsible for forest management within the village.

² Furniture, door frame, doors, and windows are purchased from factories nearby the village.

³ Village committee includes head of the village, village forestry unit, women union, youth organization, trade union and village consultant members.



- Gender roles in the timber supply chain from village use forest

Usually, men play key roles in forest management and harvesting activities such as forestland demarcation, harvesting timber, and processing). Many women join the activities in the field site. From the case studies, it was found that women's role in timber harvesting is a supporting role in preparing foodstuff for their husband, brother, or father. Women can also support forestry activities such as joining the planning activities, supporting roles in harvesting and processing. In some remote villages, women can do similar roles as men.

Definitions of village use forest in the revised Forestry Law dated 23 May 2019

Although the definition of the village use forest has been defined in the current forestry law (2007), in practice, implementation is difficult. This concept needs further clarification and implementation guidelines. The latest version of the draft revised forestry law (May 2019), which will be discussed at the National Assembly in June 2019, classifies in its article 61, the utilization of Forest, Timber and Non-Timber Forest Products into four categories as follows:

1. Utilization of forest, timber, and NTFPs for public benefits;
2. Utilization of forest, timber, and NTFPs for households;
3. Customary utilization of forest, timber, and NTFPs;
4. Utilization of forest, timber, and NTFPs for business operations.

Compared to the 2007 forestry law (article 39), the revised draft forestry law added "timber" and "NTFPs" into each category as per following:

Utilization of forest, timber, and NTFPs for business operations

- **Definition**

Article 65 (Revised) Utilization for business operations is to use the forest, timber, and NTFPs for tourism, recreation sites, forest ecosystem services, forest carbon trading, supplying of timber and NTFPs to the wood processing industry, and commercial purposes.

The uses of timber for commercial purposes is allowed in Production Forests that have allocation plan, forestland conversion areas, forest areas that the state allocates for the village to use, land of individuals, legal entities, or organization of which the state has given the rights to use legally.

- **Analysis**

The relevant regulations and implementing guidelines have still to be drawn if this article of the draft revised forestry law passes in the NA intersession meeting and ordinary meeting that is proposed to be held in June 2019. For example, the draft forestry law does not provide clear procedures for transport of timber.

⁴ Village consultant members are elder people who are the most experienced and well known by the village.

⁵ National Assembly is responsible for providing comments on the new law or revised law to get an approval or reject it



Utilization of forest, timber, and NTFPs for public benefits

- **Definition**

The revised draft forestry law (May 2019), article 62, Utilization of forest for public benefits such as for scientific research, nature tourism, recreation sites, sacred forests, cemeteries, environmental protection, and trade of carbon credits, can be carried out in Protection Forests, Conservation Forests and Production Forests as allocated by the state.

Utilization of timber for village benefits such as for construction of village office, meeting hall, schools and dispensary, are allowed to use the timber only from the village use forest with the logging authorization from Provincial Agriculture and Forestry Office in accordance with the provincial or Vientiane Capital annual logging plan which is approved by the government.

- **Analysis of new provisions**

Head of villages have to make a request to DOF or DAFO to use timber for village benefits purpose. Timber that is used for village benefits depends on the village development plan and natural disaster plan. However, the case studies showed that there was no timber harvesting plan for public benefits. The reason was that for example school buildings have already been built and it is not necessary to expand the buildings every year. Only maintenance was undertaken. In this case, the permission happens informally through a discussion between the village forest unit, the head of the village, and village consultant members based on the fact that timber is required to be used for fixing the school, bridge, meeting hall or etc.

Utilization of forest, timber, and NTFPs for households

- **Definition**

Article 63 (Revised) The state allows people in the village to use timber in the village use forest for constructing and repairing houses in particularly for those households in necessity, such as poor 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 District Agriculture and Forestry Office, in according to the proposal from village authority, and regulations.

Natural trees exist in rice field, garden and construction land of individuals or households which the state granted the rights to use such land and has been registered as defined in Article 39 of this law shall have the rights to use and gain benefit from, but shall have a logging approval as follows:

For timber in List I, harvesting approval shall be obtained from Ministry of Agriculture and Forestry in according to proposal from Provincial Agriculture and Forestry Office;

¹ 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



2. For timber in List, II and III², harvesting approval shall be obtained from the Provincial Agriculture and Forestry Office according to the proposal from relevant District Agriculture and Forestry Office. Planted trees of households, with certification or plantation registration certificate, can be used. Cutting and transportation of log should comply with Article 30 and 36 of this law.

- Analysis of the provisions

The revised Forestry Law does not mention any specific article on log yard of village forest. The risk is that timber from different sources could be mixed. In addition, the revised forestry law does not include any mechanism for checking timber volume used by villagers.

The process of making a request for the utilization of timber for household purposes is similar to the one used for public benefits. The permission is given by village authorities for allowing villagers to use timber for fixing the house, building houses and for fence post. Interestingly, it was reported that villagers could use timber of 5m3 maximum per household per year which is inadequate to build the house so they made several requests to get enough timber for building a house.

Customary utilization of forest, timber, and NTFPs

- Definition

In accordance with the revised draft forestry law, (article 64), customary utilization is the use of forest, timber, and NTFPs that have been practiced for a long time within village forest areas such as the uses for traditional festivals and religious ceremonies, in accordance to allocation plans and laws.

- Analysis of the provisions

Transportation document is not described or included in the forestry law. The findings show that timber that is used by villagers for customary utilization, public benefits and households mostly transported by local labour, motorbike, cart, motorbike with cart, truck, tractor and etc. Realistically, transportation is usually done without any documentation.

² refers to timber species that grow and expand in some areas, with slow natural growth, and the timber texture has medium durability.

³ refers to timber species that grow and expand in most areas with decent natural growth pace, and the timber texture has mid-low durability.

⁴ refers to the holding place of logs

Village use forest and land rights

In the revised forestry law (May 2019), article 39, Village forest management planning is the management of forest and forestland within the management area of the village, which is operated both within and outside Protection Forests, Conservation Forests and Production Forests for the village to take leadership in management, protection, development and utilization within the management area of the village to be abundance and become forest development village. However, Forest allocated area and land area are not demarcated on the ground. A large number of villages don't have any certificate for forest land area and forest categories are not demarcated.

Land Law (2003), article 19, 20, 21 and 22. Forest Land, Forest Land Management, Demarcating the right of utilization on forest land area, and allocation of use right for forest land area. Article 19, interpretation of forest land refers to the definition that is included in the forestry law. Specifically, article 21 (revised) of the draft land law points out that individual or household can use forest land up to three hectares. If more than three hectares are required for land concession, this must be requested and get approved by the government. From this holding right for three hectares of land which has been used for at least three years without any complaint, the holder can make a request for land certification from the district administration and relevant villages. After that, the holder can make another request for land titling as stated in revised Land Law (article 22).

Until now, the article 22 (revised land law) seems that the forestry law has not been implemented or linkage where forest allocated area and land area is not demarcated on the ground, numbers of the village have no certificate for forest land area and forest types have no demarcated land area. There also no land titling that has been granted for the individual/household from the case studies.

Rural Research and Development Promoting Knowledge Association (RRDPA)
FPT University, 3 rd Floor, room 305, Lane 12, 23 Singha Rd Ban Nongbone, P.O.Box 11633, Vientiane, Lao PDR
Phone: (856) 21 453 091, Fax: (856) 21 453 092
Email: sisavath@rrdtc.org <sisavath@rrdtc.org>
Website: <http://www.rrdtc.org/>



This publication was produced with the financial support of the European Union.

Its contents are the sole responsibility of Rural Research and Development Promoting Knowledge Association (RRDPA) and do not necessarily reflect the views of the European Union



