






# **Centralized National Risk Assessment for Lao People's Democratic Republic**

**FSC-CNRA-LA V1-0 EN**

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## Risk assessments that have been finalized for Lao People's Democratic Republic

<b>Controlled Wood categories</b>		<b>Risk assessment completed?</b>
1	Illegally harvested wood	YES
2	Wood harvested in violation of traditional and human rights	YES
3	Wood from forests where high conservation values are threatened by management activities	YES
4	Wood from forests being converted to plantations or non-forest use	YES
5	Wood from forests in which genetically modified trees are planted	YES

## Risk designations in finalized risk assessments for Lao People's Democratic Republic

Indicator	Risk designation (including functional scale when relevant)
Controlled wood category 1: Illegally harvested wood	
1.1	Specified risk
1.2	Specified risk
1.3	Specified risk
1.4	Specified risk
1.5	Specified risk
1.6	Specified risk
1.7	Specified risk
1.8	Specified risk
1.9	Specified risk
1.10	Specified risk
1.11	Specified risk
1.12	Specified risk
1.13	Specified risk
1.14	N/A
1.15	N/A
1.16	Specified risk
1.17	Specified risk
1.18	N/A
1.19	Specified risk
1.20	Specified risk
1.21	N/A
Controlled wood category 2: Wood harvested in violation of traditional and human rights	
2.1	Low risk
2.2	Specified risk for right to freedom of association and collective bargaining and for child labour. Low risk for forced labour and for discrimination against women and non-Hmong ethnic minorities in the labour market.
2.3	Specified risk
Controlled wood category 3: Wood from forests where high conservation values are threatened by management activities	
3.0	Low risk
3.1	Natural forests: Specified risk Plantations: Low risk
3.2	Natural forests: Specified risk Plantations: Low risk
3.3	Natural forests: Specified risk Plantations: Low risk
3.4	Specified risk
3.5	Natural forests: Specified risk

	Plantations: Low risk
3.6	Low risk
Controlled wood category 4: Wood from forests being converted to plantations or non-forest use	
4.1	Specified risk
Controlled wood category 5: Wood from forests in which genetically modified trees are planted	
5.1	Low risk

# Risk assessments

## Controlled wood category 1: Illegally harvested wood

### Overview

The forest cover assessment undertaken by the Department of Forestry under the Ministry of Agriculture and Forestry in 2010 estimated forest cover in Laos to be 9.5 million hectares, or 40.3% of the total land area, down slightly from the 41.5% reported in the preceding assessment in 2002. At the end of 2015, the Department of Forestry reported an increase in forest cover to 47%, but there were no reasons provided for such a sudden increase.

Existing forest law recognises three forest categories: conservation (28%), protection (33%) and production (15%) forests, which together comprise 76% of the current forest area. The remaining forest area is unclassified. Thus, a significant share of current forest is located outside the three mentioned forest categories.

All natural forests and forest land in Laos are state-owned and managed by state agencies at three levels of government (national, provincial, and district), while individuals and organisations are not permitted to own natural forest. According to official statistics, while forest cover is estimated at 9.5 million ha, the tree plantation area has reached 406,000 ha.

Households and individuals can be granted the right to use and inherit plots of degraded forest land for agriculture and tree planting, and can potentially obtain full property rights and title after an initial three-year trial period, but these may not be transferred or used as collateral.

Foreigners do not qualify for land titles in Laos, but are eligible as foreign investors to lease degraded land from the state for tree planting.

Over 700,000 ha of concessions for rubber and eucalyptus plantations have already been granted; a government strategy set a target of 500,000 ha of tree plantations by 2020. According to official data, the cumulative plantation area reached 406,000 ha in the 2012/2013 Lao Fiscal Year. At that time, rubber trees (*Hevea brasiliensis* for latex extraction) accounted for 79% and eucalyptus (*Eucalyptus* spp. for pulp and sawn wood) for 14%. Of the remainder, 7% is teak (*Tectona grandis*), which is considered the most important species.

Current legislation does not allow the allocation of concessions for commercial timber harvesting in natural forests.

All intended timber harvesting in plantation and natural forests shall be included in the annual logging plan approved by the National Assembly. The Annual Logging Plan is developed by the Ministry of Agriculture and Forestry based on applications provided by provincial offices of Agriculture and Forestry. 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, 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 shall 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 landings, and for making log lists. Timber harvested in natural forests is considered to be a state property, and shall 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 landings 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. Thus, today, almost all permitted timber harvesting in Laos is conducted on the basis of permits (quotas) for land clearances under government-approved development projects.

Harvest of plantation timber for commercial use may be conducted only in registered plantations, and shall comply with the plantation management plan, and have a permit issued by the agriculture and forestry authorities.

In 2016 Laos had a CPI of 30 (below the threshold of 50) and, according to the World Bank Worldwide Governance Indicators – on a scale of -2.5 to 2.5 in 2016 – received a score of -0.39 for Government Effectiveness, -0.77 on Rule of Law, and -0.93 on Control of Corruption, indicating that the country has high corruption levels and a low degree of legal compliance.

The list of sources provided in FSC-PRO-60-002a, section 3.3.3, has been reviewed for relevance in regards to the national legality risk assessment of Laos. The following sources have been used:

- a) Chatham House: <http://www.illegal-logging.info/>;
- b) The Environmental Investigation Agency (EIA): <http://www.eia-international.org/>;
- c) The EU FLEGT process: [http://ec.europa.eu/comm/development/body/theme/forest/initiative/index\\_en.htm](http://ec.europa.eu/comm/development/body/theme/forest/initiative/index_en.htm);
- d) Independent reports and assessments of compliance with related laws and regulations, e.g., the Royal Institute of International Affairs: <http://www.illegallogging.org> ;
- e) Interpol: <http://www.interpol.int/Crime-areas/Environmental-crime/Projects/Project-LEAF>;



- f) Public summaries of FSC forest management certification reports, published at [info.fsc.org](http://info.fsc.org) (information on legal areas where non-compliances have been identified during the certification process that are likely to be common for non-certified operations);
- g) Transparency International Corruption Perceptions Index: [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi](http://www.transparency.org/policy_research/surveys_indices/cpi);
- h) World Bank Worldwide Governance Indicators: <http://data.worldbank.org/datacatalog/worldwide-governance-indicators>;
- i) In cases where other sources of information are not available, consultations with experts in the area shall be conducted.

Where relevant, these sources have been specifically referenced under the “sources of Information” section for each applicable sub-category. The remaining sources were found not to be relevant for the legality risk assessment for Laos.

### Sources of legal timber in Laos

Forest classification type	Permit/license type	Main license requirements (forest management plan, harvest plan or similar?)	Clarification
Natural forest Conversion	1.1. National annual logging quota - special quotas (licenses) for conversion timber harvested under development projects (geological prospecting, mining, road and hydropower dam construction, establishment of agriculture plantations)	Annual logging plan, contract for a harvesting operation with the committee responsible for logging management and reservoir cleaning, logging plan, logging permit	
Natural Production forests (Selective logging)	2.1. National logging quota for selective logging.	15-20 year forest management plans, harvesting plan, logging permit	
Plantation forests	3.1. Land title, or a three-year temporary land use certificate for tree planting, permission to log from Provincial or Vientiane Capital Agriculture and Forestry Office.	Village land-use plan	
	3.2. Concession/ lease agreement, permission to log from Provincial or Vientiane Capital Agriculture and Forestry Office.	Plantation management plan	

## Risk assessment

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
<b>Legal rights to harvest</b>			
<p>1.1 Land tenure and management rights</p>	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>Law No. 04/2003 NA on Land, 21 October 2003, Article 12. Available at: <a href="http://extwprlegs1.fao.org/docs/pdf/lao77471.pdf">http://extwprlegs1.fao.org/docs/pdf/lao77471.pdf</a></li> <li>Law No. 06/2007 NA on Forestry, 24 December 2007, Article 4, 84-88 on ownership of forest and forestland, Article 82 and 83 on village forests, Article 15 and 16 on forest survey, classification and management, Article 43 on logging for commercial purpose, Article 44 on reclassification of forest categories, Article 72 and 73 on authorization of degraded and barren forestland. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a>; <a href="http://www.laotradeportal.net/index.php?r=site/display&amp;id=68">http://www.laotradeportal.net/index.php?r=site/display&amp;id=68</a></li> <li>Decree No. 88/2008 PM on the Implementation of the Land Law, 3 June 2008. Available at: <a href="http://rightslinklao.org/wp-content/uploads/downloads/2014/05/2008-Decree-on-Implementation-of-the-Land-Law-No-88-PM.pdf">http://rightslinklao.org/wp-content/uploads/downloads/2014/05/2008-Decree-on-Implementation-of-the-Land-Law-No-88-PM.pdf</a></li> <li>Decree No. 59/2002 On Sustainable Management Of Production Forest Areas, 22 May 2002. Available at: <a href="http://theredddesk.org/countries/laws/decree-sustainable-management-production-forest-areas-no-592002">http://theredddesk.org/countries/laws/decree-sustainable-management-production-forest-areas-no-592002</a></li> </ul>	<p><b>Government sources</b></p> <ul style="list-style-type: none"> <li>theredddesk.org (2005). <i>Forestry Strategy to the Year 2020 of the Lao PDR</i>. [online] Ministry of Agriculture and Forestry, Lao PDR. Available at: <a href="http://theredddesk.org/sites/default/files/fs_2020.pdf">http://theredddesk.org/sites/default/files/fs_2020.pdf</a></li> <li>laolandissues.org (2012). <i>Govt urged to review land compensation</i> [online]. Land Issues Working Group. Vientiane Times, 18 August 2012. Available at: <a href="http://www.laolandissues.org/2012/08/20/govt-urged-to-review-land-compensation/">http://www.laolandissues.org/2012/08/20/govt-urged-to-review-land-compensation/</a></li> </ul> <p><b>Non-government sources</b></p> <ul style="list-style-type: none"> <li>EU FLEGT Facility (2012). <i>Study for Understanding Timber Flows and Control in Lao PDR</i>. [online]. LTS International. Available at: <a href="http://www.euflegt.efi.int/documents/10180/23308/Study%20for%20understanding%20timber%20flows%20and%20control%20in%20Lao%20PDR">http://www.euflegt.efi.int/documents/10180/23308/Study%20for%20understanding%20timber%20flows%20and%20control%20in%20Lao%20PDR</a></li> </ul>	<p><b>Overview of legal requirements</b></p> <p>Natural forests and forest land are designated as property of the national community, with the State acting as representative in the management and allocation of forest land for rational use by individuals and organisations.</p> <p>The Government of Laos holds national responsibility for zoning and demarcation of boundaries for each land category, including forest land (the Land Law, art. 12).</p> <p>The three categories of forest in Laos managed by the government are:</p> <ol style="list-style-type: none"> <li><b>National protection areas (conservation), or NPAs (28% of current forests)</b></li> <li><b>National protection forests (33% of current forests), and</b></li> <li><b>National production forests (15% of current forests)</b></li> </ol> <p>A significant share of current forests (24%) are located outside of the three mentioned forest categories and are unclassified, and there is no clarity as to which state agency is responsible for the management of these areas.</p> <p>Reclassification of different categories of forests requires approval from the government, or in some cases from the National Assembly Standing Committee.</p> <p>After forest zoning, classification of forest categories, delineation of forest and forest land areas, the state allocates ownership to organisations and individuals.</p> <p>Lao individuals and organisations may obtain land use rights through titles or leases. The Government of Laos land-titling project under</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> <li>Instruction 822/1996 MAF On Forestland Allocation for Management and Use, 2 August 1996 provides guidelines on how to conduct FLUPLA and identify forest zones within a village boundary. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>Instruction No. 03/1996 PM for Expansion of Land Management and Land &amp; Forest Allocation, 12 July 1996. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/page/3/">http://flegtlaos.com/resources/forestry-legality-compendium/page/3/</a></li> <li>Regulation 535/2001 MAF On Management of Village Forests, 18 June 2001, Article 2. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>Regulation No. 360/2003 MAF on National Protected Area Management, Aquatic Animals and Wildlife, 8 December 2003, Article 16. Available at: <a href="http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2004/12/21/000112742_20041221102009/Rendered/INDEX/309400v20SEMFOF.txt">http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2004/12/21/000112742_20041221102009/Rendered/INDEX/309400v20SEMFOF.txt</a></li> </ul> <p><b>Legal authority</b></p> <ul style="list-style-type: none"> <li>Selective logging: Ministry of Agriculture and Forestry, Provincial Offices of Agriculture and Forestry, District Offices of Agriculture and Forestry, Village Forestry Units (Organisations)</li> <li>Conversion: Ministry of Natural Resources and Environment, Ministry of Energy and Mines (for</li> </ul>	<ul style="list-style-type: none"> <li>Kenney-Lazar, M. (2010). <i>Land Concessions, Land Tenure, and Livelihood Change: Plantation Development in Attapeu Province, Southern Laos</i>. [online]. Vientiane: Faculty of Forestry, National University of Laos. Available at: <a href="http://rightslinklao.org/wp-content/uploads/downloads/2014/05/3-Land-Concessions-Land-Tenure-and-Livelihood-Change-Plantation-Development-in-Attapeu-Province-Southern-Laos.pdf">http://rightslinklao.org/wp-content/uploads/downloads/2014/05/3-Land-Concessions-Land-Tenure-and-Livelihood-Change-Plantation-Development-in-Attapeu-Province-Southern-Laos.pdf</a></li> <li>Sigaty, T. (2003). <i>Report on Legal Framework of Forestry Sector for Forestry Strategy 2020 Lao PDR</i>. SIDA. Vientiane. Laos.</li> </ul>	<p>the Ministry of Finance issues private title to Lao citizens in urban and peri-urban centres, but not for forest land or land in rural villages.</p> <p>Individuals and organisations <u>may not own natural forest, since it is state property.</u></p> <p>Households and individuals can be granted the right to use and inherit plots of <u>degraded forest land</u> for agriculture and tree planting, and can potentially obtain full property rights and title after an initial three-year trial period (Temporary Land Use Certificates) upon a showing of good management and payment of taxes, but such rights and titles may not be transferred or used as collateral.</p> <p><u>Foreigners do not qualify for land titles in Laos</u>, but are eligible as foreign investors <u>to lease degraded land from the State for tree planting.</u></p> <p>Current legislation <u>does not allow the allocation of concessions for commercial timber harvesting in natural forests</u>. In some specific cases, the Government of Laos leases forest areas as a form of concession to a village or association of villages for up to 50 years, including some commercial timber rights, upon payment of royalties and fees, in addition to customary use and management rights. For instance, Prime Ministerial Decrees have authorised village associations and lease agreements for villages in the Nakai-Nam Theun area as a way to mitigate the costs of resettlement from the inundation zone.</p> <p><u>Customary rights:</u> Villages, as a community, can lease natural forest areas within the village boundary under a Village Forest Management Agreement from the state for exclusive customary use and protection rights with no tax obligations.</p> <p>Within the village boundary, villagers are allowed to collect and sell NTFPs, and to harvest timber for domestic use. Customary use rights include harvesting of 5m<sup>3</sup>/year of timber from natural forest for non- commercial household and public purposes. Villagers may be</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>mining concessions), Provincial/City Offices of Natural Resources and Environment.</p> <ul style="list-style-type: none"> <li>• Tree plantations (smallholding): District offices of Natural Resources and Environment or District Agriculture and Forestry Offices.</li> <li>• Tree plantations (concessions): Ministry of Natural Resources and Environment (MONRE) and Provincial/City Offices of Natural Resources and Environment.</li> </ul> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>• Selective logging: Business registration certificate for organisations.</li> <li>• Conversion: Concession/lease agreement and business registration certificate for organisations.</li> <li>• Tree plantations (smallholding): Land title, or a three-year temporary land use certificate (TLUC) for tree planting issued by District offices of Natural Resources and Environment or District Agriculture and Forestry Offices in coordination with district and village authorities.</li> <li>• Tree plantations (concessions): Decision on conversion of degraded and barren forest lands made by authorities of different levels (municipal, district, province, national) depending on area. Business registration certificate for organisations.</li> </ul>		<p>allocated land for tree planting and regeneration, and ownership of the resulting trees is guaranteed upon registration.</p> <p>The law does not specify the duration or terms of these agreements, but Prime Ministerial Decree 59 sets a minimum of 10 years.</p> <p>Through the Land Use Planning and Land Allocation Programme (stipulated by MAF Guidelines on Land Use Planning and Allocation for Management and Use, No. 0822/MAF 1996), the boundaries of village forests have been identified and agreed upon between villages and district authorities.</p> <p>Village forests are classified into three categories: village-use forests, protection forests (road-side, water resources, and river-side forests) and conservation forests (sacred and cemetery forests). The MAF Regulation (0535/MAF issued in June 2001) on Village Forestry Management gives guidelines for classification of forest land allocated to villages, and clarifies the rights and responsibilities of villagers in protecting, conserving and using their forest.</p> <p><i>Plantation</i></p> <p>Approval from the government is not required for individuals and organisations who plant trees on their private land which is not classified for agriculture development with their own funds and labour, but they may need to comply with planting standards and standards regarding harvest, transport and export (Regulation No. 196/2000 MAF, Article 5, 6). The government has clarified that the moratorium on establishing plantations above 100 ha does not apply to investments in tree plantations by companies operating on a 2+3 system, where farmers provide the labour and the land while the companies supply the saplings, technical assistance and marketing, without large land concessions from the government (<i>Vientiane Times</i>, 30 March 2016). The Forestry and Tax Laws, and Prime Ministerial Decree 150/2000 on Land Tax, exempt tree plantations from land taxes and fees. Exemptions from land tax have been used</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>to encourage plantation registration, as plantations eligible for tax exemptions must be registered under Directive 1849/AF.99.</p> <p><b>Description of risk</b></p> <p><i>Borders and mapping</i></p> <p>The borders of different categories of forests are not precisely defined. Zoning and management plans for different categories of forest have yet to be developed.</p> <p>Delineation of the three forest categories (national protection areas (conservation), national protection forests, and national production forests), especially at the national and provincial levels, are made on large scale maps, and also contain types of land use other than forest, which, in a strict sense, are not forest as defined in the Forestry Law.</p> <p>According to the Forestry Strategy to the Year 2020 of the Lao PDR (2005), given the lack of detailed maps, the high rate of population increase and rapid changes in land use, it is not feasible at this stage to delineate forest and to manage it at this scale for the chosen purpose. The Study for Understanding Timber Flows and Control in the Lao PDR (2012) revealed that the areas mapped as protection forest were often used for agricultural production, and even included major town areas. In one case, an entire district was mapped as protection and production forests, but in reality contained the district's capital, large lowland agricultural areas, and a coal mining concession.</p> <p>A further example: MAF Regulation No. 360/2003, Article 16, prohibits the expansion of rice fields and shifting cultivation in conservation forests, as well as gathering of forest products, hunting, removal of plant and animal species, and any other type of forestry activities in the restricted areas of national protected areas and corridors. However, strict enforcement of these restrictions is impossible and unfeasible given the degrees of population movement and increase. Coordination among concerned sectors</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>within these forest areas is insufficient, and due to lack of management units in some national protected areas, especially at the field level, deforestation and forest degradation may go unnoticed (Forestry Strategy to the Year 2020 of the Lao PDR, 2005), and listed prohibited practices are often continued by villagers as part of their customary rights, or under licenses issued by the relevant authority.</p> <p>Through the land and forest allocation process, village boundaries and village forest and agricultural areas are delineated, and forest areas are classified into some or all of the three categories, including conservation village forests (sacred and cemetery forests), protection village forests (road-side, water resources, and river-side forests), and village-use forests. This categorisation is used for NTFP collection and felling of trees for domestic use (Art. 2, MAF Regulation No. 0535/2001). Delineation of village forests can lead to double-layered classification in circumstances where a village is situated inside one of three nationally categorised forests and there is conflict between the national and village levels on the management and use of forests.</p> <p>In addition, there are no clear criteria for delineation of agricultural areas and classification of village forests (Forestry Strategy to the Year 2020 of the Lao PDR, 2005).</p> <p>Rights to manage village forests are often not verifiably granted to villagers. Commonly, borders of village lands are drawn on a single “hard copy”, which is a billboard in a village; if this is lost or damaged, the village loses its only legally recognised source of information on its forest rights (Kenney-Lazar, 2010).</p> <p>Laos has about 1.6 million land plots, and so far about 620,000 plots have been titled, of which 300,000 are owned by the State, while the rest are villagers’ land. The government had planned to complete a land survey and allocation of lands to villagers, as well as a land title project by 2015. Land disputes were the top issue of concern raised by members of the public who called the National Assembly hotline</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>during the June 2012 session of the National Assembly (<i>Vientiane Times</i>, 21 August 2012). The lack of title means that disputes can arise when allocating logging rights and establishing plantations.</p> <p>Under the Forestry Law 06/NA 2007 and the Law on Enterprise 11/NA 2005, business registration is required for all participants in the plantation value chain. Registration of plantations is a legal requirement for all plantation owners (both plantations under concession agreements and plantations under temporary land use certificates). However, few smallholder plantations have been formally registered. According to Smith (2014), only about 10% of teak smallholder plantations are registered, as most growers do not see the benefits of getting plantation registration certificates (regulations are considered to be overly complex, with numerous steps and associated costs). There is some evidence that some farmers “borrow plantation certificates” when they sell their timber to meet this legal requirement (Smith and Phengsopha, 2014).</p> <p>Business registration is also required for the importation of forestry and wood-transport equipment, including harvesting machinery and chainsaws, although it appears that this is inconsistently enforced. These regulations potentially create barriers to the development of small-scale timber harvesting and processing operations.</p> <p><b>Summary</b></p> <p>There is a risk, for all sources of timber, of:</p> <ul style="list-style-type: none"> <li>• A lack of detailed maps (showing accurate borders and zoning)</li> <li>• Conflict between villages and other types of forest management, due to; <ul style="list-style-type: none"> <li>○ Lack of titles, meaning that disputes with villages can arise when logging rights are being allocated and plantations established</li> </ul> </li> </ul>



Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<ul style="list-style-type: none"> <li>○ Risk of double-layered classification, when a village is situated inside more than one of the three nationally categorised forest types</li> <li>○ Rights to management of village forests not being verifiably granted to villagers</li> </ul> <p>And for smallholder plantations specifically of:</p> <ul style="list-style-type: none"> <li>● A common lack of business registration</li> </ul> <p><b>Risk Conclusion</b></p> <p>This indicator has been evaluated as <b>specified risk</b>. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.2 Concession licenses	<p>Applicable laws and regulations</p> <p><u>Conversion, tree plantations:</u></p> <ul style="list-style-type: none"> <li>● Law No. 04/2003 NA on Land, 21 October 2003, Articles 8, 21, 22, 64, 65, 66, and 67 <a href="http://extwprlegs1.fao.org/docs/pdf/lao77471.pdf">http://extwprlegs1.fao.org/docs/pdf/lao77471.pdf</a></li> <li>● Law No. 06/2007 NA on Forestry, 24 December 2007, Articles 33, 35, 43, 49, 69-76, 90, 95 <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a>; <a href="http://www.laotradeportal.net/index.php?r=site/display&amp;id=68">http://www.laotradeportal.net/index.php?r=site/display&amp;id=68</a></li> <li>● The Law No. 02/2009 NA on Investment Promotion, 08 July 2009, Articles 21-28, 31 <a href="http://laotradeportal.gov.la/ero-">http://laotradeportal.gov.la/ero-</a></li> </ul>	<p><b>Government sources</b></p> <ul style="list-style-type: none"> <li>● lad.nafri.org (2009). <i>Findings of the State Land Concession and Lease Inventory Project in the Pilot Province of Vientiane Province, Lao PDR, Phase II</i>. [online]. Vientiane. CRILNR (NLMA). Available at: <a href="http://lad.nafri.org.la/fulltext/2266-0.pdf">http://lad.nafri.org.la/fulltext/2266-0.pdf</a></li> <li>● nationmultimedia.com (2016). <i>Govt gives green light for two eucalyptus operators</i>. [online]. 30 March 2016, Vientiane Times.</li> </ul>	<p><b>Overview of Legal Requirements</b></p> <p><i>Natural forest concession:</i></p> <p>According to Forestry Law (2007) Articles 43 and 49, according to legislation there are no lease or concession rights for timber harvesting in natural forests. All timber harvested in course of selective logging or forest conversion belongs to the state, and state agencies sell it via auctions to highest bidders commercial timber. Harvest in natural forest is only permitted:</p> <ul style="list-style-type: none"> <li>● To selectively cut timber in production forest areas in which an inventory and survey have been conducted, and forest management plan developed on the basis of a pre-logging survey, or</li> <li>● To clear-cut land concessions/leases granted by the state for hydropower dam construction, mining etc. on the basis of a thorough and complete pre-logging survey.</li> </ul>



Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p><a href="#">laws/Final_Investment_PromotionLaw_in_English.PDF</a></p> <ul style="list-style-type: none"> <li>Decree No. 88/2008 PM on the Implementation of the Land Law, 3 June 2008, Articles 21 and 22 <a href="http://rightslinklao.org/wp-content/uploads/downloads/2014/05/2008-Decree-on-Implementation-of-the-Land-Law-No-88-PM.pdf">http://rightslinklao.org/wp-content/uploads/downloads/2014/05/2008-Decree-on-Implementation-of-the-Land-Law-No-88-PM.pdf</a></li> <li>Decree No. 135/2009 PM on State Land Lease or Concession, 25 May 2009, Article 6, 26, 27, 28, 29, 31 <a href="http://rightslinklao.org/eng/index.php?option=com_docman&amp;task=doc_download&amp;gid=100&amp;Itemid=70">http://rightslinklao.org/eng/index.php?option=com_docman&amp;task=doc_download&amp;gid=100&amp;Itemid=70</a></li> <li>Instruction No. 20/2010 NLMA, on Implementation of Decree of State-owned Land for Concession, 9 April 2010, Chapter 1, Article 3. <a href="http://www.laolandissues.org/wp-content/uploads/2012/03/NLMA-Concession-Instruction-2010-April-Eng.doc">http://www.laolandissues.org/wp-content/uploads/2012/03/NLMA-Concession-Instruction-2010-April-Eng.doc</a></li> <li>Order 13/2012 PM on Halting Investment Projects Related to Mining, Rubber, Eucalyptus, 11 June 2012. <a href="http://www.laolandissues.org/wp-content/uploads/2012/03/Prime-Minister-Order-No13NA-on-halting-concessions-June-2012.pdf">http://www.laolandissues.org/wp-content/uploads/2012/03/Prime-Minister-Order-No13NA-on-halting-concessions-June-2012.pdf</a> (in Lao)</li> </ul> <p><u>Tree plantations (smallholding):</u></p> <ul style="list-style-type: none"> <li>Notification No. 1374/2010 MAF.MC on the Application for Registering Tree Planting Parcels and Grown Timber Certificate, 24 August 2010, Article 3 <a href="http://flegtlaos.com/resources/forestry-legality-compendum/">http://flegtlaos.com/resources/forestry-legality-compendum/</a></li> </ul>	<p><a href="http://www.nationmultimedia.com/search/?q=Govt%20gives%20green%20light%20for%20two%20eucalyptus%20operators">http://www.nationmultimedia.com/search/?q=Govt%20gives%20green%20light%20for%20two%20eucalyptus%20operators</a></p> <ul style="list-style-type: none"> <li>laolandissues.org (2012). <i>Govt halts new mining projects, land concessions for tree farms</i>. [online]. Land Issues working Group. 26 June 2012, Vientiane Times. Available at: <a href="http://www.laolandissues.org/2012/06/26/govt-halts-new-mining-projects-land-concessions-for-tree-farms/">http://www.laolandissues.org/2012/06/26/govt-halts-new-mining-projects-land-concessions-for-tree-farms/</a></li> <li>vientianetimes.org (2015). <i>Govt reopens for new mining investment</i>. [online]. 25 December 2015, Vientiane Times. Available at: <a href="http://nutiminn.is/kattarshians/http://www.vientianetimes.org/la/FreeContent/FreeContentGovt_reopens.htm">http://nutiminn.is/kattarshians/http://www.vientianetimes.org/la/FreeContent/FreeContentGovt_reopens.htm</a></li> <li>Govt to halt protected area encroachment / Vientiane Times, 05 April 2013</li> <li>laolandissues.org (2012). <i>Government urged to review land compensation</i>. [online]. Land Issues Working Group. Vientiane Times, 20 August</li> </ul>	<p>Thus, there is no legal basis for the state to issue concessions for natural timber harvest on state-owned land (Forestry Law (2007), Article 43). Timber harvesting for commercial purposes in natural forests is only allowed under annual national logging quotas for selective logging in production forest areas, or in the course of land clearance for development projects, which are not part of concessions (see sub-category 1.4 for more information on the selective logging quota).</p> <p><i>Tree plantation concessions:</i></p> <p>According to the Forestry Law, Articles 33 and 69, concessions for tree plantation (broadly defined as an operation approved by the State to plant trees on an area of degraded forest land [Regulation No. 196/2000 MAF Article 2]) are restricted to degraded and barren forest lands outside the three forest categories where stands of commercial timber are almost non-existent, as per the definition in the Forestry Law Article 3 (degraded forest land: forest land areas where forests have been heavily and continually damaged and degraded causing a loss of balance in organic matter, which may not be able to regenerate naturally or become a rich forest again; barren forest lands: forest land areas without trees as a result of natural or human destruction). In line with the Forestry Law, Decree 135/PM Article 26 specifies that on state land granted as a concession for industrial tree plantations, cash crops etc. such activities should be carried out in waste land or denuded land areas, both of which are types of degraded forest land that cannot rejuvenate naturally.</p> <p>Only degraded forest lands may be allocated for plantation forest purposes in village (Regulation No. 535/2001 MAF, Article 2).</p> <p>Thus, the <u>legal framework does not allow timber harvesting for the purpose of converting forest land in order to establish tree plantations.</u></p> <p>The Ministry of Natural Resources and Environment, formerly the National Land Management Authority, is technically in charge of</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> <li>Instruction No. 1668/2008 NLMA.CAB on the Use of New Formats of Land Titles and New Registration Book, 29 April 2008, Article 3.</li> <li>Instruction No. 564/2007 NLMA on Adjudications Pertaining to Land Use and Occupation for Land Registration and Titling, 6 August 2007, Article 1.2.5, 1.2.7, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 4.11, 8.1 <a href="http://theredddesk.org/sites/default/files/45_nlma_instructions_on_adjudications_pertaining_to_land_us_1.pdf">http://theredddesk.org/sites/default/files/45_nlma_instructions_on_adjudications_pertaining_to_land_us_1.pdf</a></li> </ul> <p><u>Tree plantations (concessions):</u></p> <ul style="list-style-type: none"> <li>Regulation No. 196/2000 MAF on Long-term Development and Promotion of Tree Planting, 15 August 2000, Article 2, 4, 5-7, 12 <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>Regulation No. 535/2001 MAF on Management of Village Forests, 18 June 2001, Article 2 <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>Directive No. 1849/1999 MAF on Registration of Tree Plantations, 10 July 1999, Article 1-6 <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> </ul> <p><u>Selective logging:</u></p> <p>Law No. 06/2007 NA on Forestry, 24 December 2007, Articles 43 <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a>; <a href="http://www.laotradeportal.net/index.php?r=site/display&amp;id=68">http://www.laotradeportal.net/index.php?r=site/display&amp;id=68</a></p>	<p>2012. Available at: <a href="http://www.laolandissues.org/2012/08/20/govt-urged-to-review-land-compensation/">http://www.laolandissues.org/2012/08/20/govt-urged-to-review-land-compensation/</a></p> <ul style="list-style-type: none"> <li>Midgley, S. (2006). <i>Position Paper on Tree Plantation Sector Development in Lao PDR</i>. [online]. Forestry Strategy 2020 Implementation Promotion Project. Department of Forestry. Salwood Asia Pacific Pty. Ltd. October 2006. Available at: <a href="http://lad.nafri.org.la/fulltext/1594-0.pdf">http://lad.nafri.org.la/fulltext/1594-0.pdf</a></li> <li>Oudomxay approves land concession for rubber tree plantation / KPL (Lao News Agency), 25 January 2016.</li> </ul> <p><b>Non-Government sources</b></p> <ul style="list-style-type: none"> <li>Baird, I. (2010). <i>Quotas, powers, patronage, and illegal rent-seeking. The political economy and the timber trade in southern Laos</i>. [online]. Forest Trends, Washington D.C., U.S.A. Available at: <a href="http://www.forest-trends.org/documents/files/doc_2421.pdf">http://www.forest-trends.org/documents/files/doc_2421.pdf</a></li> </ul>	<p>approving all land concessions, except mining concessions. The consent of the involved line agencies (the Ministry of Planning and Investment, the Ministry of Agriculture and Forestry, the Ministry of Industry and Commerce, the Ministry of Energy and Mines etc.) plus the corresponding level of administrative authorities is required in all cases.</p> <p>Plantations eligible for registration must have an area of 1,600m<sup>2</sup>, and legislation recognises different planting systems, some of which imply fewer than 1,100 trees/ha (MAF Directive 1849/AF.99).</p> <p>The state, as land manager, may lease land to individuals or organisations for the purpose of establishing a tree plantation (Land Law, 2003, Article 8).</p> <p><i>Plantation (Villagers):</i></p> <p>Three-year temporary land use certificates for tree planting on degraded forest land (three ha per labourer in a household) are issued to villagers by the District Administrative Authority in coordination with the Village Administrative Authority. More land can be requested from village and district authorities. If managed properly during the initial term, then the lessee may request the Land Management Office to issue a Land Title for long-term use (Land Law, 2003, Articles 21 and 22). The law sets no time limit to durations of land titles.</p> <p>Concessions for tree plantations are granted upon approval by the Ministry of Natural Resources and Environment or by Provincial/City Offices of Natural Resources and Environment, depending on: the category of land (degraded forest land or barren forest land), the size of the concession, and the duration of concession agreement (Decree 135/PM 2009 Article 28, Forestry Law, 2007 Articles 75 and 76).</p> <p>Approval of concessions (only for Land Title for Long Term Use) is conditional upon surveys which have to be conducted and approved</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p><b>Legal authority</b></p> <ul style="list-style-type: none"> <li>Tree plantations (smallholding): District offices of Natural Resources and Environment.</li> <li>Tree plantations (concessions): Ministry of Natural Resources and Environment (MONRE) and Provincial/City Offices of Natural Resources and Environment.</li> </ul> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>Tree plantations (smallholding): Land title, or a three-year temporary land use certificate for tree planting issued by a District Office of Natural Resources and Environment.</li> <li>Tree plantations (concessions): by the Ministry of Natural Resources and Environment or Provincial/City Offices of the Ministry of Natural Resources and Environment. A decision on the conversion of degraded and barren forest lands made by the authorities at the relevant levels (province, national), depending on area.</li> </ul>	<ul style="list-style-type: none"> <li>Baird, I. (2014). <i>Degraded forest, degraded land and the development of industrial tree plantations in Laos</i>. [online]. Singapore Journal of Tropical Geography. Volume 35, Issue 3, November 2014. Available at: <a href="http://onlinelibrary.wiley.com/doi/10.1111/sjtq.12076/full">http://onlinelibrary.wiley.com/doi/10.1111/sjtq.12076/full</a></li> <li>Forest Trends (2010). <i>Timber Markets and Trade between Laos and Vietnam: A Commodity Chain Analysis of Vietnamese-Driven Timber Flows</i> [online]. Available at: <a href="http://www.forest-trends.org/documents/files/doc_2365.pdf">http://www.forest-trends.org/documents/files/doc_2365.pdf</a></li> <li>Forest Trends (2014). <i>Forest Conversion in Lao PDR: Implications and Impacts of Expanding Land Investments</i>. [online]. Available at: <a href="http://www.forest-trends.org/publication_details.php?publicationID=4677">http://www.forest-trends.org/publication_details.php?publicationID=4677</a></li> <li>Global Witness (2013). <i>Rubber barons: How Vietnamese companies and international financiers are driving a land grabbing crisis in Cambodia and Laos</i>.</li> </ul>	<p>before the lease or concession is granted (Forestry Law, 2007, Article 74). The following documents must be developed:</p> <ul style="list-style-type: none"> <li>Study on socio-economic information and appropriateness to natural conditions, land tenure rights</li> <li>Business feasibility study</li> <li>Social and environmental impact assessment, including appropriate resolution measures, and</li> <li>Operational plan on protection of water resources and the environment, land clearing, village development, participation of local people, benefit sharing etc.</li> </ul> <p>A “technical social and economic impact assessment” is required for any tree plantation of more than 5 ha, including groups of neighbouring parcels with a total area of more than 5 ha (Regulation 196/AF, 2000 Article 4).</p> <p>Procedural requirements for foreign investors to gain permission and licenses for tree plantation are described in Regulation No. 196/2000 MAF, Article 7.</p> <p>The legitimacy of concession rights is confirmed by a concession registration certificate, while the terms and conditions are defined in the concession agreement (Law on Investment Promotion Articles 25, 26).</p> <p>The requirements and procedure for the registration of tree plantations are specified in Directive No. 1849/1999 MAF Articles 1-6 and Regulation No. 196/2000 MAF, Article 12 (See 1.1.4).</p> <p>In May 2007, the Prime Minister of the Lao PDR announced a moratorium on granting of new land concessions greater than 100 ha to give the Government of Laos an opportunity to review its policy on granting large-scale concessions, and to address the shortcomings of its previous land management strategy.</p>

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		<p>[online]. Global Witness. London. Available at: <a href="https://www.globalwitness.org/en/campaigns/land-deals/rubberbarons/">https://www.globalwitness.org/en/campaigns/land-deals/rubberbarons/</a></p> <ul style="list-style-type: none"> <li>Hunt, G. (2014). <i>An Analysis of FSC Certification of Oji LPFL</i>. [online]. Plantation Watch. Available at: <a href="http://plantation-watch.org/wp-content/uploads/2015/06/Analysis-of-FSC-Certification-of-Oji-LPFL-2014.pdf">http://plantation-watch.org/wp-content/uploads/2015/06/Analysis-of-FSC-Certification-of-Oji-LPFL-2014.pdf</a></li> <li>Kenney-Lazar, M. (2010). <i>Land Concessions, Land Tenure, and Livelihood Change: Plantation Development in Attapeu Province, Southern Laos</i>. [online]. Vientiane: Faculty of Forestry, National University of Laos. Available at: <a href="http://rightslinklao.org/wp-content/uploads/downloads/2014/05/3-Land-Concessions-Land-Tenure-and-Livelihood-Change-Plantation-Development-in-Attapeu-Province-Southern-Laos.pdf">http://rightslinklao.org/wp-content/uploads/downloads/2014/05/3-Land-Concessions-Land-Tenure-and-Livelihood-Change-Plantation-Development-in-Attapeu-Province-Southern-Laos.pdf</a></li> <li>Kenney-Lazar, M. (2015). <i>Authoritarian Resource Governance and Emerging Peasant Resistance in the Context of Sino-Vietnamese</i></li> </ul>	<p>In an attempt to properly regulate the existing mining and tree plantation investment projects, order No 13/PM on ceasing consideration and approval for new investment of mining exploration and survey, rubber and eucalyptus plantations was implemented on 11 June 2012. This moratorium (2012(13/PM)) on consideration and approval for proposed new rubber and eucalyptus plantation projects was extended in December 2015 by a decision of the Prime Minister's cabinet (<i>Vientiane Times</i>, 25 December 2015).</p> <p>The government clarified that the moratorium does not apply to investments in tree plantations by companies operating on a 2+3 system, where farmers provide the labour and the land (often under temporary land use certificates) while the companies supply the saplings, technical assistance and marketing without large land concessions from the government (<i>Vientiane Times</i>, 30 March 2016).</p> <p><b>Description of risk</b></p> <p><i>General</i></p> <p>Despite an extensive regulatory framework on land concessions, the capacity of relevant government agencies to ensure legal compliance are limited, and many critics note that concessions and leases have been granted to investors without adherence to national regulations, and with little regard to customary tenure (Forest Trends, 2012).</p> <p>According to Wellmann (2014), screening of the concession inventory data suggests that currently about 5 million hectares of the Lao PDR are leased or conceded to either domestic or foreign parties. How much of this is plantation concessions is not known.</p> <p>However, the government-supported State Land Leases and Concessions Inventory (Schönweger et al., 2013), considered to be the most comprehensive source on land-based investment in the</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p><i>Tree Plantations, Southeastern Laos</i>. BRICS Initiative for Critical Agrarian Studies Working Paper, No. 1. The Hague: The International Institute for Social Studies.</p> <ul style="list-style-type: none"> <li>Lestrelin G. et al. (2013). <i>The context of REDD+ in the Lao People's Democratic Republic: Drivers, Agents and institutions</i>. [online]. Occasional Paper 92. Bogor, Indonesia: CIFOR. Available at: <a href="http://www.cifor.org/online-library/browse/view-publication/publication/4227.html">http://www.cifor.org/online-library/browse/view-publication/publication/4227.html</a></li> <li>Schönweger, O., Heinemann, A., Epprecht, M., Lu, J., Thalongsechanh, P. (2012). <i>Concessions and Leases in the Lao PDR – Taking Stock of Land Investments</i>. [online]. Geographica Bernensia. Available at: <a href="https://landportal.info/library/resources/concessions-and-leases-lao-pdr">https://landportal.info/library/resources/concessions-and-leases-lao-pdr</a></li> <li>Smirnov D. (2015). <i>Assessment of Scope of Illegal Logging in Laos and</i></li> </ul>	<p>Lao PDR, was able to compile documents for concessions and leases of a total area of only 1.1 million hectares.</p> <p>Schönweger et al. (2012) found that no line agencies, either at the central or provincial levels, had full or sufficiently detailed information on land leases and concessions granted to date. Moreover, where data was available, it was often inaccurate, and the size and location of investment projects – both allocated areas and actual developments – were frequently unknown.</p> <p>Data for each project available at the provincial and district levels was rarely complete, especially with regard to documents related to the project approval process. In some cases, only one type of project document, such as the investment licence, agreement or contract was available, and for some, no documents at all were available or shared. Information about the implementation status and progress of projects (e.g. land clearance, planting, processing and production) was almost never available.</p> <p>Registration of plantations is a legal requirement for all plantation owners (plantations under both concession agreements and temporary land use certificates), but few smallholder plantations have been formally registered. According to Smith (2014), only about 10% of teak smallholder plantations are registered, as most of the growers do not see the benefits of getting plantation registration certificates (regulations are overly complex, with numerous steps and associated costs). There is some evidence that some farmers “borrow plantation certificates” when they sell their timber, to meet this legal requirement (Smith and Phengsopha, 2014).</p> <p>The lack of a monitoring mechanism and on-the-ground regulatory enforcement for land concessions has created an environment in which companies feel free to proceed with development plans, with or without written permission or approval documentation. Furthermore, a lack of transparency in all land-related transactions</p>



Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p><i>Associated Trans-boundary Timber Trade: As Baseline for International Leakage Estimation</i>. [online]. WWF. Available at: <a href="https://wildleaks.org/wp-content/uploads/2016/07/Car-Bi-assessment-of-scope2.pdf">https://wildleaks.org/wp-content/uploads/2016/07/Car-Bi-assessment-of-scope2.pdf</a></p> <ul style="list-style-type: none"> <li>Smith, H. (2014). <i>Legal issues and legality barriers for smallholder plantation owners in Lao PDR</i> [online]. Presentation published by ACIAR. Available at: <a href="http://www.illegal-logging.info/sites/default/files/Hilary%20Smith%20Presentation.pdf">http://www.illegal-logging.info/sites/default/files/Hilary%20Smith%20Presentation.pdf</a> / <a href="http://teaknet.org/download/teaknet2014/Session%20III/conf_1.pdf">http://teaknet.org/download/teaknet2014/Session%20III/conf_1.pdf</a></li> <li>Smith, H. and Phengsopha K. (2014). <i>Enhancing Key Elements of the Value Chain for Plantation Grown Wood in Lao PDR</i>. [online]. Policy Brief on Legal barriers and legality issues for smallholder plantation owners and their wood. July 2014. Available at: <a href="http://rightslinklao.org/wp-content/uploads/downloads/2015/11/Policy_Brief_on_Small">http://rightslinklao.org/wp-content/uploads/downloads/2015/11/Policy_Brief_on_Small</a></li> </ul>	<p>results in situations in which citizens and local communities cannot monitor how well laws and regulations are being implemented.</p> <p>The allocation of large scale land concessions has been a highly controversial issue in Laos over the past decade, so much so that the Government of Laos has already issued several moratoriums on land concessions. Despite the decision to extend a moratorium on the consideration and approval of proposed new large-scale rubber and eucalyptus plantation projects, at the end of January 2016 Oudomxay authorities approved a 30-year land concession on a total area of 420 hectares for a Chinese businessman to plant rubber trees in the Namor district of Oudomxay Province (KPL, 25 January 2016).</p> <p><i>Obtaining concessions through bribes</i></p> <p>Transparency International has ranked Laos 123<sup>rd</sup> of 168 countries in their latest Corruption Perception Index (CPI) report (2016), with score of 30 (which is far below the FSC's "low risk" threshold of 50). Professor Martin Stuart-Fox argues that "...the outlook for reduction of corruption in the Lao PDR is not encouraging, despite the new anti-corruption law. Political patronage is deeply engrained in the political culture of the Lao PDR, and in particular in its political institutions and their functioning" (Stuart-Fox, 2006).</p> <p>According to the report of the Inspection Committee of the Party Central Committee, and the Government Inspection Authority, in 2015 inspection authorities uncovered 50 people involved in illegal cases of corruption: 27 state officials, 18 Lao and foreign business people, and five village authority members.</p> <p>The embedded problem of corruption in state agencies responsible for the management of the land resources sector has been acknowledged by many.</p> <p>According to Forest Trends research (2010), Vietnamese companies usually pay significant "invisible costs" to provincial and</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p><a href="#">holder Plantations in Lao PDR Eng.pdf</a></p> <ul style="list-style-type: none"> <li>Stenhouse R. and Boj� J. (2011). <i>An environmental perspective on hydropower and mining development in the Lao PDR</i>. [online]. Background Paper for Lao PDR Development Report 2010: Natural Resource Management for Sustainable Development. Washington, D.C.: World Bank. Available at: <a href="http://siteresources.worldbank.org/LAOPRDEXTN/Resources/293683-1301084874098/LDR2010_Environment.pdf">http://siteresources.worldbank.org/LAOPRDEXTN/Resources/293683-1301084874098/LDR2010_Environment.pdf</a></li> <li>UNDP (2010). Soicioeconomic Impact Assessment: Stora Enso's Proposed Project Commercial Plantations in Savannakhet and Saravanh Provinces, Lao PDR. Annex 4. Legislation Relevant to Tree Plantations.</li> <li>Stuart-Fox, M. (2006). <i>The Political Culture of Corruption in the Lao PDR / Asian Studies Review</i>. [online]. March 2006, Vol. 30. Available at:</li> </ul>	<p>national authorities to obtain land for the establishment of rubber plantations.</p> <p>Kenney-Lazar (2010) presents a case in which a Vietnamese corporation provided material incentives to certain village leaders and government officials to ensure the successful acquisition of land for the establishment of a rubber plantation.</p> <p><i>Companies begin activities on land before receiving authorisation</i></p> <p>The inventory of state land leases and concessions in Laos (Sch�nweger et al., 2012) documented a number of cases in which companies have begun activities on land before receiving (and sometimes before even requesting) authorisation from the relevant government authority.</p> <p><i>Getting approval of concessions above 100 ha from authorities without proper authorisation</i></p> <p>According to Forest Trends (2014), despite the moratoriums on the granting of new land concessions larger than 100 ha announced by the Prime Minister in May 2007 (PM Announcement No. 743), and further suspension of approvals for all investment proposals for the exploration and survey of a range of mineral ores and rubber and eucalyptus plantations (PMO No. 13) in June 2012, concessions of various sizes continue to be granted in a number of scenarios.</p> <p>A number of provincial reports have provided evidence that some authorities have abused or "misinterpreted" their power and mandates. The inventory of state land leases and concessions in Laos (Sch�nweger et al., 2012) found that in many cases authorities at the provincial or district levels were approving land areas over the limit of their mandate. For instance, authorities of Vientiane and Xayabury provinces approved land concessions for tree plantations of 670 and 300 ha respectively, which exceeds the limits of their authority.</p>

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		<p><a href="http://www.academia.edu/8266641/The_political_culture_of_corruption_in_the_Lao_PDR">http://www.academia.edu/8266641/The_political_culture_of_corruption_in_the_Lao_PDR</a></p> <ul style="list-style-type: none"> <li>• Transparency Internationals Corruption Perception Index 2016. Available at: <a href="https://www.transparency.org/news/feature/corruption_perceptions_index_2016">https://www.transparency.org/news/feature/corruption_perceptions_index_2016</a></li> </ul> <p>Wellmann, D. (2012). <i>The legal framework of state land leases and concessions in the Lao PDR</i>. [online]. Discussion paper developed under the GIZ NU-IRDP contribution to the NUDP as product of the land management component. Available at: <a href="http://www.laolandissues.org/wp-content/uploads/2012/03/Legal-Framework-of-Concessions-in-the-Lao-PDR-Discussion-paper-GIZ-Wellmann.pdf">http://www.laolandissues.org/wp-content/uploads/2012/03/Legal-Framework-of-Concessions-in-the-Lao-PDR-Discussion-paper-GIZ-Wellmann.pdf</a></p>	<p>In order to evade the law and grant such large concession areas at the provincial level, the land was divided into several parcels, and the approvals were made in separate documents.</p> <p><i>Establishment of commercial tree plantations in natural forests</i></p> <p>In numerous cases, plantation concessions have been issued or extended into areas where establishment of commercial tree plantations is not legally allowed. The inventory of state land leases and concessions in Laos (Schönweger et al., 2012) revealed that a considerable share of tree plantation projects granted permission (59,517 ha, or 19%) occur on land categorised as forest. Most of the tree plantation area occurring on land categorised as forest falls within protection forest (42,257 ha). A sizeable amount of tree plantation (10,127 ha) was found within areas categorised as conservation forest.</p> <p>For example, concession areas allocated to several rubber plantations were found to fall inside the Dong Hua Sao National Protected Area in Champasak Province (Schönweger et al., 2012).</p> <p>The government revealed that allocation of rubber plantations contributed to encroachment of 39,000 ha in Phou Phanang and Phou Khao Khoay National Protected Areas in Vientiane and Borikhamxay provinces, and ordered that all encroachment into protected areas cease. The government intended to confiscate illegally planted lands and incorporate them into the protected areas as national property (<i>Vientiane Times</i>, 05 April 2013).</p> <p>Forest Trends research (2010) provides an example of a Vietnamese company applying for land in Attapeu province to establish a rubber plantation for which the primary objective was to get “legal” access to timber harvesting in natural forest. As a result, the company was granted 20,000 ha of forest land, half of which had standing trees of marketable value.</p> <p>Despite legislation that prohibits the clearing of productive natural forest during the process of development of tree plantations, much</p>



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			<p>evidence has been collected recently to prove that a number of concessions have been granted for areas such as dense forest (which means that plantation establishment begins with deforestation).</p> <p>For example, the report on the results of the state land leases and concessions inventory in Laos (Schönweger et al., 2012) presents a case in which a concession for an area of 300 ha, granted to plant rubber trees was predominantly covered by healthy secondary and primary forest. However, land survey report by the District Agriculture and Forestry Office stated that the land consisted solely of fallow forest (left after shifting cultivation, 2-7 years old), in other words, that no trees with economic value existed within the area.</p> <p>Hunt (2014) highlights numerous examples of large scale clearance of dense/rich natural forests in Oji LPFL concessions (pulp wood plantations) conducted by the Government of Laos immediately prior to preparing land for plantations operations.</p> <p>Baird (2014) notes that productive dry dipterocarp forest has been frequently defined as degraded, thus allowing eucalyptus plantation development to occur, even when this has caused serious negative impacts on productive habitats with great livelihood importance for local people who rely on them. According to Hunt (2014), lands designated as degraded commonly include secondary forest, or areas that are part of extensive agro-forestry cropping systems such as rotational (“shifting”) cultivation. Such areas have been shown to have a high degree of biodiversity, and the resources within these forest areas are used by villagers for their livelihood needs.</p> <p>One reason for this is the lack of clear legal definitions of “degraded” and “barren” forest lands, which can be zoned for conversion into planted forests, and what exactly constitutes “degradation” (Lestrelin et. al, 2013; Baird, 2014). Baird (2014) emphasises that “the concept has been left vague and open to interpretation... even while the term has remained [a] powerful determinant of what happens on the ground”. He suggests that vague wording and the lack of clear and</p>

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			<p>consistent definitions gives the state more power to facilitate plantation development, or to prevent it, and to decide either way arbitrarily.</p> <p>Additionally, commercial grade timber harvested in preparation for conversion activities has become a critical source of timber in Laos (Forest Trends, 2014; Smirnov, 2015). Potential revenue from conversion timber is a strong enticement for local authorities to facilitate the development of large land concessions (including rubber and eucalyptus) in forested areas, in contravention of legislative requirements.</p> <p>Baird (2010) points out that when the government allocates concessions for industrial crops, they only give concession holders permission to cultivate land, while logging operations associated with concession lands are usually allocated to other companies that become responsible for removing the marketable trees from “degraded” forest land before an investor clears the remaining vegetation and begins replanting the area. On the other hand, a Forest Trends report (2010) presents examples when logging could be a part of concession deals.</p> <p>In 2010, a Vietnamese corporation reported that it held rights to 300,000m<sup>3</sup> of timber for furniture production, which was “sourced from the reclamation of land from forest for rubber plantation” in Southern Laos (Global Witness, 2013).</p> <p>Much evidence has been collected indicating that concessions acquired for plantations are used as a cover for access to valuable timber resources. Some companies discontinue the projects or transfer the concessions to other companies after extracting all conversion timber, which is extremely profitable but legally questionable (Forest Trends, 2010; 2014). The legal status of this wood remains unclear, and information on the extent, volumes, use, and value of such timber is limited and inconsistent.</p>

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			<p>Furthermore, under cover of clearance of plantations, logging operators often extend the range of their logging operations into the areas surrounding the concession (Schönweger, O. et al., 2012).</p> <p><i>Granting concessions without maps and border demarcations</i></p> <p>Numerous reports provide evidences of the unavailability of maps for granted concessions.</p> <p>As shown by the concession inventory conducted in Vientiane Province in 2008-2009 (CRILNR (NLMA), 2009), the unavailability of maps and even of simple schematics identifying concession borders has been a systematic violation. According to this inventory, only 5% of all active land lease and concession projects (e.g. agriculture, plantation, mining, hydro dams) were able to provide proper maps with boundaries of lease/concession areas (12 of 237), including 3.5% of agriculture projects (4 of 114), which include plantation projects. In 21.9% of cases, representatives' rough hand-drawn maps were available, including 27.2% of agriculture projects (31); it has been noted that these maps often "did not reflect reality".</p> <p>According to Wellmann (2014), screening of the data of the concession inventory suggests that currently about five million hectares of the Lao PDR are leased or conceded to either domestic or foreign parties.</p> <p>However, even the government-supported State Land Leases and Concessions Inventory (Shonweger et al., 2013), considered to be the most comprehensive source on land-based investment in the Lao PDR, was able to spatially reference only 53% of all concessions and leases. Of the 2,642 deals in the inventory, spatially referenced data was available for only 1,258 projects (48% of all projects) covering 587,564 hectares. The inventory also revealed several examples of low quality concession maps. In one case in 2006, a company was granted authorisation for a rubber plantation of 214 ha. At the same time, borders on the map attached</p>

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			<p>to the contract covered an area of 3,411 ha. By the time the inventory was made, the developer had already cleared 345 ha of forest.</p> <p>Kenney-Lazar (2010, 2015) mentions cases of the granting of massive concessions for pulp and rubber plantations in which maps demarcating the extent of the plantation fields were made by the companies after the land had already been cleared.</p> <p>It is not unusual for concession holders to clear land outside of the agreed-upon boundaries (Kenney-Lazar, 2010). Kenney-Lazar (2010) provides an example of a Vietnamese company which acquired more land in Savannakhet province at the local level than allowed within their MOU with the central government while district officials “only complained that the company cleared land outside of the area allocated to them, and did so without notifying the district, only apologizing and making up excuses afterward” (Kenney-Lazar, 2015).</p> <p>Further, analysis of satellite images of areas with some rubber concessions in Attapeu province has revealed large areas of forest cleared beyond the legal boundaries of concessions (Global Witness, 2013).</p> <p><i>Failing to conduct and get approval for social and environmental impact assessment before granting concession</i></p> <p>Numerous researchers provide evidences that companies either conduct required social and environmental impact assessments post-factum – already long after acquiring land concessions – or do not conduct them at all.</p> <p>For instance, according to Kenney-Lazar (2015), a Vietnamese company cleared land in Savannakhet province for the establishment of a eucalyptus plantation before detailed surveys of what land was available had been conducted. Further, companies usually only conduct surveys if there is a conflict with villages concerning the land cleared. Another Vietnamese corporation did not conduct any environment and social impact assessments prior</p>

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			<p>to being granted a concession in Attapeu province for the establishment of a rubber plantation. The required assessments were made after the project had been operational for two years (Kenney-Lazar, 2010).</p> <p><b>Summary</b></p> <p>Concessions in natural forest are not legally allowed. In some cases concessions for tree plantations are allocated inside natural forests under pretext that land are “ degraded” or “barren forest land”. It is hard to validate justification due to lack of definition of “degradation” and maps with borders of “degraded” / “barren” forest lands.</p> <p>Tree plantation concessions:</p> <p>There is a risk of plantation forest concessions being granted in violation of regulations, such as;</p> <ul style="list-style-type: none"> <li>• Concession licences being issued as a result of corruption (bribes)</li> <li>• Licenses being issued without legal authority</li> <li>• Concessions being established without authorisation</li> <li>• Concession licences being issued for areas greater than allowed by law (100 ha)</li> <li>• Forest being cleared for plantation concessions (illegal) <ul style="list-style-type: none"> <li>○ <i>Within conservation forest, or</i></li> <li>○ <i>Established on areas that are not degraded/barren</i></li> </ul> </li> <li>• Concession plantations being established without proper maps/boundaries <ul style="list-style-type: none"> <li>○ <i>Clearing of forest outside concession boundaries</i></li> </ul> </li> </ul>

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			<ul style="list-style-type: none"> <li>• Concessions being established without social and environmental impact assessments</li> </ul> <p>Plantations; Smallholders / farmers,</p> <ul style="list-style-type: none"> <li>• Lack of plantation certificates and use of “borrowed” plantation certificates</li> </ul> <p><b>Risk conclusion</b></p> <p>This indicator has been evaluated as <b>specified risk</b>. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.3 Management and harvesting planning	<p><b>Applicable laws and regulations</b></p> <p><u>General:</u></p> <ul style="list-style-type: none"> <li>• <b>Law No. 06/2007 NA on Forestry, 24 December 2007, Article 49. Available at:</b> <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a>; <a href="http://www.laotradeportal.net/index.php?r=site&amp;display&amp;id=68">http://www.laotradeportal.net/index.php?r=site&amp;display&amp;id=68</a></li> <li>• <b>Order No. 17/2008 PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 22 September 2008, Article 4 on annual logging plan. Available at:</b> <a href="http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf">http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf</a></li> </ul>	<p><b>Government sources</b></p> <ul style="list-style-type: none"> <li>• theredddesk.org (2005). <i>Forestry Strategy to the Year 2020 of the Lao PDR</i>. [online] Ministry of Agriculture and Forestry, Lao PDR. Available at: <a href="http://theredddesk.org/sites/default/files/fs_2020.pdf">http://theredddesk.org/sites/default/files/fs_2020.pdf</a></li> <li>• laolandissues.org (2012). <i>Govt postpones this year’s logging quota</i>. [online]. Vientiane Times, 27 January 2012. Available at: <a href="http://www.laolandissues.org/2012/01/27/govt-postpones-this-years-logging-quota/">http://www.laolandissues.org/2012/01/27/govt-postpones-this-years-logging-quota/</a></li> </ul>	<p><b>Overview of Legal Requirements</b></p> <p><i>General - Annual logging plan:</i></p> <p>According to the Forestry Law (2007) Article 49, the main document allowing logging in natural and plantation forests is the (national) annual logging plan approved by the National Assembly. Approval should be made in July of each year, and the approval of additional quotas is strictly prohibited (Agreement No. 32/PM, 2012 Article 5). An example of government approval of the annual logging quota is Notice No. 135/2013 GO on the Implementation of the Tree Plantation &amp; Forest Regeneration Plan and the Timber Logging and NTFP Harvesting Plan for the Year 2012 ± 2013, 30 January 2013, Article 1 on timber quotas, and associated tables.</p> <p>There are some inconsistencies in the legislation, as areas to be cleared for tree and industrial crop plantations are listed among sources of timber to be included in the annual logging quota (Agreement No. 32/PM 2012, Article 5), while other regulations do not include timber harvesting for conversion of land for</p>

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	<ul style="list-style-type: none"> <li>• <b>Order No. 15/PM On Strengthening Strictness of Timber Harvest Management and Inspection, Timber Transport and Business, 13 May 2016, Article 4 on temporary suspension of logging in production forest. Article 4.1 on requirement to integrate conversion timber into annual harvest plan. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></b></li> <li>• <b>Guideline 0105/ MAF of the Minister of Agriculture and Forestry Concerning Implementation of the Prime Minister's Order No. 17/PM, dated 22/09/2008 on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 07 November 2008, Article 3.</b></li> <li>• <b>Agreement No. 32/PM on Resolution of Forest Conference on Forest Management, Forest Inspection and Wood Business held on 25-26 January 2012, 06 March 2012, Article 5. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></b></li> <li>• <b>Regulation No. 0108/2005 MAF on Forest Inventory, 20 April 2005, Article 12. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></b></li> <li>• <b>Decree No. 111/PM on National Defence Strategic Zone, 24 March 2011.</b></li> </ul> <p>Selective logging:</p>	<ul style="list-style-type: none"> <li>• asianews.network (2016). <i>Lao ministry hopes to reopen forest for logging</i>. [online]. Vientiane Times, 09 May 2016. Available at: <a href="http://www.asianews.network/content/lao-ministry-hopes-reopen-forests-logging-16455">http://www.asianews.network/content/lao-ministry-hopes-reopen-forests-logging-16455</a></li> <li>• Midgley, S. (2006). <i>Position Paper on Tree Plantation Sector Development in Lao PDR</i>. [online]. Forestry Strategy 2020 Implementation Promotion Project. Department of Forestry. Salwood Asia Pacific Pty. Ltd. October 2006. Available at: <a href="http://lad.nafri.org.la/fulltext/1594-0.pdf">http://lad.nafri.org.la/fulltext/1594-0.pdf</a></li> <li>• laolandissues.org (2014). <i>Minister vows to speed up forest surveys, rehabilitation efforts</i>. [online]. Vientiane Times, 5 May 2014. Available at: <a href="http://www.laolandissues.org/2014/05/05/minister-vows-to-speed-up-forest-surveys-rehabilitation-efforts/">http://www.laolandissues.org/2014/05/05/minister-vows-to-speed-up-forest-surveys-rehabilitation-efforts/</a></li> <li>• vientianetimes.org (2016) <i>Nation losing more forests than it gains, minister says</i> [online]. Vientiane Times, 14</li> </ul>	<p>establishment of tree plantations and planting agriculture commodities.</p> <p>The annual logging plan is determined on the basis of a proposal prepared by the Ministry of Agriculture and Forestry, and the proposal itself is prepared on the basis of applications submitted by provincial authorities (Order No. 17/2008 PM Article 4).</p> <p>Provincial and Capital City Agriculture and Forestry Offices summarise annual harvesting plans, which include the results of pre-harvesting inventories in production forest areas and in areas with various development projects (roads, transmission lines, hydropower dam construction, mining, clearance for tree and industrial crop plantations etc.) which have already been approved by the government, in their provinces. These findings are submitted to the Ministry of Agriculture and Forestry (Guideline 0105/MAF 2008, Article 3).</p> <p>After the government and the National Assembly approve the annual logging quota for the country, the Ministry of Agriculture and Forestry issues the national annual logging quota and then designates harvesting volumes for each province based on the proposed harvesting plans for each province.</p> <p>The Department of Forestry of the Ministry of Agriculture and Forestry and the Provincial and Capital City Provincial Forest Offices are the only organisations allowed to conduct any type of forest inventory. In exceptional cases, the Ministry of Agriculture and Forestry can grant other organisations permission to do an inventory, with monitoring of, and certifying by, the Department of Forestry (Regulation No. 0108/2005 MAF, Article 12).</p> <p><i>Selective logging:</i></p> <p>Commercial timber harvesting in natural production forest areas is only permitted where a forest inventory, survey, and forest</p>



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	<ul style="list-style-type: none"> <li>• Law No. 06/2007 NA on Forestry, 24 December 2007, Article 18. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a>; <a href="http://www.laotradeportal.net/index.php?r=site/display&amp;id=68">http://www.laotradeportal.net/index.php?r=site/display&amp;id=68</a></li> <li>• Order No. 31 PM on National Production Forest, 05 November 2013. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/?wpdmc=concessions-and-leases">http://flegtlaos.com/resources/forestry-legality-compendium/?wpdmc=concessions-and-leases</a></li> <li>• Guideline No. 2156/2006 DOF, on Sustainable Production Forest Management Planning, 6 November 2006, Part III on outline of management plan and main principles of planning, Part IV on procedures for approval and Part V on rights and responsibilities. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>• Guideline No. 2157/2006 DOF Guideline on Timber Harvesting in Production Forest, 6 November 2006, Part IV, on harvesting plan and approval. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>• Regulation No. 0108/2005 MAF on Forest Inventory, 20 April 2005, Article 8, 9. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> </ul>	<p>June 2016. Available at: <a href="http://annx.asianews.network/content/laos-loses-more-it-gains-timber-exports-21588?qt-top_contributors=1">http://annx.asianews.network/content/laos-loses-more-it-gains-timber-exports-21588?qt-top_contributors=1</a></p> <ul style="list-style-type: none"> <li>• laolandissues.org (2014). <i>Pilot scheme to eradicate illegal logging</i>. [online]. Vientiane Times, 24 July 2014. Available at: <a href="http://www.laolandissues.org/2014/07/24/pilot-scheme-to-eradicate-illegal-logging/">http://www.laolandissues.org/2014/07/24/pilot-scheme-to-eradicate-illegal-logging/</a></li> <li>• vientianetimes.org (2016). <i>Province, district authorities have no right to approve logging</i>. [online]. Vientiane Times, 14 June 2016. Available at: <a href="https://opendevelopmentmekong.net/news/province-district-authorities-have-no-right-to-approve-logging/#/story=post-1858925&amp;loc=17.9640988,102.6133707,7">https://opendevelopmentmekong.net/news/province-district-authorities-have-no-right-to-approve-logging/#/story=post-1858925&amp;loc=17.9640988,102.6133707,7</a></li> </ul> <p><b>Non-Government sources</b></p> <ul style="list-style-type: none"> <li>• Baird, I. (2010). <i>Quotas, powers, patronage, and illegal rent-seeking. The political economy and the timber trade in southern Laos</i>. [online]. Forest Trends, Washington</li> </ul>	<p>management plan have been conducted and developed, and on the basis of a pre-logging inventory (Forestry Law, 2007, Article 49).</p> <p>The Department of Forestry of the Ministry of Agriculture and Forestry has the overall responsibility for coordinating preparation of management plans in association with relevant sectors and local authorities, as well as for final endorsement of these plans (Guideline No. 2156/2006 DOF Part IV).</p> <p>The template of management plans and general principles of planning, the pre-harvesting inventory, and tree marking are described in Guideline No. 2156/2006 DOF Part III and Regulation No. 0108/2005 MAF, Article 8.</p> <p>The period of validity of the forest management plan corresponds to a 15-20 year cutting cycle, meaning that every 15 or 20 years the management plan must be revised and updated (Regulation No. 0108/2005 MAF Article 9, Guideline No. 2156/2006 DOF Part IV).</p> <p>For harvesting in production forest areas, District Agriculture and Forestry Offices prepare a harvesting plan based on the forest management plan and pre-harvesting inventory report approved by the Department of Forestry.</p> <p>The main requirements of the pre-harvest inventory in production forest areas are listed in Article 18 of the Forestry Law (2007).</p> <p>The pre-harvest inventory shall be conducted in a harvestable compartment one year before a harvest operation, and includes (Regulation No. 0108/2005 Article 8):</p> <ul style="list-style-type: none"> <li>• A 100 % inventory of all species of large trees that have a girth equal to or greater than an allowable girth for harvest defined in the MAF regulation</li> <li>• A listing of tree species assessing stand quality and mapping location of large trees that have been previously listed, and</li> </ul>



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	<ul style="list-style-type: none"> <li>Regulation No. 60/MAF.03, 24 February 2003 on minimum cutting diameters.</li> <li>Order No. 17/2008 PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 22 September 2008, Articles 3 and 5 on the restriction of commercial logging to production forest areas with inventory and management plans, and permission and supervision requirements for harvesting timber in infrastructure development areas, Article 3 on preparation of annual logging quota and logging plan, Article 4 on the requirement for compliance with annual logging quota and government annual logging plan. Available at: <a href="http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20.%20Protect.pdf">http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20.%20Protect.pdf</a></li> <li>Agreement No. 32/PM on Resolution of Forest Conference on Forest Management, Forest Inspection and Wood Business held on 25-26 January 2012, 06 March 2012, Article 2 on termination of debt repayment through allocating logging quota directly to investor and prohibition of granting permits to barter timber with any types of projects, Article 4 on completion of forest management plans for production forest in 2015. Article 10. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> </ul>	<p>D.C., U.S.A. Available at: <a href="http://www.forest-trends.org/documents/files/doc_2421.pdf">http://www.forest-trends.org/documents/files/doc_2421.pdf</a></p> <ul style="list-style-type: none"> <li>Forest Sector Performance Indicators 2014, Review report. Part III. September 2014.</li> <li>Hodgdon, B. (2010) <i>Community Forestry in Laos</i>. [online]. Journal of Sustainable Forestry, 29: 1, 50 —78. Available at: <a href="http://dx.doi.org/10.1080/10549810903463452">http://dx.doi.org/10.1080/10549810903463452</a></li> <li>Jonsson, T. (2006). <i>Control of Timber Production</i>. [online] Technical report. Sustainable Forestry and Rural Development Project – Lao PDR. Available at: <a href="https://pulpinc.files.wordpress.com/2006/10/logginginlaos.pdf">https://pulpinc.files.wordpress.com/2006/10/logginginlaos.pdf</a></li> <li>Moore, C., Ferrand, J. &amp; Khiewvongphachan, X. (2011) <i>Investigation of the Drivers of Deforestation and Forest Degradation in Nam Phui National Protected Area, Lao PDR</i>. [online]. GIZ, Climate Protection through Avoided Deforestation Programme</li> </ul>	<ul style="list-style-type: none"> <li>The designing of skid trails for log extraction, and defining of sites for log landings I and II.</li> </ul> <p>All boundaries of licensed harvesting areas for natural forests shall be clearly demarcated on maps of an appropriate scale, and on the ground. Harvesting plans shall include:</p> <ul style="list-style-type: none"> <li>Topographic map, with scale 1:25,000-1:50,000</li> <li>Forest management map, with scale 1:10,000-1:25,000, and</li> <li>Tree location map, with scale 1:1,000 or 1:2,000</li> </ul> <p>Guideline No. 2155/2006 Part V sets very detailed requirements for the selection of trees to be cut and to leave standing. Part VI describes the tree marking procedure. Results of the Pre-harvest Inventory and Tree Marking are approved by the Provincial Agriculture and Forestry Office (Regulation No. 0108/2005 Article 9).</p> <p><i>Conversion:</i></p> <p>Forest legislation requires precise specification of expected volume and species composition in the annual plan for timber to be harvested in areas of hydropower development, mining, infrastructure construction. This is to be based on the result of the pre-felling survey (Forestry Law, 2007, Article 18; Order No. 17/2008 PM Article 5; Order No. 15/PM, 13 May 2016, Article 4.1).</p> <p><u>Current regulations on management and harvesting planning do not cover harvesting in the course of clearance of an area for mining.</u></p> <p>A special committee consisting of concerned agencies and local authorities is to be established to provide guidance and to supervise the logging in infrastructure development areas (Order No. 17/2008 PM, Article 5).</p> <p>The procedure for forming the supervision committee responsible for management of logging and clearing in areas with hydropower development, and its rights and duties, are described in Regulation</p>

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	<ul style="list-style-type: none"> <li><b>Guideline No. 2155/2006 DOF on Participatory Forest Inventory, 06 November 2006, Articles 3 and 4 on scope and implementation of forest inventory and reporting requirements, Part V on Methods of Pre-harvesting Inventory, Part VI on tree marking and coding, Part VII on post-harvesting assessment. Available at: <a href="http://forestindustries.eu/sites/default/files/userfiles/1file/21.-DOF-Guideline-on-Participatory-Forest-Inventory.pdf">http://forestindustries.eu/sites/default/files/userfiles/1file/21.-DOF-Guideline-on-Participatory-Forest-Inventory.pdf</a></b></li> </ul> <p>Conversion:</p> <ul style="list-style-type: none"> <li><b>Law No. 06/2007 NA on Forestry, 24 December 2007, Article 18. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a>; <a href="http://www.laotradeportal.net/index.php?r=site/display&amp;id=68">http://www.laotradeportal.net/index.php?r=site/display&amp;id=68</a></b></li> <li><b>Order No. 17/2008 PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 22 September 2008, Article 4 on the requirement for compliance with annual logging quota and government annual logging plan, Articles 5 on permission and supervision requirements for harvesting timber in infrastructure development areas. Available at: <a href="http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf">http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf</a></b></li> <li><b>Regulation No. 0108/2005 MAF on Forest Inventory, 20 April 2005, Article 8.3 on general</b></li> </ul>	<p>(CliPAD), Department of Forestry. Available at: <a href="http://theredddesk.org/sites/default/files/resources/pdf/2013/giz-clipad-deforestation-drivers-analysis-nam-phui-npa-lao-pdr.pdf">http://theredddesk.org/sites/default/files/resources/pdf/2013/giz-clipad-deforestation-drivers-analysis-nam-phui-npa-lao-pdr.pdf</a></p> <ul style="list-style-type: none"> <li>Smirnov D. (2015). <i>Assessment of Scope of Illegal Logging in Laos and Associated Trans-boundary Timber Trade: As Baseline for International Leakage Estimation</i>. [online]. WWF. Available at: <a href="https://wildleaks.org/wp-content/uploads/2016/07/Car-Bi-assessment-of-scope2.pdf">https://wildleaks.org/wp-content/uploads/2016/07/Car-Bi-assessment-of-scope2.pdf</a></li> <li>Smith, H. and Phengsopha K. (2014). <i>Enhancing Key Elements of the Value Chain for Plantation Grown Wood in Lao PDR</i>. [online]. Policy Brief on Legal barriers and legality issues for smallholder plantation owners and their wood. July 2014. Available at: <a href="http://rightslinklao.org/wp-content/uploads/downloads/2015/11/Policy_Brief_on_Smallholder_Plantations_in_Lao_PDR_Eng.pdf">http://rightslinklao.org/wp-content/uploads/downloads/2015/11/Policy_Brief_on_Smallholder_Plantations_in_Lao_PDR_Eng.pdf</a></li> </ul>	<p>No. 0112/2008 MAF Article 25 and 27. The supervision committee is mandated to guide the pre-harvesting survey (assessment of timber resources), and to approve the logging plan through the application by the team responsible for field logging management (Article 6 and 27). On the other hand, Regulation No. 0108/MAF 2005 Article 11 assigns inventory of areas with proposed infrastructure construction to the Provincial and Capital City Agriculture and Forestry Offices, thus leading to a contradiction in areas of overlap.</p> <p>According to regulation No. 0108/MAF on 20 April 2005 Article 8.3, pre-harvest inventory within areas with infrastructure projects shall include measurement, coding and stamping of all trees with a diameter at chest height equal to or greater than 10 cm. This measurement is close to Article 18 of the Forestry Law (2007), which requires for surveying prior to infrastructure construction that all tree species with a circumference over 15 cm be marked.</p> <p><u>A detailed regulatory framework exists only for logging in reservoir areas of hydropower dams</u>, although the government has been calling for urgent issuance of additional legislation related to logging in mining areas, hydropower development areas, road alignments, transmission lines and areas to be cleared for tree/industrial crop plantation (Agreement No. 32/PM 2012, Article 10).</p> <p>Pre-harvest survey and logging planning in flooding areas of hydropower dams includes assessment of volume of all tree species with a diameter over 10 cm, marking of selected trees (in case of selective logging), zoning logging and NTFP harvesting areas, mapping of logging and sub-logging areas to a scale of 1:50,000 and 1:10,000, demarcation of logging areas by staking poles, designing of the network of log hauling roads, bridges, log yards, and the surveying of historical and archaeological sites, and of wildlife (Regulation No. 0112/2008 MAF, Articles 2 and 7).</p> <p><i>Tree plantations:</i></p>

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	<p><b>principles of pre-harvest Inventory in areas with infrastructure construction. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></b></p> <ul style="list-style-type: none"> <li><b>Regulation No. 0112/2008 MAF on Logging and Post-Logging Cleaning in the Reservoir Area of a Hydropower Dam, 25 November 2008, Article 2 on definition of logging area, clear cut, selective logging and cleaning, Chapter II, Section 1 on planning, Chapter III, Section 1 on setting up the committee responsible for logging management and reservoir cleaning, Chapter IV, Section 2 on monitoring and evaluation. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></b></li> </ul> <p>Tree plantations:</p> <ul style="list-style-type: none"> <li><b>Law No. 10/NA on the Promotion of Domestic Investment, 22 October 2004, Article 13. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></b></li> <li><b>Regulation No. 196/2000 MAF on Long-term Development and Promotion of Tree Planting, 15 August 2000, Articles 9-11, 14. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></b></li> <li><b>Order No. 17/2008 PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 22 September 2008, Article 7 specifies that MAF is to issue specific rules</b></li> </ul>	<ul style="list-style-type: none"> <li>Tropical Rainforest Programme. (2000). <i>Aspects of forestry management in the Lao PDR</i>. [online]. Amsterdam. Available at: <a href="https://portals.iucn.org/library/node/26100">https://portals.iucn.org/library/node/26100</a></li> <li>Phengsopha, K. (2015). <i>Presentation on Study for Understanding Timber Flows &amp; Control in Khammoune, Sayaboury Provinces</i>. [online]. Vientiane, 7th of April 2015. Available at: <a href="http://www.euflegt.efi.int/documents/10180/23308/Study%20for%20understanding%20timber%20flows%20and%20control%20in%20Lao%20PDR">http://www.euflegt.efi.int/documents/10180/23308/Study%20for%20understanding%20timber%20flows%20and%20control%20in%20Lao%20PDR</a></li> </ul>	<p>Domestic investment enterprises shall operate in accordance with the feasibility study or business plan that was attached to the application for an investment licence (Law on the Promotion of Domestic Investment, 2004, Article 13).</p> <p>Plantation owners are required to undertake all tree plantation activities (production and transport of seedlings, site preparation, planting, protection, maintenance and thinning activities etc.) in compliance with the approved plantation management plan and technical standards of the Ministry of Agriculture and Forestry (Regulation No. 196/2000 MAF, Articles 9-11). Note that it is unclear whether these rules have been elaborated.</p> <p>Harvest of planted trees for commercial purposes by a registered plantation shall be consistent with the plantation management plan (Regulation No. 196/2000 MAF, Article 14), although no technical requirements exist on the preparation of that plan.</p> <p>It is unclear who is responsible for pre-harvest measurements, although there is an expectation that these assessments must be made by the District Agriculture and Forestry Office (Smith and Phengsopha, 2014).</p> <p>A quota system has been developed for natural forests and large scale plantations. While there seems to be a clear protocol that logs from smallholders should be included in the annual logging quota, it is unclear how (or whether) smallholder plantation volumes are actually included, and whether the legality of this timber can be demonstrated subsequently (Smith and Phengsopha, 2014).</p> <p><b>Description of Risk</b></p> <p><i>General - Annual logging plan :</i></p> <p>The annual logging plan is developed on the basis of a proposal prepared by the Department of Forestry of the Ministry of Agriculture and Forestry. The proposal is itself prepared on the basis of</p>

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	<p><b>to manage plantation timber, particularly to survey and register tree plantations by individuals and juridical entities in each locality; to establish regulations on harvesting and the preparation of annual logging plans.</b>  <b>Available at:</b>  <a href="http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf">http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf</a></p> <p><b>Legal authority</b></p> <ul style="list-style-type: none"> <li>• Selective logging: Department of Forestry of the Ministry of Agriculture and Forestry, Provincial Agriculture and Forestry Offices.</li> <li>• Conversion: The supervision committee responsible for logging management, Provincial Agriculture and Forestry Offices.</li> <li>• Tree plantations (smallholding): District offices of Natural Resources and Environment.</li> <li>• Tree plantations (concessions): Ministry of Natural Resources and Environment (MONRE) and Provincial / City Offices of Natural Resources and Environment.</li> </ul> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>• Selective logging: National and provincial annual logging plans/quotas approved by the National Assembly and the Ministry of Agriculture and Forestry, forest management plan for production forest area endorsed by the Department of Forestry of the Ministry of Agriculture and Forestry, pre-harvesting inventory and tree</li> </ul>		<p>applications submitted by provincial authorities. Formally, provincial applications must be based on the actual supply capacity of the forests, a long-term forestry development strategy, and on the amount of wood harvested by necessity of forest clearance for development projects. In practice, however, requests for quota are usually bound up with the financial needs of central and local authorities and demands for raw materials by the various sawmills, furniture makers and other wood processing factories in each province (Baird, 2010; Forest Strategy to the Year 2020 of the Lao PDR, 2005).</p> <p>Minister of Agriculture and Forestry, Dr Lien Thikeyo, describing forestry management in Laos, highlighted that officials have misunderstood the division of responsibility between the central and local levels, and that some village and district authorities approve wood quotas for entrepreneurs despite the fact that it is not their role to do so (Vientiane Times, 14 June 2016).</p> <p>Deputy Minister of Agriculture and Forestry, Mr Thongphat Vongmany, also stressed the point that many local (provincial and district) authorities have violated the Forest Law in the past by granting logging permission for timber not included in the annual logging plan and without having a lawful right (Vientiane Times, 14 June 2016).</p> <p>The WWF's report (Smirnov, 2015) concludes that the legal status of much of the timber harvested in Laos is in doubt because the Government of Laos lacks reliable information on issued logging licenses (quotas). Furthermore, numerous signs have been observed in production forest areas of locals felling and processing logs into sawnwood/planks. This is done without harvesting permits and undermines the Annual logging plan. <i>Selective logging:</i></p> <p>Since the 2011-12 season, the Lao government has not issued national quotas on logging in production forest areas because a forest survey and forest management plan has not been made. The moratorium was articulated in Order No. 31/PM 2013, while for the</p>

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	<p>marking report approved by Provincial Agriculture and Forestry Office.</p> <ul style="list-style-type: none"> <li>• Conversion: National and provincial annual logging plans/quotas approved by the National Assembly and the Ministry of Agriculture and Forestry, logging plan approved by the supervision committee responsible for logging management, or by Provincial Agriculture and Forestry Offices.</li> <li>• Tree plantations (smallholding): National and provincial annual logging plans/quotas approved by the National Assembly and the Ministry of Agriculture and Forestry, approved plantation management plan for registered plantations.</li> <li>• Tree plantations (concessions): Approved plantation management plan.</li> </ul>		<p>first time a decision not to approve annual logging quota in production forest areas was announced by Deputy Prime Minister on January 26, 2012 (Vientiane Times, 27 January 2012).</p> <p>Agreement No. 32/PM 2012, Article 4, called for urgent development of forest management plans for production forest and that these be completed in 2015. The Ministry of Agriculture and Forestry aimed to complete a survey on the remaining areas of production forest which had yet to be surveyed and assessed by 2015 (Vientiane Times, 05 May 2014). However, work was still in progress in the first half of 2016. According to an official from the Forest Department of the Ministry of Agriculture and Forestry, by May 2016 the forest survey was about 50 or 60 percent complete (Vientiane Times, 09 May 2016). Order No. 15/PM on 13 May 2016 reinstated the temporary suspension of logging in production forest, and stressed the necessity of carrying on the development of production forest management plans (Article 4).</p> <p>As the Government of Laos has the opportunity to allow logging in national forests in any given year, the risks in relation to selective logging are described based on the practices of selective logging before the moratorium was in place. Whether the risk specification will be changed if selective logging is allowed depends on whether the legislation is properly implemented.</p> <p>According to the Forest Strategy to the Year 2020 of the Lao PDR (2005), it was reported that occasionally:</p> <ul style="list-style-type: none"> <li>• Management plans for production forest areas are not implemented,</li> <li>• Logging has been undertaken immediately after completion of the management survey, without awaiting the pre-logging survey or tree marking, and</li> <li>• In spite of long-term logging plans, logging rotations and annual coupe areas specified in management plans, logging</li> </ul>



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			<p>actually proceeds predominantly in accessible or well-endowed areas, or focuses on higher value trees.</p> <p>Many researchers have reported that personnel of District Agriculture and Forestry offices responsible for coupe demarcation in accordance with management plans have no relevant experience (for instance, working with maps), lack the necessary equipment and, what is more, important foresters are not incentivised to fulfil these duties. This, combined with their very low salaries, makes it easier for them to participate in corrupt management practices (Hodgdon, 2010).</p> <p>For instance, inspection in an FSC-certified production forest area (Thapangtong districts of Savannaket province) with a valid forest management plan and approved harvesting plans (Jonsson, 2006) revealed that:</p> <ul style="list-style-type: none"> <li>• On all inspected logging sites, no tree was marked as per requirements (simplified marking was done with bad paint and in such a way that it was often impossible to read the numbers), and</li> <li>• Most of the tree maps did not have skid trails marked.</li> </ul> <p><i>Ghost inventories and inaccurate inventory:</i></p> <p>According to Baird (2010), most pre-logging inventory in production forest areas was not actually done at all, let alone according to the stated rules. Instead, officials often conduct “ghost inventories”, while they sit in government offices, or at home.</p> <p>Given that many production forests have already been depleted by predatory logging, forestry officials have fabricated survey data in such a way as to overestimate volumes of particular commercial species. Extra volume of timber is acquired from elsewhere (including national protected areas) and then it is effectively laundered as legal (Baird, 2010).</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>It is a well-known practice that authorities at different levels (national, provincial, district) allocate various kinds of “special” logging quotas in categorised forests over and above the harvestable volumes as per approved management plans in production forest areas and harvesting plans for clearance in areas with development projects. As timber resources are being deprived, this further undermines the inventory and management planning conducted for selective logging. According to Baird (2010), there are various kinds of “special” logging quotas, including: for deadwood, debt repayment, barter-development, military logging, district and village construction etc. The specific terms for many of these logging quotas vary, and the arrangements are often unclear, or at least not transparent to a large number of officials, let alone the general public, and the terms are not included in the management plan (see more about “Special logging quotas” under section 1.4, Harvesting Permits). This practice also violates the Forestry Law, which allows timber harvesting only under the national annual logging plan.</p> <p>All types of “special” quotas are difficult to control. Logging sites are allocated in areas with good forest stands with no regard for basic forestry practices. Allocation of special quotas in production forest areas places an additional burden on timber resources, undermining the expediency of forest management plans and depreciating production forest areas as a future source of commercial timber. In 2012, Agreement No. 32/PM Article 5 required authorities to approve special logging quotas only in the areas of infrastructure development projects, clearance for tree and industrial crop plantation establishment which have already been approved by the government, and with proper management. However, this is often not the case. It is quite likely that residual timber stock in production forest areas has already been significantly diminished compared to the volumes shown in surveys, as in reality timber extraction in production forest areas has continued unabated (Smirnov, 2015).</p> <p><i>Conversion:</i></p>

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			<p>There is evidence that management and planning of logging in areas with development projects fail to comply even with basic requirements of the relevant forestry legislation. The required total measurement of all trees of exploitable diameter is unfeasible under current conditions due to financial and technical restrictions, therefore the survey must be conducted in sampling plots representative of the main forest formations.</p> <p>For road construction, rigorous documentation is typically lacking by the start of construction, and projection of the route after the beginning of construction is common practice. In such conditions it is infeasible to estimate expected volumes and species composition prior to the beginning of the work (Smirnov, 2015).</p> <p>Two detailed case studies on timber harvesting under quotas for road construction and limestone quarry conducted by the WWF (Smirnov, 2015) have revealed the following list of major non-compliances in relation to conversion of the area:</p> <ul style="list-style-type: none"> <li>• There were no maps with correct borders of concessions for what forest land should be converted.</li> <li>• In case of road construction, there were reasons to believe that a pre-felling inventory was not undertaken at all, and that documents included fictitious data (“ghost inventory”).</li> <li>• In case of limestone quarry pre-felling, an inventory was conducted only for a part of the territory, and the survey recorded only trees with a larger diameter (&gt;30 cm) than is required by law, meaning that many trees that should have been measured were not.</li> <li>• This partial pre-felling inventory was completed more than two months after provincial the logging quota had received government approval. Thus, the approved national annual logging plan included only indicative amounts, even though legislation requires provincial authorities to submit applications for approval with precise specification of expected volume and</li> </ul>



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			<p>species composition based on results of pre-felling inventories. Moreover, pre-felling inventory was complete already after logging under this quota commenced.</p> <ul style="list-style-type: none"> <li>• No logging plans were ever made.</li> <li>• Border demarcation was not carried out.</li> </ul> <p>According to the Tropical Rainforest Programme report of 2000, logging of flooding areas is often approved for conversion and starts well before the feasibility of proposed hydropower dams has been assessed. There has been criticism that in some cases dam proposals are nothing more than a front for logging. For instance, logging under the pretext of clearance of the area to be flooded for the Xekong 4 hydropower dam continued after the Lao government announced its decision to close the project due to inaction of the developer, and the commencement of coal mining within the proposed flooding areas (Smirnov, 2015).</p> <p>The WWF report (2000) also questioned the practical necessity of conversion of many hundreds of thousands of hectares of forest for limestone quarrying given that the actual annual rate of expansion of limestone quarries was less than ten hectares (Smirnov, 2015).</p> <p>In an interview with local mass media in June 2014, the Deputy Minister of Industry and Commerce, Mr. Bounmy Manivong, recognised the existence of loopholes which allow companies to legalise timber from unauthorised sources under the cover of conversion timber harvested during land clearance (mining, road and electricity grid construction projects, flooded water catchment areas with planned hydropower dam project constructions). The Deputy Director General of the Ministry of Agriculture and Forestry's Forest Inspection Department, Mr Paphakon Vongxay, gave examples of cases in which some companies that were involved in road construction began cutting down trees in an area larger than that which was necessary for the road (Vientiane Times, 24 July</p>

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			<p>2014). Usually a permit is issued, but these permits are issued based on ghost inventories.</p> <p>For geological prospecting and exploration concessions, which usually cover vast areas, a lack of specific regulations on management and harvesting planning creates especially favourable opportunities for illegal logging. It is unclear whether reduction of timber stands resulting from logging in the course of land clearance for development projects is recorded and reflected in forest management plans with subsequent recalculation of annual allowable cut in cases where areas with development projects fall inside production forest areas. Otherwise, this unrecorded additional burden on timber resources undermines the principle of sustainability which underlies the forest management plans.</p> <p><i>Tree plantations:</i></p> <p>Regulations require plantation owners to undertake all operations (production and transport of seedlings, site preparation, planting, protection, maintenance and thinning activities, harvest of planted trees for commercial purposes etc.) in compliance with approved plantation management plans and the technical standards of the Ministry of Agriculture and Forestry (Regulation No. 196/2000 MAF, Articles 9-11, 14). However, these rules are not yet promulgated and often management plans are not developed for plantations.</p> <p>In the absence of plantation management plans, evidence suggests that plantations are inadequately managed – silviculture practices, such as thinning, pruning and weeding, do not occur as required (Smith and Phengsopha, 2014).</p> <p><b>Summary</b></p> <p>It can be stated that the annual logging quota is based on inadequate inventory and requests from districts, leading to approvals for logging not reflecting the resources available on the ground. This picture is further distorted by “special logging quotas”</p>

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			<p>that are issued without taking the annual logging quotas into consideration.</p> <p>The risk is as follows:</p> <p>For all timber sources:</p> <ul style="list-style-type: none"> <li>• Wood quotas approved by officials without legal authority</li> <li>• Lack of inventory survey, or documents which include fictitious data (“ghost inventory”)</li> <li>• Lack of, or delay in, logging/management plans</li> <li>• Lack of border demarcation</li> </ul> <p>For selective logging:</p> <ul style="list-style-type: none"> <li>• Lack of tree marking, or marking not done according to requirements (bad paint/unclear marking)</li> </ul> <p>For conversion:</p> <ul style="list-style-type: none"> <li>• Logging in areas with development projects fails to comply with basic requirements of relevant forest legislation</li> <li>• Maps with no or incorrect borders of concessions for what forest land should be converted</li> <li>• Conversion for road construction: lack of documentation by the start of construction, and projection of the route done after construction has begun</li> </ul> <p>Based on these issues, the risk is considered specified.</p> <p><b>Risk Conclusion</b></p> <p>This indicator has been evaluated as <b>specified risk</b>. Threshold (2) is met: Identified laws are not upheld consistently by all entities</p>

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			and/or are often ignored, and/or are not enforced by relevant authorities.
1.4 Harvesting permits	<p><b>Applicable laws and regulations</b></p> <p><u>General:</u></p> <ul style="list-style-type: none"> <li>Decision No. 0080/2012 MAF on Procedures for Importation, Management and Utilization of Chainsaw (Wood-Cutting Machine), 19 June 2012, Article 4, on requirement for import license, Article 8 on registration and article 9 on notification of use. Available at: <a href="http://www.laotradeportal.gov.la/index.php?r=site/display&amp;id=295">http://www.laotradeportal.gov.la/index.php?r=site/display&amp;id=295</a></li> <li>Notification No. 1440 / MOIC.DIMEX on Management of wood transport vehicle, wood extraction machinery, and wood processing machinery, 08 September 2008.</li> <li>Order No. 15/PM On Strengthening Strictness of Timber Harvest Management and Inspection, Timber Transport and Business, 13 May 2016, Article 4.3. on prohibition for project developers or construction contractors to carry out logging in the infrastructure development projects and prohibition to carry out the direct trade or exchange of timber with the infrastructure development projects, Article 9 on establishment of state logging units. Available at: <a href="http://www.laotradeportal.gov.la/index.php?r=site/display&amp;id=1013">http://www.laotradeportal.gov.la/index.php?r=site/display&amp;id=1013</a> (in Lao)</li> </ul> <p><u>Conversion:</u></p> <ul style="list-style-type: none"> <li>Order No. 17/2008 PM on Strengthening the Forest Management, Protection and Coordination</li> </ul>	<p><b>Government sources</b></p> <ul style="list-style-type: none"> <li>opendevelopmentmekong.net (2015). <i>35 percent of budget for debt repayment</i> [online]. Vientiane Times, October 28, 2015. Available at: <a href="https://opendevelopmentmekong.net/news/35-percent-of-lao-budget-for-debt-repayment/#!/story=post-917995&amp;loc=17.9640988,102.6133707,7">https://opendevelopmentmekong.net/news/35-percent-of-lao-budget-for-debt-repayment/#!/story=post-917995&amp;loc=17.9640988,102.6133707,7</a></li> <li>laolandissues.org (2012). <i>Govt postpones this year's logging quota</i>. [online]. Vientiane Times, 27 January 2012. Available at: <a href="http://www.laolandissues.org/2012/01/27/govt-postpones-this-years-logging-quota/">http://www.laolandissues.org/2012/01/27/govt-postpones-this-years-logging-quota/</a></li> <li>laolandissues.org (2013). <i>Govt halts private involvement in office project</i>. [2013]. Vientiane Times, 17 Sep 2013. Available at: <a href="http://www.laolandissues.org/2013/09/17/government-halts-private-involvement-in-office-project/">http://www.laolandissues.org/2013/09/17/government-halts-private-involvement-in-office-project/</a></li> </ul>	<p><b>Overview of Legal Requirements</b></p> <p>Logging permits are issued on the grounds, and upon receipt, of an approved forest plan (quota) and harvesting plan. The equipment used by logging companies (chainsaws, timber trucks, wood extraction machinery etc.) must be licensed.</p> <p><i>Selective logging:</i></p> <p>The issue of logging quotas in production forest areas is temporarily suspended (as of mid-2016). The government can lift this suspension for any given logging season.</p> <p>As legally required, the Provincial Agriculture and Forestry Offices and District Agriculture and Forestry Offices are to organise and monitor selective logging operations in production forest areas according to forest management plans and the annual logging plan. There are two fundamental documents that allow logging operations: a signed logging contract between Provincial Agriculture and Forestry Offices and the operator (comprised of duty, responsibility and instructions that logging contractors need to strictly follow), and a logging permit (Guideline No. 2157/2006 DOF).</p> <p>On a formal level, timber harvesting in production forest areas (including logging and hauling logs to log landing II) shall be conducted by “using 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 (Articles 49 and 55 of Law No. 06/2007 NA on Forestry) with the participation of affected villagers (Agreement No. 32/PM, 2012, Article 5).</p> <p>The necessity, and development, of specialised organisations and institutions to realise “complex forestry activity (including logging,</p>

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	<p>of Forest Management and Forestry Business, 22 September 2008, Article 5.2. Available at: <a href="http://www.prf Laos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf">http://www.prf Laos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf</a></p> <ul style="list-style-type: none"> <li>Regulation 112/2008 MAF Regarding the Logging and Post-Logging Cleaning in the Reservoir Area of a Hydropower Dam, 25 November 2008, Chapter III Section 1 on setting up committee for logging management and reservoir cleaning (incl. Article 27 on issuing logging permit). Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>Agreement No. 32/PM on Resolution of Forest Conference on Forest Management, Forest Inspection and Wood Business held on 25-26 January 2012, 06 March 2012, Article 5 on awarding contracts on logging. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> </ul> <p><u>Selective logging:</u></p> <ul style="list-style-type: none"> <li>Law No. 06/2007 NA on Forestry, 24 December 2007, Articles 49, 55. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a>; <a href="http://www.laotradeportal.net/index.php?r=site/display&amp;id=68">http://www.laotradeportal.net/index.php?r=site/display&amp;id=68</a></li> <li>Order No. 17/2008 PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 22 September 2008, Article 10 on promoting and investment in logging organizations/units.</li> </ul>	<ul style="list-style-type: none"> <li>laolandissues.org (2015). <i>Log export prohibition to benefit furniture entrepreneurs</i>. [online]. Vientiane Times, 21 September 2015. Available at: <a href="http://www.laolandissues.org/2015/09/21/log-export-prohibition-to-benefit-furniture-entrepreneurs/">http://www.laolandissues.org/2015/09/21/log-export-prohibition-to-benefit-furniture-entrepreneurs/</a></li> <li>Ministry to set up logging units / Vientiane Times, 16 June 2016</li> <li>vientianetimes.org (2016). <i>Province, district authorities have no right to approve logging</i>. [online]. Vientiane Times, 14 June 2016. Available at: <a href="https://opendevelopmentmekong.net/news/province-district-authorities-have-no-right-to-approve-logging/#!/story=post-1858925&amp;loc=17.9640988,102.6133707,7">https://opendevelopmentmekong.net/news/province-district-authorities-have-no-right-to-approve-logging/#!/story=post-1858925&amp;loc=17.9640988,102.6133707,7</a></li> </ul> <p><b>Non-Government sources</b></p> <ul style="list-style-type: none"> <li>Baird, I. (2010). <i>Quotas, powers, patronage, and illegal rent-seeking. The political economy and the timber trade in southern Laos</i>. [online]. Forest Trends, Washington</li> </ul>	<p>tree planting, protection and rehabilitation) on [a] continuous and professional basis is under management responsibility of local authorities and related line agencies” is stressed in Order No. 17/2008 PM, Article 10. Prime Ministerial Order No 15 assigned the Ministry of Agriculture and Forestry to collaborate with local authorities on the establishment of logging units(state owned logging enterprises) to regularly conduct timber harvest in conjunction with carrying out forest protection, and preservation activities under the supervision of the local authorities and relevant sectors (Article 9). Further details on logging units are specified in Agreement No. 0182/2009 MAF on the Establishment and Management of Timber Harvest Units and Enterprises.</p> <p>In reality, it is common practice for Provincial Agriculture and Forestry Offices to contract private companies for specific logging operations. Contracting private companies for logging is in contradiction to Prime Ministerial Order No 15.</p> <p>All approved logging must be within production forest area boundaries and subject to management plans; activities not included in the management plan, or otherwise in violation of Forestry Law and its implementing regulations, are prohibited.</p> <p><i>Conversion:</i></p> <p>Permission for wood extraction under development projects (logging contracts and logging permits) is granted by specially appointed supervision and management committees, or by “a specific taskforce to be responsible for the management” (Order No. 17/2008 PM Articles 5.2; Regulation 112/2008 MAF Article 27). Contracts on logging in areas with infrastructure development, mining, tree and industrial crop plantations shall be awarded through bidding to companies which meet technical and capacity requirements (Agreement No. 32/PM, 2012, Article 5). Article 4.3 states that it is prohibited “for project developers or construction contractors to carry out logging in infrastructure development projects and .... [on]</p>

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	<p>Available at:  <a href="http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf">http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf</a></p> <ul style="list-style-type: none"> <li>Agreement No. 0182/2009 MAF on the Establishment and Management of Timber Harvest Units and Enterprises, 23 February 2009, Articles 3, 4, 5, 6, and 7 on timber harvesting units, and Articles 13, 14, 15, 16, and 17 on timber harvesting enterprises. Available at:  <a href="http://flegtlaos.com/resources/forestry-legality-compedium/">http://flegtlaos.com/resources/forestry-legality-compedium/</a></li> <li>Agreement No. 32/PM on Resolution of Forest Conference on Forest Management, Forest Inspection and Wood Business held on 25-26 January 2012, 06 March 2012, Article 5 on awarding contracts on logging. Available at:  <a href="http://flegtlaos.com/resources/forestry-legality-compedium/">http://flegtlaos.com/resources/forestry-legality-compedium/</a></li> <li>Guideline No. 2157/2006 DOF Guideline on Timber Harvesting in Production Forest, 6 November 2006, Part IV on contents of harvesting plans, Part V on harvesting plan approval procedure, quota allocation and logging permit, Part X, on silvicultural system and operations, log marking requirements, documentation requirements and documentation requirements and Part XIII on restrictions. Available at:  <a href="http://flegtlaos.com/resources/forestry-legality-compedium/">http://flegtlaos.com/resources/forestry-legality-compedium/</a></li> </ul> <p><u>Tree plantations:</u></p>	<p>D.C., U.S.A. Available at:  <a href="http://www.forest-trends.org/documents/files/doc_2421.pdf">http://www.forest-trends.org/documents/files/doc_2421.pdf</a></p> <ul style="list-style-type: none"> <li>Jonsson, T. (2006). <i>Control of Timber Production</i>. [online] Technical report. Sustainable Forestry and Rural Development Project – Lao PDR. Available at:  <a href="https://pulpinc.files.wordpress.com/2006/10/logginginlaos.pdf">https://pulpinc.files.wordpress.com/2006/10/logginginlaos.pdf</a></li> <li>Smirnov D. (2015). <i>Assessment of Scope of Illegal Logging in Laos and Associated Trans-boundary Timber Trade: As Baseline for International Leakage Estimation</i>. [online]. WWF. Available at:  <a href="https://wildleaks.org/wp-content/uploads/2016/07/Car-Bi-assessment-of-scope2.pdf">https://wildleaks.org/wp-content/uploads/2016/07/Car-Bi-assessment-of-scope2.pdf</a></li> <li>Smith, H. and Phengsopha K. (2014). <i>Enhancing Key Elements of the Value Chain for Plantation Grown Wood in Lao PDR</i>. [online]. Policy Brief on Legal barriers and legality issues for smallholder plantation owners and their wood. July 2014. Available at:</li> </ul>	<p>carry[ing] out the direct trade or exchange of timber with infrastructure development projects.”</p> <p><i>Tree plantations:</i></p> <p>Harvest of timber in a commercial tree plantation shall comply with that plantation’s management plan and be approved by a permit issued by the District Agriculture and Forestry Office (Regulation No. 196/2000 MAF Article 14), which shall report to the Provincial Agriculture and Forestry Office on the permits issued. On the other hand, Forestry Law (2007) Article 48 requires a permit to be obtained for felling of planted trees for commercial use from Provincial or Vientiane Capital Agriculture and Forestry Offices via a request to the relevant District Agriculture and Forestry Office. In the process of issuing harvesting permits for tree plantation, there is no difference between harvesting by smallholders for commercial use and large scale industrial concessions.</p> <p>“<i>Special logging quotas</i>”:</p> <p>There is no legislation covering permits for special logging quotas.</p> <p><b>Description of Risk</b></p> <p><i>Natural forest (Selective logging and conversion):</i></p> <p>Formally, logging/timber harvesting in natural forests is separated from sales turnover of timber, since harvested timber is considered to be state property that must be sold via auction or by means of negotiation. Consequently, an operator/contractor (state logging unit or logging company) provides a logging service which is paid for by state agencies.</p> <p>However, due to the absence of state logging capacity and funds to pay for logging services, in practice logging contracts are given to a company that is interested in the acquisition of the entire timber harvest or of its share. Payment for logging is by barter, i.e. the fee</p>



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	<ul style="list-style-type: none"> <li>Law No. 06/2007 NA on Forestry, 24 December 2007, Articles 48. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a>; <a href="http://www.laotradeportal.net/index.php?r=site/display&amp;id=68">http://www.laotradeportal.net/index.php?r=site/display&amp;id=68</a></li> <li>Regulation No. 196/2000 MAF on Long-term Development and Promotion of Tree Planting, 15 August 2000, Article 14. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a>; <a href="http://www.laotradeportal.net/index.php?r=site/display&amp;id=68">http://www.laotradeportal.net/index.php?r=site/display&amp;id=68</a></li> </ul> <p><b>Legal authority</b></p> <ul style="list-style-type: none"> <li>Selective logging: Provincial Agriculture and Forestry Offices.</li> <li>Conversion: Supervision committee responsible for logging management comprised of various relevant agencies as well as local authorities or specific taskforce.</li> <li>Tree plantations: District offices of Agriculture and Forestry.</li> </ul> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>Selective logging: Logging contract on logging in production forest areas between Provincial Agriculture and Forestry Offices and operator and logging permit.</li> </ul>	<p><a href="http://rightslinklao.org/wp-content/uploads/downloads/2015/11/Policy_Brief_on_Smallholder_Plantations_in_Lao_PDR_Eng.pdf">http://rightslinklao.org/wp-content/uploads/downloads/2015/11/Policy_Brief_on_Smallholder_Plantations_in_Lao_PDR_Eng.pdf</a></p>	<p>for logging services is taken from the money (royalties) paid by the company to the government for harvested timber.</p> <p>Timber is usually sold at the lowest price, which is many times lower than the market price. Besides this, in practice, logging companies and responsible state agencies view logging permits as permission to harvest some specific volume of timber, while other logging specifications, such as timber line, species composition etc., based on pre-felling inventory, are disregarded (Smirnov, 2015).</p> <p>Given these conditions, companies are generally willing to pay substantial amounts of money in the form of bribes to relevant forestry authorities at the provincial or district level in order to gain logging permits (Baird, 2010).</p> <p>The Ministry of Agriculture and Forestry has also admitted that some provincial and local authorities fail to enforce legally required timber harvesting regulations and certification and stamping procedures, and that a lack of coordination and enforcement is providing room for some companies to carry out illegal logging, which is facilitated by some officials exploiting loopholes in the permit issuing system (Vientiane Times, 27 January 2012). Laos' government-controlled media acknowledges that some government authorities are conspiring with timber businesses by forging documents to enable illegal logging (Vientiane Times, 21 September 2015).</p> <p>Deputy Director General of Forestry Department of the Ministry of Agriculture and Forestry, Mr. Bualy Phameuang, has stressed that currently relevant government officials have not been involved in logging conducted by project developers (companies), and that consequently huge numbers of trees in various projects have been felled illegally outside areas approved by the government, including areas where expensive trees are available (Vientiane Times, 16 June 2016).</p> <p>In light of this issue, Prime Minister Thongloun Sisoulith, on 13 May 2016, issued Prime Ministerial Order No. 15, prohibiting project</p>



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	<ul style="list-style-type: none"> <li>• Conversion: Logging contract on logging in areas with infrastructure development, mining, tree and industrial crop plantations between specially appointed committee responsible for logging management and operator, as well as logging permit issued by the supervision committee.</li> <li>• Tree plantations (smallholding): Approval of District office of Agriculture and Forestry or by Provincial or Vientiane Capital Agriculture and Forestry Offices via a request to District Agriculture and Forestry Offices.</li> <li>• Tree plantations (concessions): Approval of District office of Agriculture and Forestry or by Provincial or Vientiane Capital Agriculture and Forestry Offices via a request to District Agriculture and Forestry Offices for registered plantations.</li> </ul>		<p>developers or construction contractors from carrying out logging in infrastructure development projects (Article 4.3) as this must be done by the state officials in charge.</p> <p>Deputy Minister of Agriculture and Forestry Mr Thongphat Vongmany recently pointed out that the Forest Law allows only the state officials in charge to carry out the logging and sale of lumber through a bidding process (Vientiane Times, 14 June 2016).</p> <p>However, according to the Deputy Director General of the Forestry Department of the Ministry of Agriculture and Forestry, Mr Bualy Phameuang, at the moment, logging units have only been reported in Savannakhet province; logging units in other provinces are expected to be initiated next year. "If the establishment of the units is not initially possible in all provinces, we can begin with some four or five provinces in the early stage," he said (Vientiane Times, 16 June 2016).</p> <p><i>Conversion:</i></p> <p>Regardless of 2012 Agreement No. 32/PM Article 2, which prohibits granting permits to barter timber for any type of public projects (construction of roads or public buildings), logging permits for harvesting conversion timber can be granted to the construction company responsible for upfront investment from its own resources against debt obligations to the authorities which have contracted the project. In such cases, debt obligations are considered by the contractor and controlling agencies to be an indulgence, which allows the contractor to violate the law and to harvest illegal timber as a debt service payment (Smirnov, 2015).</p> <p>There is evidence that the cost of public construction is overestimated through "behaviourism" agreements between government officials and contractors. For instance, before making debt payments to contractors in 2016, the government ordered that an inspection be carried out "of those state investment projects [of] which implementation was completed if the investment cost was</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>reasonable, before disbursing the money” (Vientiane Times, October 28, 2015).</p> <p>In recent years, the government, being concerned with the scale of the debenture situation, has been trying to limit the number of public work contracts which are not attached to funds set aside in the budget (Vientiane Times, 17 Sep 2013; Vientiane Times, October 28, 2015).</p> <p>Prime Ministerial Order No 15, issued on 13 of May 2016, reinstated the prohibition on carrying out the direct trade or exchange of timber with infrastructure development projects (Article 4.3).</p> <p>Permits for forest conversion are issued under illegal conditions when mining concessions are granted in conservation and protection forests, in apparent contradiction to the Law on Mining (1997) Article 16, which prohibits mining (prospecting, exploration, extraction) in “protected forest areas”. Analysis conducted by Stenhouse R. and Bojö J. (2011) has revealed three mineral exploration concessions and numerous general survey concessions within national protected areas (including petroleum exploration concessions in six national protected areas). According to their estimates, up to 5% of the national protected areas is under some kind of mining concession, and up to 2.4 percent of the NPA system may become exploited for mining. The inventory of state land leases and concessions in Laos (Schönweger et al., 2012) found around 80,000 ha of mineral extraction concessions within conservation and protection forests.</p> <p>In another case, a map for a clearance area of 1,172 ha was mistakenly attached to a contract which many times exceeded the size of an area granted for coffee plantation clearance (150 ha). In this case, the company made use of this “mistake” and cleared an area much larger than had been approved.</p> <p><i>Selective logging:</i></p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>Jonsson (2006) noticed the lack of a standardised format and content for logging contracts specifying the key elements of the services to be provided, and references to guiding documents. Inspection of logging sites in the Don Situang production forest area has demonstrated that required documents (including maps, logging plans etc.) were scattered, and elements were missing (Jonsson, 2006). Permits were issued despite this lack of documents, which reflects a general problem at the national level, and constitutes a violation of the law.</p> <p><i>Special logging quotas:</i></p> <p><u>A number of different forms of quotas have been and are still being issued. There is a lack of a clear legal basis for the issuing of “selective logging” quotas.</u></p> <p><u>Deadwood quotas</u> usually do not specify locations for cutting (and sometimes do not specify quantity), and no tracking system exists to identify the origin of deadwood. These quotas, which can be for volumes of dozens of thousands of cubic metres, have been used to illegally cut healthy trees in any category of forest, including production forest areas (Jonsson, 2006).</p> <p>For instance, inspection of log yards with timber harvested under deadwood quotas in the Don Situang production forest area, under a valid forest management plan and harvesting plans which have been formally approved in line with prescribed official procedures, has shown that at least one third of the timber cut was fresh (Jonsson, 2006). Besides this, harvesting of “deadwood” at sites with recent selective logging causes additional damage to remaining trees. Baird (2010) reports a case in which Champassak province authorities issued a deadwood quota for cutting unspecified quantity of Siamese rosewood (<i>Dalbergia cochinchinensis</i>), a species officially listed as prohibited for harvesting.</p> <p>The Government of Laos acknowledges serious problems with deadwood logging quotas in general, but especially in relation to</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>conservation forests (National Protected Areas). Despite the lack of legal foundation, the practice was recognised and, since 2008, sites for logging deadwood are required to be located and identified, although verification remains a problem (Baird, 2010).</p> <p>Minister of Agriculture and Forestry Dr Lien Thikeo pointed the finger at permission to collect dead or poisoned trees as one of the reasons for illegal logging: "...this process has never ended as people continue to poison the trees and use that as an excuse to cut them from the forests" (Vientiane Times, 14 June 2016).</p> <p><u>Debt-repayment logging quotas</u> are designed to facilitate debt repayment to foreign countries, especially former or present-day socialist allies. The government of Laos issues these quotas to large logging and wood processing companies, and profits from selling wood products (after the company takes its cut) are paid to lending countries (Baird, 2010). Usually, no information on the origin and conditions of the debts is publicly available, and no such quotas are mentioned in available documentation. One of the concerns associated with debt-repayment quotas is that, allegedly, there is no restriction on the source of the timber, and contractors can cut virtually wherever they choose (Tropical Rainforest Programme, 2000). In 2012, Agreement No. 32/PM Article 2 called for termination of debt repayment by allocating logging quotas directly to investors, but the practice has not been entirely prohibited, leaving room for debts to be settled through timber transactions "in cases of necessity". In 2012, trucks were observed on the Lao-Thai border with timber harvested for repayment of a debt to Russia (author's personal experience).</p> <p><u>Barter-development logging quotas</u> involve timber being traded for investment in public projects, such as the building of infrastructure, especially public buildings and roads (Forestry Strategy to the Year 2020 of the Lao PDR, 2005).</p> <p>For instance, provincial logging quotas in Attapeu and Champassak provinces for the 2011-12 logging season allocated timber to a</p>

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			<p>Vietnamese corporation (supposedly, for the construction of the 25th Southeast Asian Games athletes' village in Vientiane), and for construction of road #14C correspondingly (Smirnov, 2015). According to a report of the Tropical Rainforest Programme (2000), this system has the unfortunate result that contractors are motivated to carry out construction at the lowest possible cost while extracting the maximum possible value of timber from forests. In 2012, Agreement No. 32/PM Article 2 prohibited the granting of permits to barter for timber with any type of projects.</p> <p>Despite being prohibited, the practice of bartering logging quotas in exchange for investment in public projects is still used by local authorities. Deputy Minister of Agriculture and Forestry Mr Thongphat Vongmany stressed that most of the logging illegally approved by local authorities was in exchange for infrastructure development projects, including road construction in which the exchanged trees were used to finance construction. Such schemes were reportedly making use of a loophole for massive illegal loggings (Vientiane Times, 14 June 2016). In light of the issue, Prime Minister Thongloun Sisoulith, on 13 May 2016, issued Prime Ministerial Order No. 15, prohibiting all state bodies from exchanging wood with development projects. It is currently not possible to assess whether this new Order will be effectively implemented and enforced.</p> <p><u>Military logging quotas</u> can be granted to military companies within their areas of interest (including the so-called "National Defence Strategic Zone" defined in Decree No. 111/PM 2011) to obtain wood for construction projects, or to raise money for various activities related to military infrastructure development (Baird, 2010). Logging operations of these companies are claimed to be outside the jurisdiction of the Ministry of Agriculture and Forestry, and information about their activities, including the volumes of timber harvested and where and how their products are marketed, is confidential (Moore et al., 2011; Tropical Rainforest Programme report, 2000).</p>

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			<p><u>District and village construction quotas</u> are granted for communal constructions (village offices, meeting halls, schools, health centres, etc.) by approval of the district or municipal administrations on the recommendation of the District or Municipal Agriculture and Forestry Offices. Article 40 of the Forestry Law (2007) stipulates that timber under these quotas is to be harvested only from village-use forests, and that these quotas are supposed to be approved by the central government as part of the provincial or capital city annual logging plan (quota). Besides district and village construction quotas, villagers are entitled to harvest non-prohibited timber species in village-use forests for building and repairing their own house with the approval of the village administration and permission from the District or Municipal Agriculture and Forestry Offices (Forestry Law 2007, Article 41). Due to a lack of village forest management plans formulated and implemented by villagers, almost all villagers make extensive use of nearby forests regardless of the classification and rules on use (Forestry Strategy to the Year 2020 of the Lao PDR, 2005). While officially not a source of commercial timber, this timber often enters the commercial timber chain and causes deterioration of commercial timber resources.</p> <p><u>Extra provincial quotas</u> are designated to specific sawmills which are reported to be directly involved in operations over and above the harvestable volumes as approved in the harvesting plan under valid forest management plans. Inspection in an FSC-certified production forest area has shown that trees under these quotas were cut wherever loggers found attractive commercial timber, and that this included harvesting blocks allocated according to approved harvesting plans, thus imposing extra burden on available timber stands (Jonsson, 2006). Such quotas include permission for removal of logs “left over from earlier years’ operations” from log yards. In practice, this permission is often used by loggers as a pretext to enter forests in order to harvest extra-timber (Jonsson, 2006).</p> <p><i>Tree plantations:</i></p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>Legislation sets conflicting requirements as to which agencies are responsible for granting permits to log plantation timber for commercial purposes (Provincial or Vientiane Capital Agriculture and Forestry Offices or District Agriculture and Forestry Offices).</p> <p>It is evident that the majority of smallholder plantations do not have registration and plantation management plans (see 1.3). This makes it impossible to get a legal permit for timber harvesting in accordance with the law. Many of the regulations for harvesting applied to plantations have been developed for natural forests, and large-scale plantations are overly complex, costly, and inappropriate to the scale of plantings when applied to smallholder plantations. There is evidence that some farmers “borrow plantation certificates” when they sell their timber in order to meet this legal requirement (Smith and Phengsopha, 2014).</p> <p><b>Summary</b></p> <p>Selective logging and conversion timber:</p> <ul style="list-style-type: none"> <li>• Bribes used to obtain logging permits (corruption)</li> <li>• Lack of certification and stamping procedures</li> <li>• Governmental authorities involved in forging of documents</li> <li>• Harvesting outside areas approved by government</li> </ul> <p>Conversion:</p> <ul style="list-style-type: none"> <li>• Conversion of areas within conservation/protection forests or development projects</li> <li>• Clearance of areas greater than areas granted for development projects</li> </ul> <p>Selective logging:</p> <ul style="list-style-type: none"> <li>• Permits issued despite lack of documentation</li> </ul>



Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>Special logging quotas:</p> <ul style="list-style-type: none"> <li>Permits issued despite lack of legal basis to issue Special Logging Permits</li> </ul> <p>Tree plantations:</p> <ul style="list-style-type: none"> <li>Permits issued without required registration and management plans</li> <li>Farmers do not have Plantation Certificates, but instead borrow them when required</li> </ul> <p><b>Risk Conclusion</b></p> <p>This indicator has been evaluated as <b>specified risk</b>. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
<b>Taxes and fees</b>			
1.5 Payment of royalties and harvesting fees	<p><b>Applicable laws and regulations</b></p> <p><u>Conversion, selective logging:</u></p> <ul style="list-style-type: none"> <li>Decree No. 001/2012 PRO on Sharing of Revenue from Timber Harvests in Production Forest Areas, 31 December 2012, Articles 2 and 3 on the definition of timber revenue and scope of applications, and Articles 4 and 5 on the division of revenue. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>Guideline No. 0092/2009 MoF for the Managing the Collection of Revenue from the Sale of Timber and NTFPs, 13 January 2009, Articles 1 and 4 on timber fee payment. Available at:</li> </ul>	<p><b>Government sources</b></p> <ul style="list-style-type: none"> <li>pressreader.com (2016). <i>Ministry to set up logging units</i>. [online]. Vientiane Times, 16 June 2016. Available at: <a href="https://www.pressreader.com/thailand/the-nation/20160617/281599534784557">https://www.pressreader.com/thailand/the-nation/20160617/281599534784557</a></li> <li>rightslinklao.org (2016). <i>Nation losing more forests than it gains, minister says</i>. [online]. Vientiane Times, 14</li> </ul>	<p><b>Overview of Legal Requirements</b></p> <p><i>Selective logging, conversion:</i></p> <p>Buyers (firms and individuals) shall pay log royalties, or stumpage rates per cubic metre of timber removed (bought) from second log landings. Royalties are set and updated periodically by the Ministry of Industry and Commerce (MOIC) according to species and grades. Amongst other considerations, rates are primarily based on international market data. Royalties act as a floor price, ensuring a minimum level of revenue is collected at the provincial level, while the Government of Laos encourages the use of bidding to secure prices above those set by the MOIC to maximise revenue for the Government, forest management units, and participating villagers.</p>

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	<p><a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></p> <ul style="list-style-type: none"> <li>Guideline No. 2297/2004 MoF on Bidding Regulations for Buying Timber and other Forest Products from State Standing Timbers, Infrastructural Areas and Production Forest Areas at Second Landings, 29 October 2004, Article 6 on payment. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>Law No. 36/PO on Mining, 31 May 1997, Article 40 on rights in the mining area. Available at: <a href="http://www.ilo.org/dyn/natlex/docs/ELECTRONIC/81056/87936/F-2117548536/LAO81056.pdf">http://www.ilo.org/dyn/natlex/docs/ELECTRONIC/81056/87936/F-2117548536/LAO81056.pdf</a></li> </ul> <p><u>Tree plantations:</u></p> <ul style="list-style-type: none"> <li>Law No. 01/1994 NA on Foreign Investment, 14 March 1994, Article 16 on natural resources tax and royalties. Available at: <a href="http://www.bol.gov.la/english/investmentlaws.html">http://www.bol.gov.la/english/investmentlaws.html</a></li> <li>Directive No. 1849/1999 MAF on Registration of Tree Plantations, 10 July 1999, Article 4 on tax and royalty exemptions. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>Regulation No. 196/2000 MAF on Long-term Development and Promotion of Tree Planting, 15 August 2000, Article 20 on Resource Tax and Royalties Exemption. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> </ul>	<p>June 2016. Available at: <a href="https://rightslinklao.org/?p=7359">https://rightslinklao.org/?p=7359</a></p> <ul style="list-style-type: none"> <li>Laolandissues.org (2015). <i>Poor accounting hollows out timber revenues</i>. [online]. Vientiane Times, 08 July 2015. Available at: <a href="http://www.laolandissues.org/2015/07/08/poor-accounting-hollows-out-timber-revenues/">http://www.laolandissues.org/2015/07/08/poor-accounting-hollows-out-timber-revenues/</a></li> <li>opendevelopmentmekong.net (2016). <i>Revenue gain not equal to forestry losses</i>. [online]. Govt / Vientiane Times, 04 July 2016. Available at: <a href="https://opendevelopmentmekong.net/news/revenue-gain-not-equal-to-forestry-losses-govt/">https://opendevelopmentmekong.net/news/revenue-gain-not-equal-to-forestry-losses-govt/</a></li> </ul> <p><b>Non-Government sources</b></p> <ul style="list-style-type: none"> <li>EU FLEGT Facility (2012). <i>Study for Understanding Timber Flows and Control in Lao PDR</i>. [online]. LTS International. Available at: <a href="http://www.euflegt.efi.int/documents/10180/23308/Study%20for%20understanding%20timber%20flows%20and%20control%20in%20Lao%20PDR">http://www.euflegt.efi.int/documents/10180/23308/Study%20for%20understanding%20timber%20flows%20and%20control%20in%20Lao%20PDR</a></li> </ul>	<p>In addition to national-level royalties, wood processing industries and private logging companies may also be required to pay provincial, district and village development levies and fees.</p> <p>To help sustain current forest cover, the government has also instigated the collection of Reforestation Fees, charged for sale of both timber and non-timber forest products, to finance reforestation activities. The wood processing companies which have been allocated logs from the government have to pay the reforestation fee at different rates, fixed for each species category (protected timber species category I or II; controlled timber species category I, II or III).</p> <p>Timber revenue is transferred to the state treasury and divided according to the timber sharing decree.</p> <p>Law on Mining (1997) stipulates that the use of wood in mining lease areas requires approval and compensation for the wood (Article 40).</p> <p><u>Tree plantations:</u></p> <p>Plantation timber is exempted from resource tax and royalties (Regulation No. 196/2000 MAF Article 20, Directive No. 1849/1999 MAF Article). The Forestry and Tax Laws and Prime Ministerial Decree 150/2000 on Land Tax, exempt tree plantations from land taxes and fees. Exemptions from land tax have been used to encourage plantation registration, as plantations eligible for tax exemptions must be registered under the Directive 1849/AF.99 to be granted exempt status.</p> <p>However, there are inconsistencies in the rules as to the quality indicators of plantations that are eligible for tax exemptions. For instance, according to Decree No. 01/PO on Land Tax (2007), registered plantations are exempt from land taxes after three years if they consist of 1,100 trees per ha (as a minimum density), while Regulation No. 196/2000 MAF requires an 80% survival rate and more than 800 trees/ha in lowland area, and 600 trees/ha in upland areas (Article 19).</p>

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	<p><b>Legal authority</b></p> <ul style="list-style-type: none"> <li>Selective logging: Provincial Agriculture and Forestry Offices, Ministry of Industry and Commerce, Ministry of Finance Department of Public Asset Management.</li> <li>Conversion: The supervision committee responsible for logging management comprised of various relevant agencies and local authorities or specific taskforce, Ministry of Industry and Commerce, Ministry of Finance Department of Public Asset Management.</li> </ul> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>Selective logging, conversion: Log list, contract on sale-purchase, royalty payment receipt (certificate).</li> </ul>	<ul style="list-style-type: none"> <li>Forest Sector Performance Indicators 2014, Review report. Part III. September 2014.</li> <li>rfa.org (2016). <i>Lao Tax Collectors Pay to Play</i>. [online]. RFA - Radio Free Asia. 19 January 2016. Available at: <a href="http://www.rfa.org/english/news/laos/Lao-corruption-01192016150712.html">http://www.rfa.org/english/news/laos/Lao-corruption-01192016150712.html</a></li> <li>Smirnov D. (2015). <i>Assessment of Scope of Illegal Logging in Laos and Associated Trans-boundary Timber Trade: As Baseline for International Leakage Estimation</i>. [online]. WWF. Available at: <a href="https://wildleaks.org/wp-content/uploads/2016/07/Car-Bi-assessment-of-scope2.pdf">https://wildleaks.org/wp-content/uploads/2016/07/Car-Bi-assessment-of-scope2.pdf</a></li> <li>Sigaty, T. (2003). <i>Report on Legal Framework of Forestry Sector for Forestry Strategy 2020 Lao PDR</i>. SIDA. Vientiane. Laos.</li> <li>Smith, H. and Phengsopha K. (2014). <i>Enhancing Key Elements of the Value Chain for Plantation Grown Wood in Lao PDR</i>. [online]. Policy Brief</li> </ul>	<p>Temporary land use certificates are only valid for three years, and land tax exemptions are not available within this period because registration as a tree plantation cannot occur until three years after planting.</p> <p>Scattered plantings are not eligible for land tax exemption.</p> <p>There is also conflicting information about which government agencies can grant land tax exemptions.</p> <p>Foreign investors in natural resource exploitation (including investors in tree plantations) shall pay resource/land taxes as stated in a project (concession) agreement with the Government of Laos (Law on Foreign Investment, 1994, Article 16). According to Sigaty (2003), these requirements have been waived in existing agreements.</p> <p><b>Description of Risk</b></p> <p><i>Selective logging, conversion:</i></p> <p>Negotiation/bargaining with buyers remains the standard system for sale of logs, contrary to regulations which encourage provincial authorities to maximise revenue from timber and secure prices above those set by the Ministry of Commerce though the use of bidding.</p> <p>Even prior to logging, rights for buying timber are usually informally reserved for a contractor that bankrolls logging and timber transportation to log landing II. Timber is usually sold by the government at the lowest prices (equal to or slightly above royalties), much lower than market prices.</p> <p>There is evidence that documents (log lists) specify timber as being of lower grade and smaller size than is accurate as a possible result of informal agreements between buyers and the state agencies responsible for timber sale. This is done in order to</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>on Legal barriers and legality issues for smallholder plantation owners and their wood. July 2014. Available at: <a href="http://rightslinklao.org/wp-content/uploads/downloads/2015/11/Policy_Brief_on_Smallholder_Plantations_in_Lao_PDR_Eng.pdf">http://rightslinklao.org/wp-content/uploads/downloads/2015/11/Policy_Brief_on_Smallholder_Plantations_in_Lao_PDR_Eng.pdf</a></p>	<p>subsequently understate payments/charges in the process of selling and paying taxes to the state on the Lao side (Smirnov, 2015). In some cases, such a deliberate undervaluation may also be a result of the concealed barter of timber in exchange for the construction of public roads and buildings, which is prohibited by the government.</p> <p>The wood product flow is poorly monitored; the many discrepancies in statistics suggest significant leakages in national revenue (Forest sector performance indicators, 2014).</p> <p>Only a small part of harvested timber is officially registered in log landings, as is legally required for royalty or harvesting fee verification. According to the Study for Understanding Timber Flows and Control in the Lao PDR (2012), only 34% of the total recorded harvested timber volume from four provinces in the 2010-11 logging season was registered at log landing II, which could suggest significant potential loss of revenue.</p> <p>The comparison of official data on volumes of issued quotas and the officially registered volume of timber harvested in Laos' four southern provinces in the 2011-12 logging season with data on export of wood products from this area has found that &gt;50% of timber products exported were from undocumented sources. In monetary terms, the value of this undocumented timber could exceed the Lao national budget income from timber sales planned for the 2013-14 fiscal year threefold (Smirnov, 2015).</p> <p>Regulatory fees and service charges are potentially substantial, and in many cases are not articulated in regulatory guidance. Harvesting taxes and fees are inconsistently applied, and provincial variations create an incentive for wood to be transported to provinces with more favourable tax treatment (Smith, Phengsopha, 2014).</p> <p>Consequently, there are inconsistencies in the collection of fees and service charges, causing uncertainty, and also creating the</p>

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			<p>opportunity for unofficial fees to be charged (Smith, Phengsopha, 2014).</p> <p>According to sources, the tax department is perceived as one of the most corrupt state agency in the country, and the practice of bribing tax officers in return for tax deductions is common (RFA - Radio Free Asia, 19 January 2016).</p> <p>The embedded problem of corruption in the logging sector has been acknowledged by many, including the Government of Laos.</p> <p>The Ministry of Finance has identified numerous loopholes in the accounting of timber sold by local authorities, meaning that the government has been missing out on revenue. For instance, the government has set a revenue target of 100 billion kip from the sale of its timbers for the 2014-15 fiscal year, but in the first six months of this fiscal year only 13 billion kip was collected (Vientiane Times, 08 July 2015).</p> <p>Forestry officials have admitted that financial leaks have been reported in this sector in past years, causing great losses to the national budget (Vientiane Times, 14 June 2016). Forestry officials said losses in revenue from the timber industry were triggered by several factors, including corruption on the part of officials, and illegal logging (Vientiane Times / 04 July, 2016).</p> <p>Transparency International has ranked Laos 123<sup>rd</sup> out of 168 countries in their latest Corruption Perception Index report (2016), with a score of 30 (far below FSC's threshold for low risk, which is 50 points).</p> <p>As a way to ensure transparency, and to generate more income from the sale of timber for the national budget, the Government of Laos wants state logging units to be solely responsible for felling trees for the government (Vientiane Times, 16 June 2016). The felled timber must then be sold through a bidding process so the government can maximise revenue from this natural resource.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>Risk is considered specified because of selective logging and conversion in natural forest based on evidence provided above. These findings are summarised as follows:</p> <ul style="list-style-type: none"> <li>• Timber of lower grade and smaller size is recorded on log lists in order to subsequently understate payments/charges in the process of selling and paying taxes to the state;</li> <li>• Unofficial sale, and lack of harvested timber being registered in log landings as required for tax registration;</li> <li>• Harvesting taxes and fees are inconsistently applied at the provincial level. Variations create an incentive for wood to be transported to provinces with more favourable tax treatment; and</li> <li>• Bribing of tax officers in return for tax deductions is not uncommon.</li> </ul> <p>Inconsistencies in the rules that determine quality indicators of plantations that are eligible for tax exemptions also contributes to a finding of specified risk for this indicator..</p> <p><b>Risk Conclusion</b></p> <p>This indicator has been evaluated as <b>specified risk</b>. Theshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.6 Value added taxes and other	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Law No. 04/ NA 2006 on Value Added Tax, 26 December 2006, Article 5, 6, 10, 16, 17,19, 40 and 41. Available at:</li> </ul>	<p><b>Non-government sources</b></p> <ul style="list-style-type: none"> <li>• Transparency Internationals Corruption Perception Index 2016. [online]. Available at: <a href="https://www.transparency.org/">https://www.transparency.org/</a></li> </ul>	<p><b>Overview of Legal Requirements</b></p> <p>VAT is to be paid in full to the state treasury for the preceding month by the 15<sup>th</sup> of each month, or at the time of import of goods. VAT is to be overseen and collected by the Tax Department of the Ministry of Finance and district- and provincial-level tax divisions.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
sales taxes	<p><a href="http://vientiane.thaiembassy.org/upload/pdf/law/02-economy/35_value_added_tax.pdf">http://vientiane.thaiembassy.org/upload/pdf/law/02-economy/35_value_added_tax.pdf</a></p> <ul style="list-style-type: none"> <li>Agreement No. 32/PM on Resolution of Forest Conference on Forest Management, Forest Inspection and Wood Business held on 25-26 January 2012, 06 March 2012, Article 9 on restriction to collect additional taxes from sale of timber. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> </ul> <p><b>Legal authority</b></p> <ul style="list-style-type: none"> <li>Ministry of Finance, Tax Department</li> </ul> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>Bank deposit slip, payment receipt (certificate).</li> </ul>	<p><a href="http://news/feature/corruption_perceptions_index_2016">news/feature/corruption_perceptions_index_2016</a></p> <ul style="list-style-type: none"> <li>Info.worldbank.org (N.Y.). World Bank Worldwide Governance Indicator. [Online]. Available at: <a href="http://info.worldbank.org/governance/wgi/index.aspx#reports">http://info.worldbank.org/governance/wgi/index.aspx#reports</a></li> </ul>	<p>Exempt from value-added tax are goods and services for export, and activities of sapling nurseries, afforestation, and operations relating to industrial plantations (Law No. 04/ NA 2006 on Value Added Tax, Articles 10 and 19).</p> <p>Local authorities are prohibited from deriving any additional taxes from sale of logs, timber products, timber transport and export which are not stipulated in the national legislation (Agreement No. 32/PM, 2012, Article 9).</p> <p><b>Description of Risk</b></p> <p>Little information has been found on the payment of VAT in Laos. However, in 2016 Laos had a CPI of 30 (below the threshold of 50), and, according to the World Bank Worldwide Governance Indicators – on a scale of -2.5 to 2.5 in 2016 – received a score of -0.39 for Government Effectiveness, -0.77 on Rule of Law, and -0.93 on Control of Corruption, indicating that the country has high corruption levels and a low degree of legal compliance. Furthermore, the specified risk on royalty payment, as well as the high amount of illegal logging, also indicate that issues might be present in relation to the payment of taxes.</p> <p><b>Risk Conclusion</b></p> <p>This indicator has been evaluated as <b>specified risk</b>, based on a precautionary approach. Threshold (2) is met: is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.7 Income and	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>Law No. 01/1994 NA on Foreign Investment, 14 March 1994, Article 12 on income tax, Article 16</li> </ul>	<p><b>Non-government sources</b></p> <ul style="list-style-type: none"> <li>Sigaty, T. (2003). <i>Report on Legal Framework of Forestry Sector for Forestry Strategy</i></li> </ul>	<p><b>Overview of Legal Requirements</b></p> <p>Businesses and individuals can be liable to pay contract taxes (a direct tax levied on businesses and individuals not under the VAT system paid to the Tax Administration in a lump sum), profit taxes</p>



Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
profit taxes	<p>on profit tax. Available at: <a href="http://www.bol.gov.la/english/investmentlaws.html">http://www.bol.gov.la/english/investmentlaws.html</a>; <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></p> <ul style="list-style-type: none"> <li>• Law No 11/NA on the Promotion of Foreign Investment, 22 October 2004. Available at: <a href="https://www.wto.org/english/thewto_e/acc_e/lao_e/WTACCLAO5A1_LEG_2.pdf">https://www.wto.org/english/thewto_e/acc_e/lao_e/WTACCLAO5A1_LEG_2.pdf</a></li> <li>• Regulation No. 196/2000 MAF on Long-term Development and Promotion of Tree Planting, 15 August 2000, Article 20 on Resource Tax and Royalties Exemption. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>• Law No. 05/2011 NA on Taxes (amended), 20 December 2011, Articles 54, 55, and 56 on scope, application and calculation of rates for contract tax, Articles 26, 27, 28, 29, 30, 31, 32, 36 and 38 on the scope, application, calculation and declaration of income and profit tax rates, Article 34 on exemptions from profit tax, and article 33 and 34 on deductible and non-deductible expenses , Section 2, Articles 43, 44, 45, 46, 47, 48, 49, 50, 51, 52 and 53, on the scope, application, calculation and declaration of income tax 2011. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> </ul> <p><b>Legal authority</b></p> <ul style="list-style-type: none"> <li>• Ministry of Finance, Tax Department</li> </ul> <p><b>Legally required documents or records</b></p>	<p>2020 Lao PDR. SIDA. Vientiane.</p> <ul style="list-style-type: none"> <li>• Smith, H. (2014). <i>Legal issues and legality barriers for smallholder plantation owners in Lao PDR</i> [online]. Presentation published by ACIAR. Available at: <a href="http://www.illegal-logging.info/sites/default/files/Hilary%20Smith%20Presentation.pdf">http://www.illegal-logging.info/sites/default/files/Hilary%20Smith%20Presentation.pdf</a> / <a href="http://teaknet.org/download/teaknet2014/Session%20III/conf_1.pdf">http://teaknet.org/download/teaknet2014/Session%20III/conf_1.pdf</a></li> <li>• Smith, H. and Phengsopha K. (2014). <i>Enhancing Key Elements of the Value Chain for Plantation Grown Wood in Lao PDR</i>. [online]. Policy Brief on Legal barriers and legality issues for smallholder plantation owners and their wood. July 2014. Available at: <a href="http://rightslinklao.org/wp-content/uploads/downloads/2015/11/Policy_Brief_on_Smallholder_Plantations_in_Lao_PDR_Eng.pdf">http://rightslinklao.org/wp-content/uploads/downloads/2015/11/Policy_Brief_on_Smallholder_Plantations_in_Lao_PDR_Eng.pdf</a></li> <li>• Transparency Internationals Corruption Perception Index 2016. [Online]. Available at: <a href="https://www.transparency.org/">https://www.transparency.org/</a></li> </ul>	<p>(paid quarterly to the Tax Administration), income taxes (a direct tax collected on the basis of income paid by an employer by withholding, or by the individual to the Tax Administration on a monthly or yearly basis) (Law No. 05/2011 NA on Taxes).</p> <p>Profit tax for forestry business is set at 20%, but foreign investors may receive exemption or discount (Law No. 05/2011 NA on Taxes Articles 27, 31 and 38) pursuant to a concession agreement with the Government of Laos (Foreign Investment Law No. 01/1994 NA, Article 16). Certain agreements have provided a 4-year tax holiday, then a scaled rate thereafter (Sigaty, 2003).</p> <p>Income tax applies for corporate tree plantations under private investment (Regulation No. 196/2000 MAF Article 20). Villagers are exempt from income tax for household or customary use, customary use of forest products, but must pay income taxes in the case of commercial sale of plantation timber. Timber for commercial sale can originate only from registered plantations.</p> <p>Foreign citizens making profit in the Lao PDR are to be subject to income tax (Law No. 05/2011 NA on Taxes Articles 29 and 30). Foreign investors and personnel who spend over 180 days/year in the Lao PDR shall pay income tax at a flat rate of 10% of income earned in the Lao PDR (Foreign Investment Law No. 01/1994 NA Article 12).</p> <p><b>Description of Risk</b></p> <p>As most smallholder plantations do not have business registration, taxes cannot be collected from them (see 1.1.) (Smith, 2014; Smith and Phengsopha, 2014).</p> <p>In 2016 Laos had a CPI of 30 (below the threshold of 50) and, according to the World Bank Worldwide Governance Indicators – on a scale of -2.5 to 2.5 in 2016 – received a score of -0.39 for Government Effectiveness, -0.77 on Rule of Law, and -0.93 on</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> <li>Bank deposit slip, payment receipt (certificate).</li> </ul>	<p>news/feature/corruption_percentages_index_2016</p> <ul style="list-style-type: none"> <li>Info.worldbank.org (N.Y.). World Bank Worldwide Governance Indicator. [Online]. Available at: <a href="http://info.worldbank.org/governance/wgi/index.aspx#reports">http://info.worldbank.org/governance/wgi/index.aspx#reports</a></li> </ul>	<p>Control of Corruption,, indicating the country has high corruption levels, and a low degree of legal compliance. Not much information can be found on tax payment and tax issues, but as Laos has a high level of corruption, and low score on governance, the risk is considered specified based on a precautionary approach for all parties liable for tax payment.</p> <p><b>Risk Conclusion</b></p> <p>This indicator has been evaluated as <b>specified risk</b>, based on a precautionary approach. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.8 Timber harvest ing regulations	<p><b>Applicable laws and regulations</b></p> <p><u>General:</u></p> <ul style="list-style-type: none"> <li>Guideline No. 0105/MAF concerning the Implementation of the Prime Minister’s Order No. 17/PM, dated 22/09/2008 on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 07 November 2008, Article 3.8 on logging season.</li> <li>Order No. 17/2008 PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 22 September 2008, Article 11 on logging season, Article 20 on approval documentation requirements for logging equipment.</li> </ul>	<p><b>Government sources</b></p> <ul style="list-style-type: none"> <li>pressreader.com (2016). <i>Ministry to set up logging units</i>. [online] Vientiane Times, 16 June 2016. Available at: <a href="https://www.pressreader.com/thailand/the-nation/20160617/281599534784557">https://www.pressreader.com/thailand/the-nation/20160617/281599534784557</a></li> <li>opendevelopmentmekong.net (2016). <i>Province, district authorities have no right to approve logging</i>. [online] Vientiane Times, 14 June 2016. Available at: <a href="https://opendevelopmentmekong.net">https://opendevelopmentmekong.net</a></li> </ul>	<p><b>Overview of Legal Requirements</b></p> <p><u>General:</u></p> <p>Logging and transportation of logs to log landing II in production forest areas and areas with infrastructure projects must be stopped by 31<sup>st</sup> of May, and are prohibited from 1<sup>st</sup> June to 31<sup>st</sup> October due to the rainy season, even if the logging plan was not fully completed (Order No. 17/2008 PM Article 11 and Guideline No. 0105/MAF, 2008, Article 3.8). Logging and timber transportation can be allowed to proceed during the rainy season only in special cases based on government approval in areas with infrastructure projects where it is necessary to ensure timely completion of the construction. In this case it is required to use specific routes for timber transportation to prevent negative impact on the environment, and on national and public roads.</p> <p><u>Selective logging:</u></p>

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	<ul style="list-style-type: none"> <li>Decision No. 0116/2007 MAF on the regulation of timber log scaling and grading, 17 May 2007.</li> <li>Decision No. 0080/2012 MAF on Procedures for Importation, Management and Utilization of Chainsaw (Wood-Cutting Machine), 19 June 2012, Article 4, on requirement for import license, Article 8 on registration and article 9 on notification of use.</li> <li>Instruction No. 0142/2009 MAF on the Inspection of Forest, Forest Products, Forest Land, Non-Timber Forest Products (NTFPs), Aquatic Animal and Wildlife, 7 October 2009, Article III on inspection procedures, Article III.3 on summary and reporting requirements on inspection, and Article IV on inspection procedure for each type of forest management and forest product manufacture.</li> </ul> <p><u>Selective logging:</u></p> <ul style="list-style-type: none"> <li>Law No. 06/2007 NA on Forestry 24 December 2007, Article 49 on main principles of logging. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a>; <a href="http://www.laotradeportal.net/index.php?r=site/display&amp;id=68">http://www.laotradeportal.net/index.php?r=site/display&amp;id=68</a></li> <li>Regulation No. 0108/2005 MAF on Forest Inventory, 20 April 2005, Part II, Article 8 on production forest inventory and timber harvesting system. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> </ul>	<p><a href="http://ong.net/news/province-district-authorities-have-no-right-to-approve-logging/">ong.net/news/province-district-authorities-have-no-right-to-approve-logging/</a></p> <p><b>Non-Government sources</b></p> <ul style="list-style-type: none"> <li>Hodgdon, B. (2010) <i>Community Forestry in Laos</i>. [online]. Journal of Sustainable Forestry, 29: 1, 50 —78. Available at: <a href="http://dx.doi.org/10.1080/10549810903463452">http://dx.doi.org/10.1080/10549810903463452</a></li> <li>Jonsson, T. (2006). <i>Control of Timber Production</i>. [online] Technical report. Sustainable Forestry and Rural Development Project – Lao PDR. Available at: <a href="https://pulpinc.files.wordpress.com/2006/10/logginginlaos.pdf">https://pulpinc.files.wordpress.com/2006/10/logginginlaos.pdf</a></li> <li>rfa.org (2016). <i>Lao Prime Minister Doesn't Want Business as Usual for the Timber Industry</i>. [online]. Radio Free Asia, 20 June 2016. Available at: <a href="http://www.rfa.org/english/news/laos/lao-prime-minister-06202016163156.html">http://www.rfa.org/english/news/laos/lao-prime-minister-06202016163156.html</a></li> <li>Phengsopha, K. (2015). Presentation on Study for Understanding Timber Flows</li> </ul>	<p>The issuing of logging quotas in production forest areas are temporarily suspended (2016). The government can lift the suspension at any time, for instance, for the forthcoming logging season.</p> <p>The main principles of logging in production forest areas require applying selective cutting systems as key to ensuring natural regeneration, minimising negative impacts on the natural environment and society, and limiting damage to surrounding trees (Law No. 06/2007 NA on Forestry, 24 December 2007, Article 49).</p> <p>The allowable volume for harvest is limited to 25% of the total volume of trees that have a DBH equal to or greater than 20 cm in a forest compartment (Regulation No. 0108/2005 MAF, Article 8).</p> <p>The list of requirements for selective logging intended to ensure timber supply on a regular and sustained basis includes, but is not limited to (Guideline No. 2157/2006 DOF):</p> <ul style="list-style-type: none"> <li>• Presence of minimal standing volume;</li> <li>• Felling to be done according to the approved harvesting plan;</li> <li>• Logging only within harvesting block;</li> <li>• Felling only marked trees included in the pre-felling-survey list;</li> <li>• Felling to be done according to the prescribed techniques and logging season, and felled tree to be extracted and utilised;</li> <li>• Damage to surrounding trees to be minimised, as well as negative impact on areas with conservation, social and environmental values;</li> <li>• Skidding to be by the determined routes in order to prevent negative environmental impact;</li> </ul>

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	<ul style="list-style-type: none"> <li>Guideline No. 2157/2006 DOF on Timber Harvesting in Production Forest, 6 November 2006, Part IV, on harvest plans and maps, Part VI on forest road construction, Part VII on selection of log landing site, Part VIII on construction of logging camps, Part X, on principles of logging operations, felling technique, log records and marking requirements, skidding and transportation to log landing II, log scaling, post-harvesting activities aimed at facilitation of natural regeneration, Part XI on post-harvest assessment, and Part XIII (or XIV?) on restrictions. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>Regulation No. 60/MAF.03, 24 February 2003, on minimum diameters.</li> <li>Guideline No. 2155/2006 DOF on Participatory Forest Inventory, Part VII. Available at: <a href="http://forestindustries.eu/sites/default/files/userfiles/1file/21.-DOF-Guideline-on-Participatory-Forest-Inventory.pdf">http://forestindustries.eu/sites/default/files/userfiles/1file/21.-DOF-Guideline-on-Participatory-Forest-Inventory.pdf</a></li> <li>Guideline No. 0396/208 DOF on Monitoring the Implementation of Production Forest Management, 11 March 2008, Article 4 on monitoring procedure. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> </ul> <p>Conversion:</p> <ul style="list-style-type: none"> <li>Regulation 112/2008 MAF Regarding the Logging and Post-Logging Cleaning in the Reservoir Area of a Hydropower Dam, 25 November 2008, Section 2 on the guidelines for pre-logging</li> </ul>	<p>&amp; Control in Khammoune, Sayaboury Provinces. [online]. Vientiane, 7th of April 2015. Available at: <a href="http://www.euflegt.efi.int/documents/10180/23308/Study%20for%20understanding%20timber%20flows%20and%20control%20in%20Lao%20PDR">http://www.euflegt.efi.int/documents/10180/23308/Study%20for%20understanding%20timber%20flows%20and%20control%20in%20Lao%20PDR</a></p> <ul style="list-style-type: none"> <li>Smirnov D. (2015). <i>Assessment of Scope of Illegal Logging in Laos and Associated Trans-boundary Timber Trade: As Baseline for International Leakage Estimation</i>. [online]. WWF. Available at: <a href="https://wildleaks.org/wp-content/uploads/2016/07/Car-Bi-assessment-of-scope2.pdf">https://wildleaks.org/wp-content/uploads/2016/07/Car-Bi-assessment-of-scope2.pdf</a></li> </ul>	<ul style="list-style-type: none"> <li>After harvesting is completed, artificial regeneration to supplement in places where natural regeneration is not satisfactory;</li> <li>Each log to be marked with indications of the PFA, sub-PFA, compartment, base line, strip line, tree number and log number;</li> <li>Forestry officers to supervise logging activities, making thorough record of species, number of trees, number of logs and branches in order to provide information that can be followed up in the second log landing;</li> <li>Health protection equipment should be provided during logging operation.</li> </ul> <p>The forestry sector (Provincial and District Agriculture and Forestry Offices) supervises harvesting and is required to record log information to cross-check the logs against the harvesting plan, and subsequent stamping. District Agriculture and Forestry Offices are responsible for organizing the district Forest Management Units (FMU). The forest managers are responsible for implementing the logging plans.</p> <p>Provincial Agriculture and Forestry Offices conduct an evaluation to measure actual harvest vs. harvest plan. It certifies that monitoring of implementation during logging and after logging have been done and actual logging has been compared to the harvest plan and any issues with logging outside designated parameters.</p> <p>Post-harvesting assessment shall be done no later than one month after harvesting operations are completed, and cover about 15% of the total number of felled trees (Guideline No. 2155/2006, Part VII).</p> <p>Conversion:</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>preparations, Article 16 on clear-cutting, Article 19 and 21 on log marking, Article 34 on an evaluation of the actual logging compared to the strategic plan and technical instructions, Section 2 on the guidelines for pre-logging preparations, Section 3 on the guidelines for logging operation. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></p> <p><u>Tree plantations:</u></p> <ul style="list-style-type: none"> <li>Regulation No. 196/2000 MAF on Long-term Development and Promotion of Tree Planting, 15 August 2000, Articles 9-11, 14. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>Order No. 17/2008 PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 22 September 2008, Article 7 specifies that MAF is to issue specific rules to manage plantation timber, particularly to survey and register tree plantations by individuals and juridical entities in each locality; to establish regulations on harvesting and the preparation of annual logging plans. Available at: <a href="http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf">http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf</a></li> </ul> <p><b>Legal authority</b></p> <ul style="list-style-type: none"> <li>Selective logging: Provincial and District Agriculture and Forestry Offices.</li> <li>Conversion: The supervision committee responsible for logging management, comprised of</li> </ul>		<p>Logging under permits for infrastructure construction is subject to specific management regulations (Law No. 06/2007 NA on Forestry, Article 49).</p> <p>Regulations on timber harvesting in case of permits (quotas) for land clearances is almost non-existent. For instance, there are no regulations on logging for construction of road and electric transmission lines and for clearance of degraded or barren forest land for purpose of industrial crop plantations. At present almost all permitted timber harvesting in Lao PDR is conducted on the grounds of this type of quota. Legislation covers only one type of forest conversion related to clearance of reservoir areas during construction hydropower dams (Regulation 112/2008 MAF) and involves following basic principles for logging activities:</p> <ul style="list-style-type: none"> <li>Logging area in a reservoir is defined as the area 5-10 m below designed flood level;</li> <li>Two types of logging - clear cut and selective (salvage)– are envisaged;</li> <li>Clear cut stipulates logging of all trees with diameter over 15 cm;</li> <li>Selective logging stipulates cutting of only marked trees selected during pre-felling survey;</li> <li>Logging is prohibited outside the allocated reservoir (marked flooding area);</li> <li>Preparation of road and log yard construction plan;</li> <li>Marking the felling trees (code number of felling groups, sub-logging area and tree number);</li> <li>Forestry officers supervising logging activities makes thorough daily record of species, number of trees, number of logs and</li> </ul>



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	<p>various relevant agencies and local authorities, or specific taskforce.</p> <ul style="list-style-type: none"> <li>Tree plantations: District offices of Agriculture and Forestry.</li> </ul> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>Selective logging: Logging contract and logging permit, forest management plan for production forest area, pre-harvesting inventory and tree marking report.</li> <li>Conversion: Logging plan.</li> <li>Tree plantations: Plantation management plan for registered plantations.</li> </ul>		<p>branches in order to provide information that can follow up in the second log landing;</p> <ul style="list-style-type: none"> <li>Measuring, grading and making log list in log landing II;</li> <li>Marking logs in log landing II including: unique sequential number, length and diameter;</li> <li>Cleaning must be conducted simultaneously with logging including chopping of logging waste.</li> </ul> <p>Logging activities are managed and inspected by relevant units of the committee responsible for logging management and reservoir cleaning.</p> <p><i>Tree plantations:</i></p> <p>Plantation owners are required to undertake all tree plantation activities in compliance with approved plantation management plan and technical standards of the Ministry of Agriculture and Forestry (Regulation No. 196/2000 MAF, Articles 9-11), though it is unclear whether these rules have been put into effect. Harvest of planted trees for commercial purposes by a registered plantation shall be consistent with a plantation management plan (Regulation No. 196/2000 MAF, Article 14), although no technical requirements exist on the preparation of this document and thus are not enforced.</p> <p><b>Description of Risk</b></p> <p><i>Selective logging:</i></p> <p>Before the moratorium on selective logging was established in 2012, Jonsson (2006) inspected selective logging in an FSC-certified production forest area (the Thapangtong districts of Savannaket province) with valid forest management plans and approved harvesting plans. Jonsson concluded that logging plans were seen as providing “quotas” – as giving the right to cut a certain volume –</p>

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			<p>rather than as directing harvesting to specific marked trees, which are selected to ensure low impact, low intensity logging, and, as a consequence, the desired stand structure and long-term growth was jeopardised.</p> <p>In the inspected areas, only in parts did logging adhere to the plans and guidelines, while harvesting practice was still driven by the needs to supply sawmills with their desired wood (preferred species composition, log sizes, and total volumes).</p> <p>Significant and commonly occurring breaches of plans/prescriptions were encountered, such as:</p> <ul style="list-style-type: none"> <li>• Cutting of unmarked trees (including important NTFP trees) in all inspected harvest blocks, but in some more than in others;</li> <li>• Fresh, dead and dying trees had been cut in the harvest blocks over and above the harvest plan as part of fulfilling the quota for sawmills;</li> <li>• In spite of the previous point, some good and large logs were left in the felling area and not extracted to log landing II, constituting a dumping violation;</li> <li>• Marked trees had been left standing with the explanation that the lower part of the trunk was affected by rot, or that the quota for the block and for that species had been filled; and</li> <li>• Where skid trails were marked on the map, they were not followed during operations.</li> </ul> <p>The organisational control structure was weak, monitoring on all levels was unclear, and lines of command were disorganised. At the district and village levels, there were no forest staff who had control as their main task. No FMU or provincial logging company staff were present at the logging sites, leaving Village Forest Organisation personnel to be used as tree spotters. Loggers were Vietnamese nationals which hampered communication with Village Forestry</p>



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			<p>Organisation personnel. The logging crew had no copy of a map or plan, and no instructions apart from what tree to cut.</p> <p>According to Hodgdon’s observations (2010), state foresters are routinely reassigned to work with companies that are illegally removing timber from production forest areas. Middle and low-level state foresters were all part of this “black market” system as well. Their payoffs, while considerably less than what the top-level officials make, are still far more than they could hope to earn in almost any other endeavour.</p> <p><i>Conversion:</i></p> <p>Logging permits for conversion are seen as providing “quota” – as giving the right to cut a certain volume, regardless of the area allocated for clearance, and results of the pre-felling survey.</p> <p>WWF’s study on timber harvesting under logging permits for mining, road construction and reservoir clearances (Smirnov, 2015) revealed that timber harvesting in the framework of these permits does not meet even basic legal requirements, and accordingly almost the entire volume of harvested timber must be deemed illegal.</p> <p>The contradictions between the practice of harvesting “conversion” timber and relevant forest legislation were as follows:</p> <ul style="list-style-type: none"> <li>• Logging was carried out on the principle of creaming for the most valuable trees, regardless of concession borders and the stated objectives of logging activities (removal of timber from development project areas);</li> <li>• Administrative district borders apparently become the only spatial reference for such “concessions” (even this limit is ruled out in some cases). A majority of logging sites (and even all sites in some cases) were located beyond concession areas;</li> </ul>

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			<ul style="list-style-type: none"> <li>• Accordingly, the composition and volume of harvested timber had no relation to the pre-felling inventory in practice, the maximum volume of harvested timber allowed by quota can be the only limitation on loggers (although this limit can be disregarded as well);</li> <li>• Even basic forestry and environmental requirements had been ignored: logging took place in areas with complete restriction on logging (on slopes over 35 degrees and within riparian forests), including hauling along and across streams.</li> </ul> <p>Neither foresters of Provincial and District Agriculture and Forestry Offices, nor the specially assigned supervision committee responsible for logging management, is in control of the compliance of logging operations in forests.</p> <p>Lao Prime Minister Thongloun Sisoulith was strongly critical of the timber harvesting done for Lao public works projects, like dams, roads, and power transmission facilities, as this logging is conducted far beyond designated areas. "In the past we were lied to, with timber harvests starting with trees for dam catchment beginning at the top of the mountains and then cutting their way down," he said.</p> <p>"Cutting trees for electric lines covers many metres of jungle on each side of the right-of-way," he added. "After the logs were cleared, the project developers would say they went the wrong way, so that they would then clear the jungle in another direction" (Radio Free Asia, 20 June 2016).</p> <p>Senior authorities of the Ministry of Agriculture and Forestry recently pointed a finger at businesses that funded road construction under a scheme in which the trees felled to make way for a new road were used to finance construction. They admitted that such schemes were leaving a loophole for massive illegal logging, and that more trees than necessary were reportedly felled. In many cases most of the trees cut down to make way for a new road through a natural forest appeared to be the most expensive trees.</p>

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			<p>Minister of Agriculture and Forestry Dr Lien Thikeyo gave one example of a road construction project in which the construction company was allowed to log trees only within 10 or 20m of the route, but the company in fact cut trees up to 50m from the route on both sides (Vientiane Times, 16 June, 2016).</p> <p>Deputy Minister of Agriculture and Forestry Mr Thongphat Vongmany “stated it was an unbelievable coincidence that only expensive trees, such as Mai Dou (Pterocarpus indicus), grew where these new roads were planned, saying the trees grew randomly in natural forest and not in a plantation. This indicated it was a tactic applied by logging businesses” (Vientiane Times, 14 June 2016).</p> <p><i>Tree plantations:</i></p> <p>In the absence of standards, evidence suggests that plantations are inadequately managed (Smith and Phengsopha, 2014). It is not possible to make an evaluation of the legal implementation, as there are no specific regulations. However, there is a risk of a lack of management plans (see 1.3), which is why the risk must be considered specified.</p> <p><b>Summary;</b></p> <p>There is a general lack of implementation of harvesting regulation, both for present day conversion timber, and when selective logging was allowed in natural forest.</p> <p>Selective logging:</p> <p>There is a general risk that logging does not adhering to plans and regulations. For example:</p> <ul style="list-style-type: none"> <li>• Cutting of unmarked trees (including important NTFP trees);</li> <li>• Harvest occurring above the level specified in harvest plans;</li> </ul>

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			<ul style="list-style-type: none"> <li>• Skid trails being marked on maps but not being followed during operations; and</li> <li>• Illegal removal of timber from production forest areas.</li> </ul> <p>Conversion:</p> <p>There is a general risk that logging does not adhering to plans and regulations. For example:</p> <ul style="list-style-type: none"> <li>• Cutting of timber volume regardless of area allocated for clearance and results of pre-felling survey;</li> <li>• Composition and volume of harvested timber having no relation to the pre-felling inventory in practice; and</li> <li>• Logging in areas with complete restriction on logging (on slopes over 35 degrees, and within riparian forests), including hauling along and across streams.</li> </ul> <p>Tree Plantation</p> <ul style="list-style-type: none"> <li>• Lack of management plans with which harvesting has to comply.</li> </ul> <p><b>Risk Conclusion</b></p> <p>This indicator has been evaluated as <b>specified risk</b>. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.9 Protected sites	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Law No. 02/1999 NA on Environmental Protection, 3 April 1999, Article 15 outlining the obligation to</li> </ul>	<p><b>Government sources</b></p>	<p><b>Overview of Legal Requirements</b></p> <p>Conservation forests (aka <i>national protected areas</i> and <i>national biodiversity conservation areas</i>) are defined as forest and forest</p>

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and species	<p>ensure biodiversity protection. Available at: <a href="http://theredddesk.org/sites/default/files/1999_environmental_protection_law_eng_1.pdf">http://theredddesk.org/sites/default/files/1999_environmental_protection_law_eng_1.pdf</a></p> <ul style="list-style-type: none"> <li>• Law No. 29/2012 NA on Environmental Protection, 18 December 2012. Available at: <a href="http://faolex.fao.org/docs/pdf/lao151747.pdf">http://faolex.fao.org/docs/pdf/lao151747.pdf</a></li> <li>• Decree No. 164/PM on the Establishment of National Forest Reserves, 29 October 1993, Article 1 on establishment of 18 national forest reserves, Article 3 on main purpose of forest reserves, Article 4 on restricted activities in forest reserves.</li> <li>• Law No. 36/PO on Mining, 31 May 1997, Article 16. Available at: <a href="http://www.ilo.org/dyn/natlex/docs/ELECTRONIC/81056/87936/F-2117548536/LAO81056.pdf">http://www.ilo.org/dyn/natlex/docs/ELECTRONIC/81056/87936/F-2117548536/LAO81056.pdf</a></li> <li>• Law No. 06/2007 NA on Forestry, Article 11 on purposes of conservation forests, Article 12 on zoning of conservation forests, Article 24 on zoning of conservation forests, Article 27 and Article 101 on prohibition to destroy and encroach forest and forest resources in the totally protected zone and corridor zone, Article 101 and 102 on prohibition to use (cut, sell, purchase and transport) prohibited and special tree species. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a>; <a href="http://www.laotradeportal.net/index.php?r=site/display&amp;id=68">http://www.laotradeportal.net/index.php?r=site/display&amp;id=68</a></li> <li>• Decree No. 134/G on Protected Areas, 13 May 2015, Article 1 on purposes of conservation</li> </ul>	<ul style="list-style-type: none"> <li>• Govt to halt protected area encroachment. Vientiane Times, 05 April 2013</li> </ul> <p><b>Non-Government sources</b></p> <ul style="list-style-type: none"> <li>• Baird, I. (2010). <i>Quotas, powers, patronage, and illegal rent-seeking. The political economy and the timber trade in southern Laos</i>. [online]. Forest Trends, Washington D.C., U.S.A. Available at: <a href="http://www.forest-trends.org/documents/files/doc_2421.pdf">http://www.forest-trends.org/documents/files/doc_2421.pdf</a></li> <li>• Jonsson, T. (2006). <i>Control of Timber Production</i>. [online] Technical report. Sustainable Forestry and Rural Development Project – Lao PDR. Available at: <a href="https://pulpinc.files.wordpress.com/2006/10/logginginlaos.pdf">https://pulpinc.files.wordpress.com/2006/10/logginginlaos.pdf</a></li> <li>• Schönweger, O., Heinimann, A., Epprecht, M., Lu, J., Thalongsengchanh, P. (2012). <i>Concessions and Leases in the Lao PDR – Taking Stock of Land Investments</i>. [online]. Geographica Bernensia. Available at: <a href="https://landportal.info/library/r">https://landportal.info/library/r</a></li> </ul>	<p>land designated for the purposes of biological conservation, forest ecosystems, historical and cultural value, maintenance of ecological stability, recreation and tourism, or education and science research (Decree No. 164/PM, 1993 Article 3, Decree No. 134/G, 2015 Article 1 and Law No. 06/2007 NA on Forestry Article 11).</p> <p>In forest reserves (conservation forest) “it is forbidden to exploit any species of tree, except if authorised by the Government of the Lao PDR, for scientific research” (Decree No. 164/PM, 1993).</p> <p>Legislation provides the list of zones delineated within conservation forests and sets specific restrictions for each of them (Law No. 06/2007 NA on Forestry Article 24 and Decree No. 134/G, 2015 Article 8).</p> <p>For instance, it is strictly prohibited to harvest any forest product in totally protected zones, and to conduct timber harvesting in corridor zones. The regime of controlled use zones is distinct from the regime of totally protected zones in that <u>local people are allowed to use timber and forest products based on the regulations and the management plan.</u></p> <p>Besides this, restrictions on mining concessions in “protected forest areas” are imposed by the Law on Mining (1997) Article 17, and thus no conversion for mining is allowed to take place.</p> <p>The general principles of planning management in production forest areas include setting aside, and prohibition of timber harvesting in, areas with high biodiversity (Regulation No. 0108/2005 MAF, Article 8).</p> <p>Six special tree species from natural forests are prohibited for cutting, selling, purchasing and transportation without permission from the government (Law No. 06/2007 NA on Forestry Article 101 and 102).</p>

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	<p>forests, Article 8 on zones in protected areas, Articles 25-28 on use of protected areas. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></p> <ul style="list-style-type: none"> <li>Table No. 0008/2012 MAF of Prohibited, Special and Controlled Timber Species. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>Regulation No. 0360/2003 MAF on the management of NBCAs and Aquatic &amp; wild Animals Conservation.</li> <li>Law No. 07/2007 NA on Wildlife, 24 December 2007, Section II, defining the three management categories of wildlife and aquatic species, Section V describing prohibitions regarding wildlife and aquatic species. Available at: <a href="http://faolex.fao.org/docs/pdf/lao89478.pdf">http://faolex.fao.org/docs/pdf/lao89478.pdf</a></li> <li>Guideline No. 2155/2006 DOF on Participatory Forest Inventory, Part V on Pre-harvesting Inventory. Available at: <a href="http://forestindustries.eu/sites/default/files/userfiles/1file/21.-DOF-Guideline-on-Participatory-Forest-Inventory.pdf">http://forestindustries.eu/sites/default/files/userfiles/1file/21.-DOF-Guideline-on-Participatory-Forest-Inventory.pdf</a></li> <li>Guideline No. 2157/2006 DOF Guideline on Timber Harvesting in Production Forest, 6 November 2006, Part IV, Article 3 on determination of exclusion areas for timber harvesting. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> </ul>	<p><a href="#">resources/concessions-and-leases-lao-pdr</a></p> <ul style="list-style-type: none"> <li>Smith, H. and Phengsopha K. (2014). <i>Enhancing Key Elements of the Value Chain for Plantation Grown Wood in Lao PDR</i>. [online]. Policy Brief on Legal barriers and legality issues for smallholder plantation owners and their wood. July 2014. Available at: <a href="http://rightslinklao.org/wp-content/uploads/downloads/2015/11/Policy_Brief_on_Smallholder_Plantations_in_Lao_PDR_Eng.pdf">http://rightslinklao.org/wp-content/uploads/downloads/2015/11/Policy_Brief_on_Smallholder_Plantations_in_Lao_PDR_Eng.pdf</a></li> <li>Sea-globe.com (2015). <i>State companies accept rosewood as legal tender in Laos</i>. [online]. Southeast Asia Globe, 8 December 2015. Available at: <a href="http://sea-globe.com/rosewood-electricite-du-laos-southeast-asia-globe/">http://sea-globe.com/rosewood-electricite-du-laos-southeast-asia-globe/</a></li> <li>Stenhouse R. and Bojö J. (2011). <i>An environmental perspective on hydropower and mining development in the Lao PDR</i>. [online]. Background Paper for Lao PDR Development Report 2010: Natural Resource</li> </ul>	<p>Order No. 17/2008 PM, Article 20, includes twelve protected tree species which are under threat of extinction, and reaffirms the prohibition on their being harvested in natural forests. A full list can be found in table 0008/2012 MAF of Prohibited, Special and Controlled Species (Listed on ProFLEGT website: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a>).</p> <p>Rare tree species must not be selected for cutting during pre-harvesting inventory (Guideline No. 2155/2006 Part V), and habitats of rare wildlife species are excluded from logging areas (Guideline No. 2157/2006 Part IV, Article 3).</p> <p><b>Description of Risk</b></p> <p><i>General:</i></p> <p>Protected species</p> <p>Legal requirements for obtaining government permits for logging prohibited tree species are routinely disregarded:</p> <p>Evidence of the harvesting of prohibited tree species such as Mai Champa Pa and Mai Pa Dong without authorisation under the cover of quotas for clearance of new roads is provided in a WWF report (Smirnov, 2015). Moreover, in this case, logging took place far from the planned road route and only for the purpose of high-grading, and had no connection with clearance of the road route and/or its buffer zone. It is then likely that this timber enters the commercial market.</p> <p>Cases of even more blatant disregard of regulations on restricted tree species were highlighted by the mass-media in Bolikhamxay province, where Électricité du Laos (EDL), the state-owned national energy company, forced villagers to pay for a connection to the electricity grid with timber from endangered rosewood species (Southeast Asia Globe, 8 December 2015).</p>



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	<ul style="list-style-type: none"> <li>Guideline No. 0896/2008 MAF List of Prohibited Species.</li> <li>Order No. 17/2008 PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 22 September 2008, Article 20 on prohibited timber species. Available at: <a href="http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf">http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf</a></li> <li>Regulation 112/2008 MAF Regarding the Logging and Post-Logging Cleaning in the Reservoir Area of a Hydropower Dam, 25 November 2008, Article 16 on clear-cutting, Article 19 and 21 on log marking, Article 34 on an evaluation of the actual logging compared to the strategic plan and technical instructions, Section 2 on the guidelines for pre-logging preparations, Section 3 on the guidelines for logging operation. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compedium/">http://flegtlaos.com/resources/forestry-legality-compedium/</a></li> <li>Decree No. 333/PM on Protection Forests, 19 July 2010. Available at: <a href="http://faolex.fao.org/docs/pdf/lao141141.pdf">http://faolex.fao.org/docs/pdf/lao141141.pdf</a></li> <li>Decision MAF on the regulation of timber log scaling and grading, 17 May 2007. Lao version.</li> </ul> <p><b>Legal authority</b></p> <ul style="list-style-type: none"> <li>Selective logging: Provincial and District Agriculture and Forestry Offices.</li> <li>Conversion: The supervision committee responsible for logging management, comprised of</li> </ul>	<p>Management for Sustainable Development. Washington, D.C.: World Bank. Available at: <a href="http://siteresources.worldbank.org/LAOPRDEXTN/Resources/293683-1301084874098/LDR2010_Environment.pdf">http://siteresources.worldbank.org/LAOPRDEXTN/Resources/293683-1301084874098/LDR2010_Environment.pdf</a></p> <ul style="list-style-type: none"> <li>Smirnov D. (2015). <i>Assessment of Scope of Illegal Logging in Laos and Associated Trans-boundary Timber Trade: As Baseline for International Leakage Estimation</i>. [online]. WWF. Available at: <a href="https://wildleaks.org/wp-content/uploads/2016/07/Car-Bi-assessment-of-scope2.pdf">https://wildleaks.org/wp-content/uploads/2016/07/Car-Bi-assessment-of-scope2.pdf</a></li> </ul>	<p>Baird (2010) reports a case in which Champassak province authorities issued a so-called “deadwood quota” for cutting an unspecified quantity of Siamese rosewood (<i>Dalbergia cochinchinensis</i>), which is listed as a tree species which it is prohibited to harvest.</p> <p>Military logging quotas can be granted to military companies within their area of interest regardless of the protected status of forests and without the oversight of the Ministry of Agriculture and Forestry, or of the Ministry of Natural Resources and Environment.</p> <p><i>Selective logging:</i></p> <p>Before the moratorium on selective logging in natural forest was in place, Jonsson (2006) undertook field inspection of selective logging in an FSC-certified production forest area (the Thapangtong districts of Savannakhet province) where valid forest management plans and approved harvesting plans were in place. This field visit showed that the conservation and non-timber aspects of forest use had been down-played, and the timber harvesting aspects being treated as the only thing of importance. The Vietnamese loggers were given no instructions apart from the location of trees to be cut. Highly biodiverse production forest areas were not set aside during planning of timber harvesting. If the moratorium is lifted, there is a risk that these issues will again prevail. However, a final assessment will only be possible if and when the practice of selective logging is reinstated.</p> <p><i>Conversion in protected areas:</i></p> <p>Quotas for timber harvesting under logging permits for mining, road construction and reservoir clearances are being allocated in national protected areas and protection forests regardless of the status of these areas – national protected areas and protection forests usually lack management plans and zoning.</p> <p>While granting mining concessions in conservation and protection forests is illegal according to the Law on Mining (1997), Article 16,</p>



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	<p>various relevant agencies and local authorities, or specific taskforce.</p> <ul style="list-style-type: none"> <li>• Tree plantations: District offices of Agriculture and Forestry.</li> </ul> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>• Selective logging: Logging contract and logging permit, forest management plan for production forest area, pre-harvesting inventory and tree marking report.</li> <li>• Conversion: Logging plan.</li> <li>• Tree plantations: Plantation management plan for registered plantations.</li> </ul>		<p>Stenhouse and Bojö (2011) revealed three mineral exploration concessions and numerous general survey concessions within national protected areas (including petroleum exploration concessions in six national protected areas). According to their estimates, up to 5% of national protected areas are under some kind of mining concession, and up to 2.4 percent of the NPA system may become exploited by mining in the future.</p> <p>The inventory of state land leases and concessions in Laos (Schönweger et al., 2012) has found approximately 80,000 ha of mineral extraction concessions within conservation and protection forests. Just as these mines are established in conflict with legislation, the conversion of land has also been allowed on false premises.</p> <p><i>Tree plantations:</i></p> <p>In numerous cases, tree concessions have been issued or extended into conservation and protection forest where establishment of commercial tree plantations is not legally allowed, leading to subsequent encroachment into natural forests. The inventory of state land leases and concessions in Laos (Schönweger et al., 2012) revealed that a significant part of tree plantation areas falls within protection (42,257 ha) and conservation (10,127 ha) forests. For example, concession areas allocated near several rubber plantations were found to fall within the Dong Hua Sao National Protected Area in Champasak Province. The real extent of the tree plantations in conservation forests seems to be far greater than the official data suggests. The government revealed that allocation of rubber plantations has contributed to 39,000 ha of encroachment into the Phou Phanang and Phou Khao Khoay National Protected Areas in Vientiane and Borikhamxay provinces. The government had intended to confiscate illegally planted lands and incorporate them into protected areas as national property (Vientiane Times, 05 April 2013), but it is not possible to verify whether this has in fact been done.</p>

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			<p>Teak, a protected species (Decision 0116/2007), occurs naturally in the forests of the Lao PDR, and there is a risk of illegal harvesting and export of naturally grown teak in consignments of plantation timber. There are specific rules in place for natural teak, but these rules are not consistently implemented, as in some provinces, plantation grown teak is considered to be a “special timber” (Smith, Phengsopha, 2014).</p> <p><b>Summary</b></p> <p><i>For all timber sources:</i></p> <ul style="list-style-type: none"> <li>• There is a general disregard for the legal requirements covering protected tree species, and</li> <li>• Misuse of deadwood quotas is common.</li> </ul> <p><i>Conversion specifically:</i></p> <ul style="list-style-type: none"> <li>• Risk of conversion of protected areas for development projects established in conflict with legislation.</li> </ul> <p><i>Tree plantation specifically:</i></p> <ul style="list-style-type: none"> <li>• Concessions located within concession/protection forest; and</li> <li>• Illegal sale of natural-grown timber through teak plantations.</li> </ul> <p><b>Risk Conclusion</b></p> <p>This indicator has been evaluated as <b>specified risk</b>. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.10 Environmental	<p><b>Applicable laws and regulations</b></p> <p><u>General:</u></p>	<p><b>Non-government sources</b></p> <ul style="list-style-type: none"> <li>• straitstimes.com (2016). <i>Chemicals are killing Laos' farmlands</i>. [online]. The Strait</li> </ul>	<p><b>Overview of Legal Requirements</b></p> <p><i>Selective logging:</i></p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
requirements	<ul style="list-style-type: none"> <li>Law No. 06/2007 NA on Forestry, 24 December 2007, Chapter 3, Article 29 on prevention and control of forest fires forest fires. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a>; <a href="http://www.laotradeportal.net/index.php?r=site/display&amp;id=68">http://www.laotradeportal.net/index.php?r=site/display&amp;id=68</a></li> <li>Law No. 02/1996 NA on Water and Water Resources, 11 October 1996, Chapter 5, stating the obligation to protect water sources from pollution and erosion, and Chapter 7, describing prohibitions. Available at: <a href="http://extwprlegs1.fao.org/docs/pdf/lao7478.pdf">http://extwprlegs1.fao.org/docs/pdf/lao7478.pdf</a></li> </ul> <p>Selective logging:</p> <ul style="list-style-type: none"> <li>Regulation No. 0108/2005 MAF on Forest Inventory, 20 April 2005, Part II, Article 8 on prohibition of timber harvesting in production forest areas in areas with high biodiversity and environmentally sensitive areas. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>Guideline No. 2155/2006 DOF on Participatory Forest Inventory, Part V on Pre-harvesting Inventory. Available at: <a href="http://forestindustries.eu/sites/default/files/userfiles/1file/21.-DOF-Guideline-on-Participatory-Forest-Inventory.pdf">http://forestindustries.eu/sites/default/files/userfiles/1file/21.-DOF-Guideline-on-Participatory-Forest-Inventory.pdf</a></li> <li>Guideline No. 2157/2006 DOF Guideline on Timber Harvesting in Production Forest, 6 November 2006, Part IV, Article 3 on determination of exclusion areas for timber harvesting, Part VI on forest road construction,</li> </ul>	<p>Times, 16 April 2016. Available at: <a href="http://www.straitstimes.com/asia/se-asia/chemicals-are-killing-laos-farmlands">http://www.straitstimes.com/asia/se-asia/chemicals-are-killing-laos-farmlands</a></p> <ul style="list-style-type: none"> <li>Rfa.org (2016). <i>Chinese Banana Plantations Lose Their Appeal in Laos as Pollution Concerns Grow</i>. [online]. RFA – Radio Free Asia, 14 April 2016. Available at: <a href="http://www.rfa.org/english/news/laos/chinese-banana-plantations-04142016151133.html">http://www.rfa.org/english/news/laos/chinese-banana-plantations-04142016151133.html</a></li> <li>Kenney-Lazar, M. (2010). <i>Land Concessions, Land Tenure, and Livelihood Change: Plantation Development in Attapeu Province, Southern Laos</i>. [online]. Vientiane: Faculty of Forestry, National University of Laos. Available at: <a href="http://rightslinklao.org/wp-content/uploads/downloads/2014/05/3-Land-Concessions-Land-Tenure-and-Livelihood-Change-Plantation-Development-in-Attapeu-Province-Southern-Laos.pdf">http://rightslinklao.org/wp-content/uploads/downloads/2014/05/3-Land-Concessions-Land-Tenure-and-Livelihood-Change-Plantation-Development-in-Attapeu-Province-Southern-Laos.pdf</a></li> </ul>	<p>The general principles of logging management in production forest areas include setting aside of, and prohibition of timber harvesting in, highly biodiverse or environmentally sensitive areas.</p> <p>Preparation of a harvesting plan requires delineation of areas excluded from timber harvesting, including:</p> <ul style="list-style-type: none"> <li>Areas determined by villagers as village buffer zones,</li> <li>Wildlife corridors determined in the management plan,</li> <li>Slopes exceeding 35 degrees, and</li> <li>Buffer zones along river banks, watersheds, habitats of rare wildlife etc.</li> </ul> <p>Trees that are used for traditional medicine are marked both on tree maps and on the ground, and together with mother and NTFP trees are excluded from logging (Guideline No. 2157/2006, Part IV, Articles 3, 5, 6, Part XIII).</p> <p>Areas of particular scenic beauty and biodiversity are also set aside from logging (Regulation No. 0108/2005 MAF, Article 8).</p> <p>Regulations require the taking of a wide array of measures to mitigate negative environmental impact of logging in production forest areas (Guideline No. 2157/2006 DOF), such as:</p> <ul style="list-style-type: none"> <li>Measures related to road construction (including limitations on road width, avoidance of construction on steep slopes and inside of buffer zones along river banks, minimisation of the number of stream crossings etc.);</li> <li>Clearances of log yards/log landings I and II (including optimal selection of sites at a distance from streams, limitation of area to no more than 0.5 ha); and</li> <li>Forest fire prevention (including minimisation of wood residuals on logging sites, prevention of fire incidents caused by</li> </ul>

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	<p>Part X, Article 8 on post-harvesting practices to prevent soil erosion, and Part XIII on operation restrictions, Part IX on forest fire prevention, Part XIV Article 2 on training. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></p> <p><u>Conversion, tree plantations:</u></p> <ul style="list-style-type: none"> <li>Decree No. 135/2009 PM on State Land Lease or Concession, 25 May 2009, Article 27 on requirements for environmental and social impact assessment and operational plan. Available at: <a href="http://rightslinklao.org/eng/index.php?option=com_docman&amp;task=doc_download&amp;gid=100&amp;Itemid=70">http://rightslinklao.org/eng/index.php?option=com_docman&amp;task=doc_download&amp;gid=100&amp;Itemid=70</a></li> <li>Law No. 02/1999 NA on Environmental Protection, 3 April 1999, Part III describing obligations for pollution management and control, Article 8 on the obligation for environmental assessments. Available at: <a href="http://theredddesk.org/sites/default/files/1999_environmental_protection_law_eng_1.pdf">http://theredddesk.org/sites/default/files/1999_environmental_protection_law_eng_1.pdf</a></li> <li>Law No. 29/2012 NA on Environmental Protection, 18 December 2012. Available at: <a href="http://faolex.fao.org/docs/pdf/lao151747.pdf">http://faolex.fao.org/docs/pdf/lao151747.pdf</a></li> <li>Decree No. 112/2010 PM on Environmental Impact Assessment, 18 February 2010, describes obligations and procedures in detail. Available at: <a href="http://www.laolandissues.org/wp-content/uploads/2011/12/EIA-Decree-112-PM-2010-Inofficial-transl.-Eng.pdf">http://www.laolandissues.org/wp-content/uploads/2011/12/EIA-Decree-112-PM-2010-Inofficial-transl.-Eng.pdf</a></li> </ul> <p><u>Conversion:</u></p>	<ul style="list-style-type: none"> <li>Kenney-Lazar, M. (2015). <i>Authoritarian Resource Governance and Emerging Peasant Resistance in the Context of Sino-Vietnamese Tree Plantations, Southeastern Laos</i>. BRICS Initiative for Critical Agrarian Studies Working Paper, No. 1. The Hague: The International Institute for Social Studies.</li> <li>rfa.org (2016). <i>Laos' Paraquat Problem</i>. [online]. RFA – Radio Free Asia, 06 May 2016. Available at: <a href="http://www.rfa.org/english/news/laos/laos-paraquat-problem-05062016131002.html">http://www.rfa.org/english/news/laos/laos-paraquat-problem-05062016131002.html</a></li> <li>rightslinklao.org (2016). <i>The toxic landscape</i>. [online]. LURAS Discussion paper, February 2016. Available at: <a href="http://rightslinklao.org/wp-content/uploads/downloads/2016/03/Bartlett_The_toxic_landscape_28Feb16-copy.pdf">http://rightslinklao.org/wp-content/uploads/downloads/2016/03/Bartlett_The_toxic_landscape_28Feb16-copy.pdf</a></li> <li>FAO (2015). <i>Proceedings of the Asia regional workshop on the implementation, monitoring and observance of the international code of conduct on the distribution</i></li> </ul>	<p>expansion of fires from logging camps, equipping logging machinery with fire extinguishers etc.).</p> <p>Training should be conducted to upgrade the knowledge and skill of workers on environment and biodiversity protection (according to Guideline No. 2157/2006 DOF).</p> <p><u>Conversion, tree plantations:</u></p> <p>Holders of state land concessions or leases must submit and obtain approval for the following documents from the Water Resources and Environment Administration (a part of the Ministry of Nature Resources and Environment since 2011):</p> <ul style="list-style-type: none"> <li>Report on initial environmental examination, amended based on comments of the Water Resources and Environment Administration/Ministry of Natural Resources and Environment if needed;</li> <li>Report on environmental impact assessment;</li> <li>Management and environmental monitoring plan;</li> <li>Harvesting plan, including definitions for stream buffer zones. Compliance is monitored by the Forest Management Units and Provincial Agriculture and Forestry Office;</li> <li>Environmental compliance certificate, including compliance with any conditions listed in the certificate;</li> <li>Summary report of actual implementation of measures to mitigate and minimise impacts; and</li> <li>Records of good agricultural practices, and records of complaints and actions taken to resolve them are reviewed by the Department of Agriculture once a year.</li> </ul> <p>Requirements on pesticide use are detailed in Regulation No. 2860/2010 MAF on the Control of Pesticides in the Lao PDR, which</p>

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	<ul style="list-style-type: none"> <li>Regulation No. 0112/2008 MAF on the Logging and Post-logging Cleaning in the Reservoir Area of a Hydropower Dam, 25 November 2008, Article 7 on demarcation of buffer zones, Articles 8, 9, 11 on the guidelines for management of soil erosion in construction of roads, bridges and log landings, and management of pollutants in logging operations on proposed reservoir areas, Article 12 on the prevention of fires in logging operations on proposed hydropower reservoir areas, Article 13 on management of wastes and pollutants, Article 15 on management of wildlife, Article 35 on prohibitions. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> </ul> <p><u>Tree plantations:</u></p> <ul style="list-style-type: none"> <li>Regulation No. 2860/2010 MAF on the Control of Pesticides in Lao PDR, 11 June 2010, Articles 20, 21, 23 and 24, detailing transportation, storage, use and disposal rules for pesticides. Available at: <a href="http://www.laotradeportal.gov.la/index.php?r=site/display&amp;id=96">http://www.laotradeportal.gov.la/index.php?r=site/display&amp;id=96</a></li> <li>Agreement No. 0538/2011 MAF on Good Agricultural Practices for Environmental Management Standards, 9 September, 2011, Articles 5, 6, 7, 8, 9, 10 and 12, detailing proper management of site, planting material, soil, fertilizer, water, chemicals and biodiversity. Articles 15 and 16 detailing record keeping and yearly review of practices and resolution of complaints. Available at: <a href="http://faolex.fao.org/docs/pdf/lao141128.pdf">http://faolex.fao.org/docs/pdf/lao141128.pdf</a></li> </ul>	<p><i>and use of pesticides.</i> Bangkok, Thailand, 26-28 July 2005. FAO, Bangkok, 2005. Available at: <a href="http://www.fao.org/docrep/008/af340e/af340e00.htm#Contents">http://www.fao.org/docrep/008/af340e/af340e00.htm#Contents</a></p> <ul style="list-style-type: none"> <li>Smirnov D. (2015). <i>Assessment of Scope of Illegal Logging in Laos and Associated Trans-boundary Timber Trade: As Baseline for International Leakage Estimation.</i> [online]. WWF. Available at: <a href="https://wildleaks.org/wp-content/uploads/2016/07/Car-Bi-assessment-of-scope2.pdf">https://wildleaks.org/wp-content/uploads/2016/07/Car-Bi-assessment-of-scope2.pdf</a></li> <li>Vázquez, C. (2012). <i>Illegal Pesticide Trade in the Mekong Countries: Case of Lao PDR.</i> [online]. Vientiane Capital and Provinces of Louang Namtha and Xiengkhouang. SAEDA, PAN AP. Available at: <a href="http://panap.net/2013/12/illegal-pesticide-trade-mekong-countries-case-studies-cambodia-lao-pdr/">http://panap.net/2013/12/illegal-pesticide-trade-mekong-countries-case-studies-cambodia-lao-pdr/</a></li> </ul>	<p>includes rules on registration, import, export, distribution, transportation, storage, disposal and transport of pesticides; and on packaging, labelling and advertising. These regulations contain a list of banned pesticides (55 kinds), and provisions on pesticide labelling in Lao and/or English.</p> <p>Regulation No. 2860/2010 MAF Articles 31, 32 regulates use of pesticides.</p> <p>Timber harvesting activities related to clearance of reservoirs of hydropower dams must also implement a set of measures to prevent and reduce specific negative impacts (Regulation No. 0112/2008 MAF, Article 7-13, 15, 35). These measures include:</p> <ul style="list-style-type: none"> <li>Determining corridor zones for nearby logging (reservoir) which can be used by wildlife as a passage to migrate from the flooding area;</li> <li>Determining and demarcating buffer zones to serve as substitute habitats for wildlife that has escaped from the flooding area;</li> <li>Designing the forest road and hauling track network in such a way as to prevent soil erosion, and siltation of streams, and to limit the number of river crossings;</li> <li>Constructing temporary bridges over perennial streams;</li> <li>Prohibiting the hauling and transportation of logs during heavy rains;</li> <li>Preparing forest fire prevention troughs to act as fire breaks surrounding the logging (reservoir) area and logging camps;</li> <li>Managing waste and dangerous materials;</li> <li>Prohibiting hunting of wildlife, including aquatic animals.</li> </ul>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p><b>Legal authority</b></p> <ul style="list-style-type: none"> <li>• Selective logging: Provincial and District Agriculture and Forestry Offices.</li> <li>• Conversion: The supervision committee responsible for logging management, comprised of various relevant agencies and local authorities, or specific taskforce, Ministry of Nature Resources and Environment, Provincial Agriculture and Forestry Office.</li> <li>• Tree plantations: The Department of Agriculture of Ministry of Agriculture and Forestry, District offices of Agriculture and Forestry.</li> </ul> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>• Selective logging: Forest management plan, logging plan.</li> <li>• Conversion, tree plantations: Report on environmental impact assessment, logging plan, management and environmental monitoring plan, summary report of actual implementation of measures to mitigate and minimise impacts, records of good agricultural practices, and records of complaints and actions taken to resolve complaints are reviewed by the Department of Agriculture once a year.</li> </ul>		<p><b>Description of Risk</b></p> <p><i>Selective logging:</i></p> <p>According to Jonsson (2006), inspection of the Don Situang production forest area tree maps for all inspected harvest blocks revealed that parent trees had not been marked as per requirements, and that no information on conservation features had been noted on the maps. Village Forest Organisation personnel were not aware of “mother trees”, and they were not marked on the tree maps. The proposed felling direction was not marked on the trees. Unmarked Mai Nganag trees of importance for NTFP use (resin) had been cut, and villagers were unhappy about this fact. No further information was available on the implementation of environmental requirements, however, the disregard for forest management regulation (see. 1.8), could indicate a risk of the environmental regulations being violated.</p> <p><i>Conversion, tree plantations:</i></p> <p>Two detailed case studies on timber harvesting under quotas for road construction and limestone quarrying conducted by the WWF (Smirnov, 2015) revealed that logging of “conversion” timber was carried out under the principle of creaming for the most valuable trees, regardless of concession borders, including logging in environmentally sensitive areas such as slopes of more than 35 degrees, and within 30-50 m buffer zones along the banks of rivers and streams.</p> <p>Research has provided evidence that companies have failed to meet requirements for having an Environmental Impact Assessment for development projects undertaken before commencement of project activities, or had not conducted this assessment at all.</p> <p>For instance, according to Kenney-Lazar (2015), a Vietnamese company had cleared land in Savannakhet province to establish a eucalyptus plantation before detailed surveys of what land was available had been conducted, and they had usually only conducted</p>



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			<p>surveys if there was a conflict with villages concerning the land cleared. Another Vietnamese corporation did not conduct any environmental or social impact assessments prior to getting a concession in Attapeu province for the establishment of a rubber plantation. The required assessments were made only after the project had been running for two years (Kenney-Lazar, 2010).</p> <p><i>Fertiliser and pesticides in plantations:</i></p> <p>Overuse of fertilisers and pesticides, as well as use of banned pesticides in plantations, is a widely acknowledged problem. Questions about the impact of chemicals on the environment, and the government's ability to control their use have been raised in numerous publications (RFA – Radio Free Asia, 14 April 2016; RFA – Radio Free Asia, 06 May 2016).</p> <p>According to the report "Illegal Pesticide Trade in the Mekong Countries: The Case of the Lao PDR" (Vázquez, 2012), the expansion of rubber plantations has greatly increased inputs of herbicides into the ecosystem, especially glyphosate and paraquat, even though the latter is on the list of banned pesticides in Laos (Regulation No. 2860/2010 MAF, Annex 1).</p> <p>Nearly all pesticides sold and used in Laos originate in Thailand and China, and to some extent from Vietnam, and are sold under Thai and Chinese labels, which makes it difficult to identify the types of chemicals used (Vázquez, 2012); this is contrary to a regulation stipulating that pesticide formulations should bear labels written in Lao and/or English (Regulation No. 2860/2010 MAF, Article 26).</p> <p>Laos' long, porous borders, and the ease of movement of pesticides with little oversight, make enforcement of pesticide regulations and bans a challenge, as was admitted by the Lao authorities responsible (including the Department of Agriculture's deputy director, the head of the Pesticides Regulatory Division). Besides the formal import of pesticides, there are also pesticides illegally traded along the border (through forest trails across the Laos-China border,</p>



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			<p>and across the Mekong River from Thailand by means of small private boats), including those that are prohibited (Vázquez, 2012; RFA – Radio Free Asia, 06 May 2016; RFA – Radio Free Asia, 14 April 2016; The Straits times, 16 April 2016).</p> <p>Vongpaphan Manivong, a researcher with the Lao National Agriculture and Forestry Research Institute, found that chemical counterfeiting was rampant, as banned chemicals are imported with new labels attached to fool Lao customs officers. Researchers have found nearly 50 different chemicals bound for plantations, chemicals that were either banned or faked to look like they were approved (RFA – Radio Free Asia, 14 April 2016), a direct violation of Regulation No. 2860/2010 MAF, Article 25 and 27, which require that pesticides be kept in their original packaging during importation, transportation, storage and distribution, and which prohibit false statements.</p> <p>In 2011, most officials in charge of inspecting pesticides were not familiar with these chemicals, and few knew about Laos’ new regulations enacted in 2010. Inspection of pesticides and detection of banned agricultural chemicals were not an important aspect of the daily routine of officers at the traditional checkpoints in the districts along the Mekong River. They were not aware of pesticide regulations, nor that imported pesticides must be cross-checked with the Ministry of Agriculture and Forestry’s list of registered and banned pesticides (Vázquez, 2012).</p> <p>Officials of District Agriculture and Forestry offices did not inspect farms (which includes smallholders of teak and rubber plantations), or monitor pesticide use, and inspection was limited to retail shops.</p> <p>A field assessment in July 2011 indicated that most of the pesticides sold and used in Laos were technically illegal, because imports and sales tended to take place largely without a government license, outside government regulations. Most retail shop owners were unaware of pesticide regulations and banned pesticides, and</p>

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			<p>reported that purchases were not scrutinised for banned or illegal pesticides (Vázquez, 2012).</p> <p>The Lao Upland Rural Advisory Service (LURAS) discussion paper claimed that: "The use of herbicides, such as paraquat, has brought about a transformation of the landscape in upland provinces such as Xieng Khuang", and that "these chemicals are a serious threat to human health and a contributing factor in the loss of biodiversity and declining soil fertility" (2016). Laos, as with most non-industrialised countries, lacks the technology to dispose of pesticides safely. Plantation owners do not manage their waste, and are blamed for throwing that waste, including fertiliser and plastic bags, plastic bottles of pesticides and insecticides, into rivers and near houses (Vazquez, 2012). These practices contaminate the soil, plants, water, fish, and the air, and increase the health risks to rural communities.</p> <p>One case showed that pesticides were thrown into a stream used by the local people. The chemicals leached into the ground water, causing concerns about contamination, and, in at least one case, a death was linked to the pollution (RFA – Radio Free Asia, 14 April 2016). Media reports say that locals in Bokeo province are now afraid to collect forest food like mushrooms near plantations, and quoted the governor of Bokeo as saying that the "impact on the environment and nearby communities partly results from the fact that relevant government authorities failed to carry out proper management and monitoring" of chemical fertilisers, harmful herbicides and pesticides, which "have been used by foreign investors" (The Straits Times, 16 April 2016). Vongpaphan Manivong, a researcher with the Lao National Agriculture and Forestry Research Institute, told mass media that the dearth of enforcement allows unscrupulous plantation owners to use banned chemicals (RFA – Radio Free Asia, 14 April 2016).</p>

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			<p>Xiangkhouang officials admitted that they are unable to control the use of banned herbicides, and farmers in the province can easily buy these chemicals (RFA – Radio Free Asia, 06 May 2016).</p> <p>There is no mechanism in place in the region to send illegal pesticides back to their country of origin. Thus, enforcing pesticide regulations, for example by confiscating illegal pesticides, becomes a challenge in the absence of adequate technology to dispose of hazardous products. Cases have been recorded in which inspectors of District Agriculture and Forestry Offices did not confiscate illegal pesticides because of the difficulty of disposing of them in a safe manner (Vázquez, 2012).</p> <p>Summary:</p> <p>For all sources of timber there is a general disregard of environmental requirements.</p> <p>Selective logging:</p> <ul style="list-style-type: none"> <li>• Lack of marking of mother trees;</li> <li>• No mapping of conservation features; and</li> <li>• Logging of important trees that has been used by locals to tap resin (NTFP).</li> </ul> <p>Conversion and tree plantations:</p> <ul style="list-style-type: none"> <li>• Logging in environmentally sensitive areas (slopes, buffer zones and stream banks);</li> <li>• Lack of Environmental Impact Assessments; and</li> <li>• Misuse of fertilisers and other chemicals (overuse, and use of banned pesticides).</li> </ul> <p><b>Risk Conclusion</b></p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			This indicator has been evaluated as <b>specified risk</b> . Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.
1.11 Health and safety	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>Law No. 43/ NA on Labour, 24 December 2013 Article 43 on employer obligations to facilitate medical examinations of employees, Article 97 on the employment of pregnant women or women caring for newborns, 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. Available at: <a href="https://www.ilo.org/dyn/natlex/docs/MONOGRAPH/96369/113864/F1488869173/LAO96369%20Eng.pdf">https://www.ilo.org/dyn/natlex/docs/MONOGRAPH/96369/113864/F1488869173/LAO96369%20Eng.pdf</a></li> <li>Instruction No. 1035/2010 MAF of the Provincial Forestry Sector for 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. Available at: <a href="http://fleglao.com/resources/forestry-legality-compendium/">http://fleglao.com/resources/forestry-legality-compendium/</a></li> <li>Guideline No. 2157/2006 DOF Guideline on Timber Harvesting in Production Forest, 6 November 2006, Part VIII Article 2 on prevention of spreading malaria, Part X Article 1 on principles</li> </ul>	<p><b>Government sources</b></p> <p><a href="http://nra.gov.la">nra.gov.la</a> (N.Y): The National Regulatory Authority for the UXO/Mine Action Sector in the Lao PDR. Available at: <a href="http://www.nra.gov.la/uxoproblem.html">http://www.nra.gov.la/uxoproblem.html</a></p> <p><b>Non-government sources</b></p> <ul style="list-style-type: none"> <li>straitstimes.com (2016). <i>Chemicals are killing Laos' farmlands</i>. [online]. The Strait Times, 16 April 2016. Available at: <a href="http://www.straitstimes.com/asia/se-asia/chemicals-are-killing-laos-farmlands">http://www.straitstimes.com/asia/se-asia/chemicals-are-killing-laos-farmlands</a></li> <li>Rfa.org (2016). <i>Chinese Banana Plantations Lose Their Appeal in Laos as Pollution Concerns Grow</i>. [online]. RFA – Radio Free Asia, 14 April 2016. Available at: <a href="http://www.rfa.org/english/news/laos/chinese-banana-">http://www.rfa.org/english/news/laos/chinese-banana-</a></li> </ul>	<p><b>Overview of Legal Requirements</b></p> <p><i>General</i></p> <p>The employer must inspect and assess risks to safety and health within the labour unit and workplace regularly, and must report the results of the risk assessment to the Labour Inspection Agency at least once per year (Law No. 43/ NA on Labour 2013 Articles 119 and 122).</p> <p>The employer is obliged to supply individual safety gear to employees in full and in good condition according to international standards; to ensure working conditions are safe, and that there is appropriate lighting, supply of drinking water and washing water, showers, toilets etc., a room set aside for the storage of toxic substances, and other measures against electric shocks, fire, etc.; to facilitate medical examinations of employees at least once a year, and to provide an on-site first aid kit (Law No. 43/ NA on Labour 2013 Articles 43 and 119).</p> <p>Workplaces with 100 employees or fewer must appoint a person responsible for the safety and health of employees; workplaces with more than 100 employees must establish a health and safety unit or committee. Remote workplaces with at least 50 employees must hire one medical officer; for fewer than 50 employees, the workplace must include a first aid kit and have a person trained in first aid on site (Law No. 43/ NA on Labour 2013 Article 123).</p> <p>Legislation prohibits the employment of minors in activities that are unsafe, or dangerous to health (Law No. 43/ NA on Labour 2013 Article 102). An employer cannot require a pregnant woman or</p>

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	<p>of logging operations, Article 2 on protective equipment, Article 3 on felling technique, Part XI on personal qualification and performance, Part XIII on prohibitions, Part XIV Article 2 on training. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></p> <ul style="list-style-type: none"> <li>Regulation No. 0112/2008 MAF on the Logging and Post-logging Cleaning in the Reservoir Area of a Hydropower Dam, 25 November 2008, Article 10 on prevention of spreading diseases, Article 18 on felling technique. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>Notification #093 of the National Regulatory Authority for UXO/Mine Action Sector in Lao PDR on UXO clearance for socio-economic development projects in the Lao PDR, 19 November 2012, Clause 1.</li> <li>Announcement No. 004/NRAB of the National Regulatory Authority for UXO/Mine Action Sector in Lao PDR on national standards for evidence-based survey, 21 January 2015.</li> </ul> <p><b>Legal authority</b></p> <ul style="list-style-type: none"> <li>Selective logging: Provincial Agriculture and Forestry Offices.</li> <li>Conversion: The supervision committee responsible for logging management, comprised of various relevant agencies and local authorities, or specific taskforce, the National Regulatory Authority for UXO/Mine Action Sector.</li> </ul>	<p><a href="http://plantations-04142016151133.html">plantations-04142016151133.html</a></p> <ul style="list-style-type: none"> <li>Forest Trends (2010). <i>Timber Markets and Trade between Laos and Vietnam: A Commodity Chain Analysis of Vietnamese-Driven Timber Flows</i> [online]. Available at: <a href="http://www.forest-trends.org/documents/files/doc_2365.pdf">http://www.forest-trends.org/documents/files/doc_2365.pdf</a></li> <li>Hunt, G. (2014). <i>An Analysis of FSC Certification of Oji LPFL</i>. [online]. Plantation Watch. Available at: <a href="http://plantation-watch.org/wp-content/uploads/2015/06/Analysis-of-FSC-Certification-of-Oji-LPFL-2014.pdf">http://plantation-watch.org/wp-content/uploads/2015/06/Analysis-of-FSC-Certification-of-Oji-LPFL-2014.pdf</a></li> <li>Jonsson, T. (2006). <i>Control of Timber Production</i>. [online] Technical report. Sustainable Forestry and Rural Development Project – Lao PDR. Available at: <a href="https://pulpinc.files.wordpress.com/2006/10/logginginlaos.pdf">https://pulpinc.files.wordpress.com/2006/10/logginginlaos.pdf</a></li> <li>rightslinklao.org (2016). <i>The toxic landscape</i>. [online]. LURAS Discussion paper, February 2016. Available at: <a href="http://rightslinklao.org/wp-">http://rightslinklao.org/wp-</a></li> </ul>	<p>woman with a child younger than one year old to undertake dangerous work (Law No. 43/ NA on Labour 2013 Article 97).</p> <p>The employer must record accidents within a labour unit in detail, including the cause, and report it to the Labour Administration Agency (Law No. 43/NA 2013 on Labour Article 125).</p> <p>Companies shall provide assistance to victims of labour accidents and workers who suffer from occupational diseases (including the cost of treatment as determined in the Law on Social Insurance), and payment of normal salary or wages during medical treatment and rehabilitation for up to 6 months (Law No. 43/NA 2013 on Labour Article 128).</p> <p>The employer (logging company) shall provide yearly medical examinations for all workers. Logging companies are required to submit specific regulations for workers to the Provincial Agriculture and Forestry Office, the Provincial Forestry Sector, and Timber Exploitation Unit for acknowledgment (Instruction No. 1035/2010 MAF Article 3).</p> <p>Safety equipment should be provided to workers for logging in production forest areas (Guideline No. 2157/2006 DOF Part X Article 1). Chainsaws should be equipped with protective features (Guideline No. 2157/2006 DOF Part X Article 2).</p> <p>Requirements of qualifications of personnel include safety competence and first aid skills (Guideline No. 2157/2006 DOF Part XI). Training should be conducted to upgrade knowledge and skills of workers on the use of safety devices (including protective clothing), first aid, and precautions against accidents (Guideline No. 2157/2006 DOF Part XIV). Use of unregistered logging machinery is prohibited (Guideline No. 2157/2006 DOF Part XIII).</p> <p>Water tanks in logging camps must be kept clean and covered as a preventive measure against the breeding of mosquitoes that may</p>

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	<ul style="list-style-type: none"> <li>Tree plantations: Provincial Agriculture and Forestry Offices, the Department of Agriculture of the Ministry of Agriculture and Forestry, District offices of Agriculture and Forestry, the National Regulatory Authority for UXO/Mine Action Sector.</li> </ul> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>Selective logging: company's specific regulations for workers.</li> <li>Conversion: company's specific regulations for workers, report on completion of UXO (unexploded ordinance) survey or UXO clearance and release of land for use (combined with the handover certificate).</li> <li>Tree plantations: company's specific regulations for workers, report on completion of UXO survey or UXO clearance and release of land for use (combined with the handover certificate).</li> </ul>	<p><a href="http://content/uploads/downloads/2016/03/Bartlett_The_toxic_landscape_28Feb16-copy.pdf">content/uploads/downloads/2016/03/Bartlett_The_toxic_landscape_28Feb16-copy.pdf</a></p> <ul style="list-style-type: none"> <li>mineactionreview.org (2015). <i>Clearing Cluster Munition Remnants</i>. [online]. A Report for the First Review Conference of the Convention on Cluster Munitions. Available at: <a href="http://www.mineactionreview.org/assets/downloads/Mine_Action_Monitor_Clearing_Cluster_Munition_Remnants_FINA_LISED.pdf">http://www.mineactionreview.org/assets/downloads/Mine_Action_Monitor_Clearing_Cluster_Munition_Remnants_FINA_LISED.pdf</a></li> <li>FAO (2015). <i>Proceedings of the Asia regional workshop on the implementation, monitoring and observance of the international code of conduct on the distribution and use of pesticides</i>. Bangkok, Thailand, 26-28 July 2005. FAO, Bangkok, 2005. Available at: <a href="http://www.fao.org/docrep/008/af340e/af340e00.htm#Contents">http://www.fao.org/docrep/008/af340e/af340e00.htm#Contents</a></li> <li>Vázquez, C. (2012). <i>Illegal Pesticide Trade in the Mekong Countries: Case of Lao PDR</i>. [online]. Vientiane Capital and Provinces of Louang Namtha and Xiengkhouang.</li> </ul>	<p>cause the spread of diseases (Regulation No. 0112/2008 MAF Article 10).</p> <p><i>Tree Plantations:</i></p> <p>The Lao PDR is the most heavily bombed country, per capita, in history. It is heavily contaminated with cluster munitions and other explosive remnants of the Indochina War of the 1960s and 1970s, as well as landmines to a lesser extent. Fourteen of the Lao PDR's 17 provinces suffer from unexploded ordnance (UXO) contamination. 98 districts are contaminated, covering an area of about 87,000 km<sup>2</sup> (37%) (nra.gov.la (N.Y); Mines Advisory Group (N.Y).):.</p> <p>Development projects (which include commercial development projects such as plantation operations and infrastructure construction) are required to survey and clear UXO before commencing work in accordance with the national standards, and must also allocate funding to cover the cost (Notification #093 of the National Regulatory Authority for UXO/Mine Action Sector in the Lao PDR, 19 November 2012, Clause 1; NRA Announcement No. 004/NRAB, 21 January 2015).</p> <p>Completion surveys are to be carried out for all areas of land released for use, either through clearance or technical survey. Information from the completion survey is to be reported in a "Completion Survey Report", which is to be combined with the handover certificate and other task documentation, and submitted to the National Regulatory Authority.</p> <p>Requirements of pesticide use are detailed in Regulation No. 2860/2010 MAF on the Control of Pesticides in the Lao PDR. These regulations contain a list of banned pesticides (55 kinds), and providers of pesticides should possess safety instructions for their correct handling and use to ensure that they are not causing negative effects to people and the environment (Article 19 and 21).</p>



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		<p>SAEDA, PAN AP. Available at: <a href="http://panap.net/2013/12/illegal-pesticide-trade-mekong-countries-case-studies-cambodia-lao-pdr/">http://panap.net/2013/12/illegal-pesticide-trade-mekong-countries-case-studies-cambodia-lao-pdr/</a></p> <ul style="list-style-type: none"> <li>Mines Advisory Group (N.Y). The UXO problem in Laos: statistics <a href="http://www.maginternational.org/the-problems/the-uxo-problem-in-laos-statistics/">http://www.maginternational.org/the-problems/the-uxo-problem-in-laos-statistics/</a></li> </ul>	<p>Applying pesticides requires farmers (including tree plantation employees) to wear protective equipment and to properly follow label instructions to minimise the negative impacts of pesticide exposure (Article 23). Employers should provide employees with proper equipment and training in pesticide application (Article 23).</p> <p>Employment of child labour in sectors that pose a threat to health, including activities involving the application of chemicals, is prohibited (Law No. 06/2006 NA on Labour Article 41).</p> <p><b>Description of Risk</b></p> <p>Often logging crews do not have safety equipment, and live in very basic conditions in forest camps. This was recorded by Jonsson (2006) during an inspection of a forest site where the logging crew had neither safety equipment nor protective gear, and where conditions at the camp were very rudimentary (their shelter was a tarpaulin with no hygiene/sanitation facilities). Usually, Vietnamese loggers use their own hauling/winch trucks brought from Vietnam (these are not certified/licensed as required by Lao regulations).</p> <p>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). Loggers without contract can not claim compensation as it stipulated in law. Foreign workers have same rights as Lao workers and protected by Lao Labor Law. Using workers without contract (let alone foreign workers) constitutes violation of law.</p>



Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p><i>Tree plantations:</i></p> <p>Hunt's report (2014) also raised questions regarding the welfare of workers engaged in Acacia and Eucalyptus plantations due to the presence of unexploded ordnance (UXO) in plantation areas, and a lack of evidence that concession holders had surveyed and cleared UXO before commencing work as required by Notification #093 of the National Regulatory Authority for the UXO/Mine Action Sector in the Lao PDR, 19 November 2012. This report presented a case study of a company's employees having been exposed to extreme danger in the workplace through failure to clear unexploded ordnance from plantation sites before plantation operations began.</p> <p>The Lao Upland Rural Advisory Service (LURAS) states that the government has made no effort to enforce the ban on chemicals of which all uses have been prohibited in Laos under MAF regulation 2860 (2016). Two rounds of nationwide inspections in 2012, conducted by FAO and the Department of Agriculture, found that banned pesticides, such as paraquat and methomyl, were readily available (Vázquez, 2012).</p> <p>Researchers pointed out that officials of Provincial and District Agriculture and Forestry offices do not have any records of fertilisers and chemical substances used on plantations, and do not inspect farms or monitor pesticide use (RFA – Radio Free Asia, 14 April 2016; Vázquez, 2012).</p> <p>While paraquat is banned in Laos, farmers (including plantation owners) have become accustomed to using it. While its toxicity is low when sprayed in recommended doses, it poses serious health issues to anyone who handles the chemical. A small, undiluted dose can kill a human, and paraquat is blamed for a large number of pesticide-related deaths. It is a major method of suicide in many developing countries, is easily absorbed through the skin, and has been linked with Parkinson's syndrome in farm workers (RFA – Radio Free Asia, 06 May 2016).</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>Reports of illness and death from pesticide poisoning are widespread in Xiangkhuang. Nevertheless, farmers, including smallholders of tree plantations, keep spraying with minimal precautions (LURAS, 2016). It has been reported that farmers in Xiangkhouang, an epicentre of rubber plantation, are using about 25 times the amount recommended by the manufacturer (RFA – Radio Free Asia, 06 May 2016).</p> <p>Officials of District Agriculture and Forestry Offices, in charge of teaching farmers the appropriate use of pesticides, are not aware of the negative impacts of pesticide exposure, nor of the correct use of pesticides (Vázquez, 2012).</p> <p>According to government officials and researchers, pesticide application is often done with a pump sprayer by women and even children, the latter in contravention of labour legislation which prohibits the employment of minors in activities that are dangerous to health (Law No. 43/NA 2013 on Labour Article 102).</p> <p>Adequate personal protective equipment for pesticide applicators is lacking, and even if it were available, farmers may not be able to afford it, and thus, highly hazardous pesticides are used by farmers wearing little or no protection (Vázquez, 2012; LURAS, 2016). When mixing pesticides, the mixing tank was frequently placed in a river with children playing nearby. Some farmers reported buying and splitting pesticides with other farmers, a dangerous practice which increases exposure risks.</p> <p>Despite the requirement that pesticide storage facilities be located at least 100m from housing and domestic animal farms (if pesticides are stored in amounts of more than 10 litres or kilograms), some farmers store pesticides inside or under their houses.</p> <p><b>Summary</b></p> <p>All timber sources:</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<ul style="list-style-type: none"> <li>• Lack of safety equipment and protective gear;</li> <li>• Very basic forest camp facilities; and</li> <li>• Use of non-certified hauling/winch trucks.</li> </ul> <p>Three plantations especially:</p> <ul style="list-style-type: none"> <li>• Failure to clear unexploded ordinance (UXO)/mines; and</li> <li>• Health issues from handling pesticides.</li> </ul> <p><b>Risk Conclusion</b></p> <p>This indicator has been evaluated as <b>specified risk</b>. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.12 Legal employ ment	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Law No. 43/ NA on Labour, 24 December 2013 Article 122 on internal regulations. Available at: <a href="https://www.ilo.org/dyn/natlex/docs/MONOGRAPH/96369/113864/F1488869173/LAO96369%20Eng.pdf">https://www.ilo.org/dyn/natlex/docs/MONOGRAPH/96369/113864/F1488869173/LAO96369%20Eng.pdf</a></li> <li>• Law No. 12/2007 NA on Trade Unions, 25 December 2007, Articles 5 and 10 on the role of trade unions in representing workers, Article 11 on the rights and duties of trade unions, and Article 31 on the obligation of labour units to allow trade union activity, Articles 30 and 31 on the prohibitions for trade unions and labour units, Articles 38, 39 and 40 on the role of trade unions to coordinate labour disputes and conclude labour contracts, and Articles 44, 45, and 46 on dispute resolution mechanisms. Available at:</li> </ul>	<p><b>Non-government sources</b></p> <ul style="list-style-type: none"> <li>• Barney, K. (2009). <i>Laos: the Making of a 'Relational Resource Frontier'</i>. [online]. Geographical Journal 175 (2): 146-159. Available at: <a href="http://onlinelibrary.wiley.com/doi/10.1111/j.1475-4959.2009.00323.x/abstract">http://onlinelibrary.wiley.com/doi/10.1111/j.1475-4959.2009.00323.x/abstract</a></li> <li>• Forest Trends (2010). <i>Timber Markets and Trade between Laos and Vietnam: A Commodity Chain Analysis of Vietnamese-Driven Timber Flows</i> [online]. Available at: <a href="http://www.forest-">http://www.forest-</a></li> </ul>	<p><b>Overview of Legal Requirements</b></p> <p>Law No. 43/NA 2013 on Labour is the cornerstone of the legal framework on employment in Laos and covers the following areas:</p> <ul style="list-style-type: none"> <li>• General principles and employer obligations;</li> <li>• Internal working conditions;</li> <li>• Weekly rest, public holidays, annual and sick leave, maternity leave and maternity allowance;</li> <li>• Working hours and overtime;</li> <li>• Salary and payment of wages</li> <li>• Form and duration of employment contracts;</li> <li>• Termination of contracts and severance pay;</li> <li>• Rights and obligations of foreign labour;</li> </ul>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p><a href="http://asean.org/storage/2016/06/L1_LAW-on-Lao-Trade-Unions-2007.pdf">http://asean.org/storage/2016/06/L1_LAW-on-Lao-Trade-Unions-2007.pdf</a></p> <ul style="list-style-type: none"> <li>• Law No. 05/2006 NA on Child Protection, 27 December 2006, Article 87 on fines for using child labour in hazardous sectors. Available at: <a href="http://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&amp;isn=81057&amp;p_country=LAO&amp;p_count=58">http://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&amp;isn=81057&amp;p_country=LAO&amp;p_count=58</a></li> <li>• Instruction No. 1035/2010 MAF of the Provincial Forestry Sector for Implementing the Enforcement of the Labour Law and Paying Attention to Guide Company/Timber Exploitation Division to Strictly Implement, 23 April 2010, Article 2 on written contract, Article 3 on internal regulations regarding labour and health. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>• Guideline No. 2157/2006 DOF Guideline on Timber Harvesting in Production Forest, 6 November 2006, Part XIII on restrictions. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> </ul> <p><b>Legal authority</b></p> <ul style="list-style-type: none"> <li>• Selective logging: labour and social welfare divisions in provinces and districts, Provincial Agriculture and Forestry Offices.</li> <li>• Conversion: labour and social welfare divisions in provinces and districts, the supervision committee responsible for logging management comprised of various relevant agencies and local authorities, or specific taskforce.</li> </ul>	<p><a href="http://trends.org/documents/files/doc_2365.pdf">trends.org/documents/files/doc_2365.pdf</a></p> <ul style="list-style-type: none"> <li>• Fry, S. (2008). <i>Three Transformations of Industrial Relations in Laos</i>. [online]. Journal of Industrial Relations 50 (5): 779-795. Available at: <a href="http://journals.sagepub.com/doi/pdf/10.1177/0022185608094117">http://journals.sagepub.com/doi/pdf/10.1177/0022185608094117</a></li> <li>• Hunt, G. (2014). <i>An Analysis of FSC Certification of Oji LPFL</i>. [online]. Plantation Watch. Available at: <a href="http://plantation-watch.org/wp-content/uploads/2015/06/Analysis-of-FSC-Certification-of-Oji-LPFL-2014.pdf">http://plantation-watch.org/wp-content/uploads/2015/06/Analysis-of-FSC-Certification-of-Oji-LPFL-2014.pdf</a></li> <li>• Jonsson, T. (2006). <i>Control of Timber Production</i>. [online] Technical report. Sustainable Forestry and Rural Development Project – Lao PDR. Available at: <a href="https://pulpinc.files.wordpress.com/2006/10/logginginlaos.pdf">https://pulpinc.files.wordpress.com/2006/10/logginginlaos.pdf</a></li> <li>• Kenney-Lazar, M. (2010). <i>Land Concessions, Land Tenure, and Livelihood Change: Plantation Development in Attapeu Province, Southern Laos</i>.</li> </ul>	<ul style="list-style-type: none"> <li>• Employment of women and children;</li> <li>• Social insurance and retirement;</li> <li>• Employment of minors and forced labour;</li> <li>• Resolution of labour disputes;</li> <li>• Employer or social insurance implementation agency responsibility for care of victims of labour accidents and occupational diseases, and the obligation to pay an allowance to such victims.</li> </ul> <p><u>Foreign investors shall give priority to Lao citizens in recruiting and hiring employees</u>, yet reserving the right to employ skilled and expert foreign personnel when necessary with the approval of the relevant government authority (Law No. 43/NA 2013 on Labour Article 68; Law on Foreign Investment Article 11).</p> <p>Approval must be obtained from the Ministry of Labour and Social Welfare to employ foreign workers (Law No. 43/NA 2013 on Labour Article 156).</p> <p>The acceptable ratio for foreign labour within a labour unit must be as follows: The maximum number of foreign workers should not exceed 15% of the number of Lao workers for unskilled positions and 25% for skilled positions. For large government projects lasting up to five years, the use of foreign labour is in accordance with the agreement between the government and the project owner.</p> <p>Foreign employees must meet several requirements to be employed in the Lao PDR, including being over the age of 20 years, possessing the skills and professional level required for the position, having no criminal record, and being in good health). Foreign employees may work under a contract for 12 months, which may be extended by 12 months up to a maximum of five years in total (Law No. 43/NA 2013 on Labour Article 45).</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> <li>Tree plantations: labour and social welfare divisions in provinces and districts, the Department of Agriculture of the Ministry of Agriculture and Forestry, Provincial Agriculture and Forestry Offices, District offices of Agriculture and Forestry.</li> </ul> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>Selective logging: Employment contracts, company's internal regulations on labour practices</li> <li>Conversion: Employment contracts, company's internal regulations on labour practices</li> <li>Tree plantations: Employment contracts, company's internal regulations on labour practices, operational plan on participation of local people, study on socio-economic information</li> </ul>	<p>[online]. Vientiane: Faculty of Forestry, National University of Laos. Available at: <a href="http://rightslinklao.org/wp-content/uploads/downloads/2014/05/3-Land-Concessions-Land-Tenure-and-Livelihood-Change-Plantation-Development-in-Attapeu-Province-Southern-Laos.pdf">http://rightslinklao.org/wp-content/uploads/downloads/2014/05/3-Land-Concessions-Land-Tenure-and-Livelihood-Change-Plantation-Development-in-Attapeu-Province-Southern-Laos.pdf</a></p> <ul style="list-style-type: none"> <li>Shi, W. (2008). <i>Rubber boom in Luang Namtha: A transnational perspective</i>. [online]. GTZ Report. Available at: <a href="http://lad.nafri.org.la/fulltext/2072-0.pdf">http://lad.nafri.org.la/fulltext/2072-0.pdf</a></li> </ul>	<p>The employment of unauthorised foreign workers for logging in production forests is prohibited (Guideline No. 2157/2006 DOF Part XIII). Agreement No. 32/PM (2002) Article 5.8 calls for an “[i]ncrease [in] the effectiveness of [the] controlling of foreign labour, logging vehicles and machineries, timber hauling and transport by which there must be strict rules and measures of controlling”.</p> <p>The workplace must have its own internal regulations, and these must not conflict with the Labour Law. These regulations must be approved by the Labour Administration Authority. The Labour Administration Authority has a template of the Internal Regulations that companies are encouraged to use (Law No. 43/NA on Labour 2013 Article 122).</p> <p>The employer is obliged to provide training to develop their employees' skills and knowledge (Law No. 43/NA 2013 on Labour Article 28).</p> <p>“Youth labour” means employees older than 12 but younger than 18. Employers are prohibited from employing persons under the age of twelve years. Children of ages 12 and 13 may be employed for “light work”, provided that they are not required to undertake work that is unsafe, interferes with their schooling or vocational training, or is dangerous to their bodily or psychological health.</p> <p>Employees under the age of eighteen years are prohibited from working overtime (Law No. 43/NA 2013 on Labour Articles 101, 141). Employers must keep records of youth employees, and these must be supplied to the labour inspection authorities (Law No. 43/NA 2013 on Labour Articles 102, 141).</p> <p>A woman is entitled to at least 105 calendar days of fully paid maternity leave, at least 45 days of which must be after the birth. During the year after birth, the woman is entitled to have one hour a day of rest in order to feed and take care of the child. If a woman suffers a miscarriage, she is entitled to leave on full pay for a period determined by a doctor. On the birth of her baby, a woman is entitled</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>to an allowance as specified in the Social Security Law (Law No. 43/NA 2013 on Labour Article 98).</p> <p>An employer cannot require a pregnant woman or woman with a child younger than one year old to carry heavy loads, stand for long periods, undertake dangerous work or work at night, nor to work overtime or on a day of rest. If necessary, the employer shall temporarily assign the employee to more suitable work during this period, but must pay her the normal salary (Law No. 43/NA 2013 on Labour Article 97).</p> <p>The employer must pay at least the minimum wage set by the government (Law No. 43/NA 2013 on Labour Article 105).</p> <p>Wages are to be paid at least once per month (Law No. 43/NA 2013 on Labour Article 110).</p> <p>Deductions from an employee's salary are permissible to compensate for damage to the property of the employer to the value of the item damaged. If the employee is not able to repay the amount owing, the compensation must be deducted from the employee's salary or wage over time, but these deductions must not exceed 20% of the employee's salary or wage.</p> <p>The employer has the duty to declare the income which is paid to the employee to the Tax Department in order to deduct personal income tax (Law No. 43/NA 2013 on Labour Article 113).</p> <p>Every employer shall make payments to the National Social Security System with respect to their employees in accordance with the Social Security Law governing social security payments (Law No. 43/NA 2013 on Labour Article 71).</p> <p>Normal hours of work are 6 days a week, no longer than 8 hours a day, or 48 hours a week (Law No. 43/NA 2013 on Labour Articles 51 and 52).</p> <p>The employer may request an employee to work overtime. When overtime is necessary for more than 45 hours per month, or 3 hours</p>



Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>per day, the employer must request particular authorisation from the Labour Administration Agency, and either the trade union, worker's representative, or the majority of employees in the labour unit. Overtime cannot be worked for more than 4 consecutive days (except in the case of natural disaster) (Law No. 43/NA 2013 on Labour Article 53).</p> <p>Employment contracts must be made in writing in cases where one or both parties are a legal entity or organisation (Law No. 43/NA 2013 on Labour Article 77). The contract can either be for a fixed term or an indefinite period. If a fixed term contract, including any extensions, is longer than three years, the contract shall be deemed to be an indefinite employment contract.</p> <p>If the parties wish to extend the term of a fixed term employment contract, they must notify each other 15 days before its expiry, with the extension commencing within 60 days of the date of expiration of the contract (Law No. 43/NA 2013 on Labour Article 76).</p> <p>The contract must stipulate the place of work, the work to be performed, the level of wages, the duration of the contract, the commencement date, the expiry date and any probationary period, workings days, rest days and holidays, any welfare entitlements of the worker, the benefits the employee will receive at the expiration of the employment contract, and any other matters agreed between the parties (Law No. 43/NA 2013 on Labour Article 78).</p> <p>Employee representatives are allowed to participate in labour dispute resolution, collective bargaining, the creation of employment contracts and internal regulations of labour units, recommend improvements to wages, work conditions, and social insurance systems (Law No. 43/NA 2013 on Labour Article 167). In case a labour dispute cannot be resolved, strikes can be organised based on the law and regulations (Law No. 43/NA 2013 Article 154).</p> <p>For labour units that include grassroots trade union groups, it is held that the head of the grassroots trade union group shall be the</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>employees' representative. In cases where a labour unit has not yet established a grassroots labour trade union, the employees may appoint their own representative. Workplaces with 10 to 50 employees must have an employees' representative; workplaces with 51 to 100 employees must appoint two representatives, and one additional representative for every further 100 employees (Law No. 43/NA 2013 on Labour Article 166).</p> <p><b>Description of Risk</b></p> <p>It is common for plantation workers not to have a valid, signed labour contract, and for salaries not to be paid on time.</p> <p>In his research paper on the expansion of the rubber plantations of a Vietnamese corporation (HAGL) in Attapeu province, Kenney-Lazar (2010) concludes that work on rubber plantations is so demanding and unfair in the eyes of the villagers that they will only work when they have to, usually only two or three times per year. The villagers complained that the work was too difficult and that the duration of the working day was too long for such low wages. Some even suspected that the company was making the work so difficult for the villagers on purpose in order to prevent them from coming to work, as this would then give 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 labour.</p> <p>The biggest complaint of villagers was concerning the payment process. The company usually pays the supervisor (usually a Vietnamese 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. Since such payments are not regulated, this opens up a significant space for corruption on the part of the supervisor. Sometimes the supervisor would pay late. There were also cases of employees not getting paid at all.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>Similar cases in which a Chinese rubber company paid nothing to local workers were also reported in a study on the rubber plantation boom in Luang Namtha. The company manager explained that it was agreed with the villagers that payment would be given in a lump sum at the end of the year, so it was all a big misunderstanding. The district government, in response to the villagers complaints, ordered the villagers to pay to have their case addressed (Shi, 2008).</p> <p>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). Those who have a labour contract are eligible for social benefits, such as social and health insurance, as stipulated in Vietnamese labour law. However, some loggers do not have a labour contract, and thus are not eligible for benefits other than payment for their work. The President of the Vietnamese-Lao Association in Attapeu province, cited in the Forest Trends' report (2010), stated that there were about 5,000 Vietnamese workers in Attapeu, many of whom had entered Laos illegally.</p> <p>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.</p> <p><b>Summary</b></p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<ul style="list-style-type: none"> <li>• Lack of salary payment or payment on time;</li> <li>• Lack of labour contracts; and</li> <li>• Risk of priority not being giving to local Lao citizens.</li> </ul> <p><b>Risk Conclusion</b></p> <p>This indicator has been evaluated as <b>specified risk</b>. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
<b>Third parties' rights</b>			
1.13 Customary rights	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Law No. 29/2012 NA on Environmental Protection Law, December 18, 2012, chapter 5 on public participation <a href="http://faolex.fao.org/docs/pdf/lao151747.pdf">http://faolex.fao.org/docs/pdf/lao151747.pdf</a></li> <li>• Law No. 04/2003 NA on Land, 21 October 2003, Articles 71 on compensation for land used for public purposes <a href="http://extwprlegs1.fao.org/docs/pdf/lao77471.pdf">http://extwprlegs1.fao.org/docs/pdf/lao77471.pdf</a></li> <li>• Decree No. 192/2005 on Compensation and Resettlement of Development Project, 7 July 2005, PM, Part I, Article 2, describing the scope of application for resettlement and compensation in development projects, Part III, Article 6, outlining compensation principles, and Part IV, Article 13 on grievance mechanisms, and Article 15 on the reporting and documentation requirements for development projects <a href="http://www.laolandissues.org/wp-content/uploads/2012/03/Regulations-for-">http://www.laolandissues.org/wp-content/uploads/2012/03/Regulations-for-</a></li> </ul>	<p><b>Government sources</b></p> <ul style="list-style-type: none"> <li>• vientianetimes.org (2015). <i>Govt reopens for new mining investment</i>. [online]. 25 December 2015, Vientiane Times. Available at: <a href="http://www.vientianetimes.org/la/FreeContent/FreeContent/Govt_reopens.htm">http://www.vientianetimes.org/la/FreeContent/FreeContent/Govt_reopens.htm</a></li> <li>• laolandissues.org (2012). <i>Govt urged to review land compensation</i> [online]. Land Issues Working Group. Vientiane Times, 18 August 2012. Available at: <a href="http://www.laolandissues.org/2012/08/20/govt-urged-to-review-land-compensation/">http://www.laolandissues.org/2012/08/20/govt-urged-to-review-land-compensation/</a></li> <li>• b2bdirectory.pk (N.Y.) <i>National Export Strategy</i></li> </ul>	<p><b>Overview of Legal Requirements</b></p> <p>Villages in the Lao PDR have open access to, and exclusive use of, forest land and resources within their village boundaries.</p> <p>Customary forest rights are defined in Article 42 of the 2007 Forest Law, with all rural communities having these rights:</p> <p>“Customary utilisation of forest is the use of forest and forest products that has been carried out for a long time in accordance with laws and regulations. The State allows the use of trees and the harvest of non-protected species of forest products for household consumption with the condition that such customary use shall not cause adverse impacts on forests, forest resources, the environment, nor impinge upon rights and benefits of other individuals or organisations.”</p> <p>Villagers may be allocated land for tree planting and regeneration, and ownership of the resulting trees is guaranteed upon registration.</p> <p>A village, as a community, can lease natural forest areas within the village boundary under a Village Forest Management Agreement from the state for exclusive customary use and protection rights with</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p><a href="http://www.laolandissues.org/wp-content/uploads/2012/03/Regulations-for-Implementing-Decree-192-on-Compensation-Eng-2005.pdf">Implementing-Decree-192-on-Compensation-Eng-2005.pdf</a></p> <ul style="list-style-type: none"> <li>Regulation No. 2432/2005 PM.STEA for Implementing Decree 192/PM, 11 November 2005, Part III, Article 4, on resettlement planning, documentation and reporting, Article 5 on Initial Social Assessment, Article 9 on Social Assessment, Article 11 on Land Acquisition and Compensation Report, Article 12 on Resettlement Plan, and Article 17 on Ethnic Minority Development Plan <a href="http://www.laolandissues.org/wp-content/uploads/2012/03/Regulations-for-Implementing-Decree-192-on-Compensation-Eng-2005.pdf">http://www.laolandissues.org/wp-content/uploads/2012/03/Regulations-for-Implementing-Decree-192-on-Compensation-Eng-2005.pdf</a></li> <li>Decree No. 135/2009 PM on State Land Lease or Concession, 25 May 2009, Articles 6 and 43 outlining compensation requirements for concessions on people's or individual lands <a href="http://rightslinklao.org/eng/index.php?option=com_docman&amp;task=doc_download&amp;gid=100&amp;Itemid=70">http://rightslinklao.org/eng/index.php?option=com_docman&amp;task=doc_download&amp;gid=100&amp;Itemid=70</a></li> <li>Decree No. 192/2005 PM on Compensation and Resettlement of Development Project, 7 July 2005 Articles 3, 4, 6, 15. <a href="http://www.laolandissues.org/wp-content/uploads/2011/12/Approved-Resettlement-Decree-192-PM-Eng-2005.pdf">http://www.laolandissues.org/wp-content/uploads/2011/12/Approved-Resettlement-Decree-192-PM-Eng-2005.pdf</a></li> <li>Order 13/2012 PM on Halting Investment Projects Related to Mining, Rubber, Eucalyptus, 11 June 2012. <a href="http://www.laolandissues.org/wp-content/uploads/2012/03/Prime-Minister-Order-">http://www.laolandissues.org/wp-content/uploads/2012/03/Prime-Minister-Order-</a></li> </ul>	<p>(NES) for the period of 2011-2015. [online] Summary. Available at: <a href="http://www.b2bdirectory.pk/Lao-Republic-Exports/National%20Export%20Strategy%202011-2015%20Lao%20Republic.pdf">http://www.b2bdirectory.pk/Lao-Republic-Exports/National%20Export%20Strategy%202011-2015%20Lao%20Republic.pdf</a></p> <p><b>Non-Government sources</b></p> <ul style="list-style-type: none"> <li>Global Witness (2013). <i>Rubber barons: How Vietnamese companies and international financiers are driving a land grabbing crisis in Cambodia and Laos</i>. [online]. Global Witness. London. Available at: <a href="https://www.globalwitness.org/en/campaigns/land-deals/rubberbarons/">https://www.globalwitness.org/en/campaigns/land-deals/rubberbarons/</a></li> <li>Hodgdon, B. (2010) <i>Community Forestry in Laos</i>. [online]. Journal of Sustainable Forestry, 29: 1, 50 —78. Available at: <a href="http://dx.doi.org/10.1080/10549810903463452">http://dx.doi.org/10.1080/10549810903463452</a></li> <li>Hunt, G. (2014). <i>An Analysis of FSC Certification of Oji LPFL</i>. [online]. Plantation Watch. Available at: <a href="http://plantation-watch.org/wp-">http://plantation-watch.org/wp-</a></li> </ul>	<p>no tax obligations. The law does not specify the duration or terms of these agreements, but Prime Ministerial Decree 59 2002 sets a minimum of 10 years.</p> <p>Based on their customary rights under the law, most villages have already gone through the Lao government's Land Use Planning and Land Allocation programme (as stipulated by "MAF Guidelines on Land Use Planning and Allocation for Management and Use, No. 0822/MAF 1996) that formally allocates land and forest to villagers for legal recognition.</p> <p><i>Selective logging:</i></p> <p>To strengthen the role of forestry in poverty eradication, the government has established a policy that villagers in production forest areas, organised into Village Forestry Organisations (VFOs), should participate in forestry planning and operations in the field and should share in the derived proceeds.</p> <p>The role of VFOs is to organise villagers' participation in implementation of forest management activities under a Village Forest Management Agreement signed by the VFO and the relevant FMU. This agreement specifies the rights and responsibilities of signatories, the scope of village participation, and the arrangements for sharing of revenue from commercial timber harvests.</p> <p><i>Conversion, tree plantations:</i></p> <p>The right of usufruct or any generated income from land is secured to the holder of land use rights by Article 56 of the Land Law No. 04/2003 NA. The parties related to the lease or concession of land (aliens, apatrids, foreign individuals and their organisations) are under an obligation "to not violate the rights and interests of other persons" (the Land Law No. 04/2003 NA Article 67).</p> <p>In case of acquisition of land for public purposes or development projects, the state entity or company shall conduct assessments and receive approval from the relevant government agencies for the</p>

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	<p><a href="#">No13NA-on-halting-concessions-June-2012.pdf</a> (in Lao)</p> <ul style="list-style-type: none"> <li>Instruction No. 20/2010 NLMA on Implementation of Decree of State-owned Land for Concession, Article 5 on calculation of people's land repayment under the lease and concession area <a href="http://www.laolandissues.org/wp-content/uploads/2012/03/NLMA-Concession-Instruction-2010-April-Eng.doc">http://www.laolandissues.org/wp-content/uploads/2012/03/NLMA-Concession-Instruction-2010-April-Eng.doc</a></li> <li>Decree No. 59/2002 On Sustainable Management Of Production Forest Areas, 22 May 2002 <a href="http://theredddesk.org/countries/laws/decree-sustainable-management-production-forest-areas-no-592002">http://theredddesk.org/countries/laws/decree-sustainable-management-production-forest-areas-no-592002</a></li> <li>Instruction 822/1996 MAF On Forestland Allocation for Management and Use, 2 August 1996 with guidelines on how to conduct FLUPLA and identify forest zones within a village boundary <a href="http://flegtlaos.com/resources/forestry-legality-compedium/">http://flegtlaos.com/resources/forestry-legality-compedium/</a></li> <li>Regulation No. 0112/2008 MAF on the Logging and Post-logging Cleaning in the Reservoir Area of a Hydropower Dam, 25 November 2008, Article 31 on dissemination of information <a href="http://flegtlaos.com/resources/forestry-legality-compedium/">http://flegtlaos.com/resources/forestry-legality-compedium/</a></li> <li>Technical Guidelines of Science Technology and Environment Agency (STEA) on Compensation and Resettlement in Development Projects, November 2005 <a href="http://www.prflaos.org/sites/default/files/policy/43">http://www.prflaos.org/sites/default/files/policy/43</a></li> </ul>	<p><a href="#">content/uploads/2015/06/Analysis-of-FSC-Certification-of-Oji-LPFL-2014.pdf</a></p> <ul style="list-style-type: none"> <li>Jonsson, T. (2006). <i>Control of Timber Production</i>. [online] Technical report. Sustainable Forestry and Rural Development Project – Lao PDR. Available at: <a href="https://pulpinc.files.wordpress.com/2006/10/logginginlaos.pdf">https://pulpinc.files.wordpress.com/2006/10/logginginlaos.pdf</a></li> <li>Irinnews.org (2014). <i>Laos “land grabs” drive subsistence farmers into deeper poverty</i>. [online]. IRIN, 22 May 2014. Available at: <a href="http://www.irinnews.org/report/100116/laos-%E2%80%9Cland-grabs%E2%80%9D-drive-subsistence-farmers-deeper-poverty">http://www.irinnews.org/report/100116/laos-%E2%80%9Cland-grabs%E2%80%9D-drive-subsistence-farmers-deeper-poverty</a></li> <li>Kenney-Lazar, M. (2010). <i>Land Concessions, Land Tenure, and Livelihood Change: Plantation Development in Attapeu Province, Southern Laos</i>. [online]. Vientiane: Faculty of Forestry, National University of Laos. Available at: <a href="http://rightslinklao.org/wp-content/uploads/downloads/2">http://rightslinklao.org/wp-content/uploads/downloads/2</a></li> </ul>	<p>following documents, where required by law (Decree 192/PM 2005 Article 15):</p> <ul style="list-style-type: none"> <li>Initial social assessment;</li> <li>Social impact assessment;</li> <li>Land acquisition and compensation report;</li> <li>Resettlement plan; and</li> <li>Ethnic minority development plan.</li> </ul> <p>For government-financed projects, these documents should be submitted to the central-level agency (Ministry of Natural Resources and Environment). In case of a foreign or domestic private or joint venture, the documents should be submitted to the ministry in charge of the project, and the relevant local authority. The ministry shall forward these documents to the Ministry of Natural Resources and Environment for final approval.</p> <p>Owners of state land concessions are also responsible for providing budgets, short-term implementation, long-term assistance and economic rehabilitation of affected people, as well as monitoring and evaluation of the compensation process. They are required:</p> <ul style="list-style-type: none"> <li>To pay particular attention to the needs of the “poorest affected people and vulnerable groups”;</li> <li>To ensure the meaningful involvement of project-affected communities and their existing social and cultural institutions in the resettlement process;</li> <li>To collaborate with “concerned local governmental authorities”, and to get the approval of “concerned agencies” for all submitted plans and surveys.</li> </ul> <p>If it is confirmed by the “responsible government authorities” that the development of a project will have adverse impact on affected</p>



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	<p><a href="#">%20Technical%20Guidelines%20on%20Compensation%20and%20Resettlement%20in.pdf</a></p> <ul style="list-style-type: none"> <li>Decree No. 229/PM on Endorsement and Declaration of the Forestry Strategy to the Year 2020 of the Lao PDR, 9 August 2005; Forestry Strategy to the Year 2020 of the Lao PDR, July, 2005. Ministry of Agriculture and Forestry. Lao PDR. <a href="http://theredddesk.org/sites/default/files/fs_2020.pdf">http://theredddesk.org/sites/default/files/fs_2020.pdf</a></li> <li><b>Guideline No. 2157/2006 DOF Guideline on Timber Harvesting in Production Forest, 6 November 2006, Part IV, on harvesting plan and approval. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></b></li> </ul> <p><b>Guideline No. 2156/2006 DOF, on Sustainable Production Forest Management Planning, 6 November 2006, Part III on outline of management plan and main principles of planning, Part IV on procedures for approval and Part V on rights and responsibilities. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a> Legal authority</b></p> <ul style="list-style-type: none"> <li>Selective logging: Provincial and District Offices of Agriculture and Forestry, Village Forestry Organisations</li> <li>Conversion: Ministry of Natural Resources and Environment, joint committee of representatives of all stakeholders.</li> </ul>	<p><a href="#">014/05/3-Land-Concessions-Land-Tenure-and-Livelihood-Change-Plantation-Development-in-Attapeu-Province-Southern-Laos.pdf</a></p> <ul style="list-style-type: none"> <li>Kenney-Lazar, M. (2015). <i>Authoritarian Resource Governance and Emerging Peasant Resistance in the Context of Sino-Vietnamese Tree Plantations, Southeastern Laos</i>. BRICS Initiative for Critical Agrarian Studies Working Paper, No. 1. The Hague: The International Institute for Social Studies.</li> <li>Stenhouse R. and Bojö J. (2011). <i>An environmental perspective on hydropower and mining development in the Lao PDR</i>. [online]. Background Paper for Lao PDR Development Report 2010: Natural Resource Management for Sustainable Development. Washington, D.C.: World Bank. Available at: <a href="http://siteresources.worldbank.org/LAOPRDEXTN/Resources/293683-">http://siteresources.worldbank.org/LAOPRDEXTN/Resources/293683-</a></li> </ul>	<p>people, Article 6 of the Decree 192/PM 2005 regulates the principles of compensation.</p> <p>Compensation is defined as “payment in cash or in kind for an asset to be acquired or affected by projects at replacement cost”, where replacement cost is “the amount in cash or in kind needed to replace lands, houses, infrastructure or assets on the lands (crops, fruit trees) and other assets (income) affected by the development projects” (Decree 192/PM 2005 Article 3).</p> <p>The project’s owner shall compensate losses to the holders of legitimate rights for different types of land use by calculating the value of production, or the value received from land development as the basis for determining the amount of compensation (Decree No. 135/2009 PM Article 6, 43).</p> <p>Affected people living in rural or remote areas who do not have any legal Land Use Certificate or other acceptable proof indicating land use rights, shall be compensated for their lost assets at replacement cost and provided assistance “to ensure that they are not worse-off due to the project”.</p> <p>Where significantly large areas of land are affected by a project (i.e. agriculture, residential or commercial land), the compensation shall be through the provision of “land for land”. This land must be of equivalent size and productivity and must be located at a location acceptable to the affected people and the project owners (Decree 192/PM 2005 Article 6).</p> <p>Before compensation is provided, the project owners shall establish a joint committee with representatives of all stakeholders to assess the loss to affected people. The estimation of compensation must be done with the participation of line agencies, local administrative authorities, village administration and villagers by preparing a written memo which must be signed by all participants.</p> <p>The compensation and resettlement measures must be in place prior to the commencement of the project; rehabilitation measures</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> <li>Tree plantations: Ministry of Natural Resources and Environment, joint committee of representatives of all stakeholders.</li> </ul> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>Selective logging: Forest management plan, Village Forest Management Agreement, map with zoning of village land/forests.</li> <li>Conversion: Village Forest Management Agreement, map with zoning of village land/forests, land acquisition and compensation report, resettlement plan, memorandum containing estimate of compensation signed by all stakeholders.</li> <li>Tree plantations: Village Forest Management Agreement, map with zoning of village land/forests, land acquisition and compensation report, resettlement plan, memorandum containing estimate of compensation signed by all stakeholders.</li> </ul>	<p><a href="http://1301084874098/LDR2010_Environment.pdf">1301084874098/LDR2010_Environment.pdf</a></p> <ul style="list-style-type: none"> <li>Wellmann, D. (2012). <i>The legal framework of state land leases and concessions in the Lao PDR</i>. [online]. Discussion paper developed under the GIZ NU-IRDP contribution to the NUDP as product of the land management component. Available at: <a href="http://www.laolandissues.org/wp-content/uploads/2012/03/Legal-Framework-of-Concessions-in-the-Lao-PDR-Discussion-paper-GIZ-Wellmann.pdf">http://www.laolandissues.org/wp-content/uploads/2012/03/Legal-Framework-of-Concessions-in-the-Lao-PDR-Discussion-paper-GIZ-Wellmann.pdf</a></li> </ul>	<p>must already be in place, although they need not have been completed.</p> <p>Detailed information on the resettlement and compensation process regarding procedures, planning and implementation can be found in the Technical Guidelines on Compensation and Resettlement in Development Projects (prepared by the Science Technology and Environment Agency (STEA) in 2005).</p> <p>Regulation No. 0112/2008 MAF Article 31 requires dissemination of information about logging and reservoir area cleaning among all interested parties, including local people.</p> <p><b>Description of Risk</b></p> <p>For the majority of rural citizens of the Lao PDR, tenure is extremely insecure. The country's Constitution (Article 15), dated August 15, 1991 requires that citizens hold "rights to using, transferring, and inheriting [land] in accordance with the law." However, in practice, the government still claims ownership of most forest land, maintaining a highly centralised system of forest governance with inadequate recognition of customary tenure rights, leaving millions of forest-dependent communities vulnerable to land expropriation. State views often conflict with villagers' notions of customary rights and authority.</p> <p>The National Export Strategy (2011-2015) prioritises a foreign investment-oriented economic growth model through nine sectors with the potential to generate revenue, including organic plantation agriculture, encompassing eucalyptus and acacia (for paper, pulp, and fiber), sugarcane, and rubber. The strategy targets foreign investors who bring new technology and market access, while acknowledging that the large-scale investment model may negatively impact rural citizens. This approach is best illustrated by the shift from reliance on small-scale, local production and the harvesting of natural forests and lower-value products, to the</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>establishment of commoditised export-oriented industrial agriculture and forestry plantations. <u>It is worth specific note that the process of land allocation for production of export commodities is unstable and unclear, potentially resulting in conflicts of interest between local communities and investors.</u></p> <p>Consequently, the Lao PDR has allocated a rapidly expanding area to large-scale foreign direct investment (FDI) projects in agriculture, forestry, and other sectors promoted under the National Export Strategy.</p> <p>Screening of the concession inventory data suggests that currently about five million hectares of the Lao PDR are leased or conceded to either domestic or foreign parties (Wellmann, 2012). This area amounts to 21% of the total territory of the country. Roughly 13% of all villages in the Lao PDR have at least one concession within their village boundaries (these concessions can relate to plantations, but also to mini natural gas and hydropower where forest conversion would have occurred). Eighty-five percent of all investment in agricultural concessions comes from foreign investors. In 2012, the International Food Policy Research Institute listed Laos among seven countries in the world in which international land deals account for more than 10 percent of the total agricultural area (IRIN, 22 May 2014).</p> <p>Most of the concessions (tree plantations, hydropower dams, mining and geological prospecting) are granted within forest areas, which results in a high rate of forest conversion, and deprivation of non-timber forest products critically important to the subsistence of the rural population.</p> <p>Laos has about 1.6 million land plots, and so far about 620,000 of these plots have been titled. Of these, 300,000 are owned by the State, while the rest is land belonging to villagers. The government had planned to complete a land survey and allocation of lands to</p>

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			<p>villagers, as well as a land title project by 2015 (Vientiane Times, 21 August 2012).</p> <p>Rights to manage village forests are often not secured by villagers. Commonly, borders of village lands are drawn on a single “hard copy” – a billboard in a village – and if/when this is lost or damaged, the village loses its only source of information on village forests (Kenney-Lazar, 2010).</p> <p>Despite the allocation of use rights over forest and other communal lands, communal lands are not compensated for when re-allocated to companies, despite legislation requiring compensation to ensure that people are not left worse off due to a project. Communal lands have no land title and are considered to be within the realm of state ownership. Public or state ownership means that such lands can be easily given away without any sort of payment for the loss of resource entitlements (Kenney-Lazar, 2010). The lack of statutory recognition of traditional land rights before land is opened up to investors often means that local communities have little or no political recourse to defend their rights and to prevent the loss of both non-legally tenured communal and legally tenured individual land in the face of land concessions.</p> <p>Accordingly, land use plans and associated formal use rights are often totally ignored by concessionaries, and researchers have reported cases of conversion of every type of allocated forest (conservation, production, protection, regeneration, and cemetery forests) and land category (agriculture, grazing, and industrial tree land) (Hunt, 2014; Kenney-Lazar, 2010).</p> <p>Land concessions have come under criticism for ignoring village customary forest and land tenure rights, and for depleting the resources of forest-dependent communities. Land disputes were the top issue of concern raised by members of the public who called the National Assembly hotline during the session of the National Assembly in June 2012 (Vientiane Times, 21 August 2012).</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>Researchers and activists point out that land deals in Laos, despite decent laws, are carried out with little transparency or accountability, and with a lack of equitable consultation with affected local communities (Kenney-Lazar, 2010, 2015; Hunt, 2014). Conflicts often arise due to limited, inadequate, or non-existent compensation for acquired land being paid by project owners to the land use right holders.</p> <p>Many villagers in Laos have a high degree of dependency on NTFP and still practice shifting cultivation, which requires large plots of land to allow some soil to lie fallow to regenerate while other sections are planted – a system that is “completely different” from the settled farming of the lowland areas where displaced villagers are resettled. When the government relocates farmers to consolidated villages near towns and cities, families in some cases have been given as little as 0.75 hectares of land – roughly half what they traditionally use for farming (IRIN, 22 May 2014).</p> <p>Kenney-Lazar (2010) reported cases of farmers accepting the low price that a Vietnamese rubber corporation offered out of fear that if they refused they would not receive any money at all.</p> <p>Government officials often fail to formalise the tenure complaints of villagers as they are involved in the acquisition of village land (through bribes from concessionaries).</p> <p>The typical grievance process in Laos is that the headman of a village raises any complaint of the villagers with the district government. However, these are usually the same district government officials who brought the company to the community in the first place. As such, it is highly likely that government officials will hesitate to formalise the tenure complaints of villagers when they themselves have been involved in the acquisition of village land. For instance, a company was accused of making monthly payments to both district and provincial government officials, ostensibly as a per-diem payment, for being on the company committee; this creates a serious conflict of interest, and it is entirely predictable under such</p>

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			<p>circumstances that any grievance mechanism would be corrupted (Hunt, 2014).</p> <p>Villagers in Attapeu told Global Witness that armed soldiers, hired by a Vietnamese rubber corporation, regularly prevent them from entering the forest in at least one concession, and threaten them with arrest. These soldiers also protected logging operations inside the concession area, where luxury timber, including rosewood, was being cleared and trucked across the border to Vietnam as round logs (Global Witness, 2013). Along with force and pressure, the company used material incentives (bribes or gifts) to influence the decisions of the headmen of a village, as well as government officials (Kenney-Lazar, 2010).</p> <p>In an attempt to properly regulate the existing mining and tree plantation investment projects, in June 2012 the government issued Order No 13/PM 2012 ceasing consideration and approval of new investment in mining exploration and surveys, and rubber and eucalyptus plantations throughout the country.</p> <p>This moratorium on new rubber and eucalyptus plantation projects was extended in December 2015 by the Prime Minister's cabinet decision, while the Government has reopened consideration of new mining projects (Vientiane Times, 25 December 2015).</p> <p>However, researchers say, murky land deals continue to drive ethnic communities off their land without adequate consultation or compensation (IRIN, 22 May 2014).</p> <p>Hodgdon (2010) pointed out a central contradiction in Lao law that hinders local communities from participating in forest management activities. On the one hand, basic legal documents like the Constitution and the Forestry Law cite the central role of the state as sole land owner and ultimate decision maker over forest resource use. On the other hand, legislation entitles local communities to certain rights in forest management, and to benefit sharing. When conflicts arise between communities and state agencies, it is easy</p>



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			<p>for officials to simply cite the Constitution or the Forestry Law to deny communities any meaningful role in decision making.</p> <p>According to Jonsson (2006) villagers did not understand forest management plans for production forest areas, indicative of a lack of participation of the villagers in forest management.</p> <p><b>Summary</b></p> <p>There are general risks relating to:</p> <ul style="list-style-type: none"> <li>• Conflicts over land rights and tenure;</li> <li>• Lack of compensation to villagers when relocated;</li> <li>• Lack of formalisation of complaints from villagers due to corruption; and</li> <li>• Villagers not being allowed to enter forest concessions.</li> </ul> <p><b>Risk Conclusion</b></p> <p>This indicator has been evaluated as <b>specified risk</b>. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.14 Free prior and informed consent	<p><b>Applicable laws and regulations</b></p> <p>Not applicable – Legislation does not cover Free, Prior and Informed Consent</p> <p><b>Legal authority</b></p> <p>N/A</p> <p><b>Legally required documents or records</b></p> <p>N/A</p>	<p><b>Government sources</b></p> <p>N/A</p> <p><b>Non-government sources</b></p> <p>N/A</p>	<p><b>Overview of legal requirements</b></p> <p>N/A</p> <p><b>Description of risk</b></p> <p>N/A</p> <p><b>Risk conclusion</b></p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			N/A
1.15 Indigenous people's rights	<p><b>Applicable laws and regulations</b></p> <p>Not applicable – Legislation does not recognise indigenous people, although 33% of the country's population is estimated to comprise ethnic minorities, many of whom cannot speak or read Lao, and who maintain a spiritual connection to their land and forests.</p> <p>Multilateral donors, such as the ADB and the World Bank, apply indigenous safeguards on many of their projects, as they consider many of the ethnic groups in Laos to fit their organisational concepts of "indigenous people".</p> <p><b>Legal authority</b></p> <p>N/A</p> <p><b>Legally required documents or records</b></p> <p>N/A</p>	<p><b>Government sources</b></p> <p>N/A</p> <p><b>Non-government sources</b></p> <p>N/A</p>	<p><b>Overview of legal requirements</b></p> <p>N/A</p> <p><b>Description of risk</b></p> <p>N/A</p> <p><b>Risk conclusion</b></p> <p>N/A</p>
<b>Trade and transport</b>			
1.16 Classification of species, quantities, qualities	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>Law No. 06/2007 NA on Forestry, 24 December 2007, Article 21 on measuring and quality grading of logs in log landing II. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a>; <a href="http://www.laotradeportal.net/index.php?r=site/display&amp;id=68">http://www.laotradeportal.net/index.php?r=site/display&amp;id=68</a></li> <li>Order No. 17/2008 PM on Strengthening the Forest Management, Protection and Coordination</li> </ul>	<p><b>Non-government sources</b></p> <ul style="list-style-type: none"> <li>Jonsson, T. (2006). <i>Control of Timber Production</i>. [online] Technical report. Sustainable Forestry and Rural Development Project – Lao PDR. Available at: <a href="https://pulpinc.files.wordpress.com/2006/10/logginginlaos.pdf">https://pulpinc.files.wordpress.com/2006/10/logginginlaos.pdf</a></li> </ul>	<p><b>Overview of Legal Requirements</b></p> <p>A log list, which is used to calculate timber values and to generate transport and/or export permits, is created at log landing II, where all logs are to be measured and graded. Law on Forestry (2007) Article 21 stipulates that logs stored at log landing II shall be thoroughly measured, graded and recorded in a log list according to MAF regulations. Provincial and District Agriculture and Forestry Offices staff are responsible for making log lists at log landing II, and for handover of log lists to the Provincial Office of Industry and Commerce (Order No. 17/2008 PM Article 16). Measurement,</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>of Forest Management and Forestry Business, 22 September 2008, Article 16 on agency responsibilities and documentation requirements and on hand over of log lists made in log landing II, Article 20 on prohibited timber species and Article 25 on confiscated timber. Available at: <a href="http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf">http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf</a></p> <ul style="list-style-type: none"> <li>Guideline No. 2157/2006 DOF Guideline on Timber Harvesting in Production Forest, 6 November 2006, Part X on log records, log marking, scaling and documentation requirements. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>Regulation No. 0112/2008 MAF on the Logging and Post-logging Cleaning in the Reservoir Area of a Hydropower Dam, 25 November 2008, Articles 19 and 21 on log recording and measuring. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>Regulation No. 196/2000 MAF on Long-term Development and Promotion of Tree Planting, 15 August 2000, Article 14 on transport permit for plantation timber. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>Table No. 0008/2012 MAF of Prohibited, Special and Controlled Timber Species. Available at:</li> </ul>	<ul style="list-style-type: none"> <li>EU FLEGT Facility (2012). <i>Study for Understanding Timber Flows and Control in Lao PDR</i>. [online]. LTS International. Available at: <a href="http://www.euflegt.efi.int/documents/10180/23308/Study%20for%20understanding%20timber%20flows%20and%20control%20in%20Lao%20PDR">http://www.euflegt.efi.int/documents/10180/23308/Study%20for%20understanding%20timber%20flows%20and%20control%20in%20Lao%20PDR</a></li> <li>Smirnov D. (2015). <i>Assessment of Scope of Illegal Logging in Laos and Associated Trans-boundary Timber Trade: As Baseline for International Leakage Estimation</i>. [online]. WWF. Available at: <a href="https://wildleaks.org/wp-content/uploads/2016/07/Car-Bi-assessment-of-scope2.pdf">https://wildleaks.org/wp-content/uploads/2016/07/Car-Bi-assessment-of-scope2.pdf</a></li> </ul>	<p>scaling and registering of logs at log landing II is used for valuation, payment of fees, royalties etc., and is undertaken in accordance with Decision No. 0116/2007 MAF Annex 1 governing measurement of logs, stumps, knots and classification of log grades.</p> <p>In addition to this, according to Guideline No. 2157/2006 DOF Part X and Regulation No. 0112/2008 MAF Articles 19 and 21, forestry officers (Provincial and District Agriculture and Forestry Offices) supervising logging activities in compartment/logging zone are required to record logs already at log landing I (the species, number of trees, number of logs), including log markings which indicate the logging site. This list is to be used as a transport document to bring the material to log landing II.</p> <p>In cases in which timber was harvested in production forest areas, assigned forestry officers must check that all logs are derived from marked trees in the harvested blocks according to harvesting plan (Guideline No. 2157/2006 DOF Part X) before scaling and grading of the logs at log landing II.</p> <p>After completion of a log list, foresters of Provincial Agriculture and Forestry Offices shall make a release-mark on every recorded log using a special hammer-stamp: a F-mark (ຸຸ) for logs taken from log landing II to log landing III or a timber processing factory, an LF-mark (ຸຸລ) for logs intended for export in special cases approved by the GoL (Order No. 17/2008 PM Article 16).</p> <p>Transport permits are required for plantation timber and shall contain the relevant required information on quantity and quality (Regulation 196/AF, 2000 Article 14). Transport permits are the only official record of actual volume of harvested plantation timber. The tier of government body approving transportation depends on the point of shipment. Transportation of plantation timber within the same province can be approved by a Village Forest Organisation, while transportation of plantation timber out of a province is to be approved by a District Agriculture and Forestry Office and reported to a</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p><a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></p> <ul style="list-style-type: none"> <li>Decision No. 0116/2007 MAF on the regulation of timber log scaling and grading, 17 May 2007. Agreement on measurement of logs, stumps, knots and log grade classification. Annex 1. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>Guideline No. 0396/208 DOF on Monitoring the Implementation of Production Forest Management, 11 March 2008, Article 4 on monitoring procedure. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> </ul> <p><b>Legal authority</b></p> <ul style="list-style-type: none"> <li>Selective logging: District and Provincial Agriculture and Forestry Offices.</li> <li>Conversion: the supervision committee responsible for logging management, comprised of various relevant agencies and local authorities, or specific taskforce, District and Provincial Agriculture and Forestry Offices.</li> <li>Tree plantations: Village Forest Organisation, District and Provincial Agriculture and Forestry Offices.</li> </ul> <p><b>Legally required documents or records</b></p>		<p>Provincial Agriculture and Forestry Office. Permits for export abroad are issued by a Provincial Agriculture and Forestry Office.</p> <p>Foresters of Provincial and District Agriculture and Forestry Offices may inspect log landing II and check that the volume actually harvested is consistent with the harvesting permit.</p> <p><b>Description of Risk</b></p> <p>The flow of wood products is poorly monitored, and only the smaller part of harvested timber is officially registered at log landings as required. According to the Study for Understanding Timber Flows and Control in the Lao PDR (2012), only 34% of the total recorded harvested timber volume from four provinces in the 2010-11 logging season was registered at log landing II.</p> <p>There is evidence that documents (log lists) specify timber of lower grade and smaller size than is accurate, possibly as a result of an informal agreement between the buyer and the state agencies responsible for timber sale. The control measurement of logs at log landings II in the Don Situang production forest area revealed that volumes were up to 30% higher than documented on log lists (Jonsson, 2006).</p> <p>The WWF's analysis of timber movement under quotas for road construction (Smirnov, 2015) has revealed significant disparities between records of quantities, composition and quality of harvested timber at different stages of the chain of custody (from pre-felling inventory and accounting at log landing II, to the stage at which custom documents are prepared), supposedly in order to conceal illegally harvested timber and to understate payments/charges in the process of selling and paying taxes to the state on the Lao side:</p> <ul style="list-style-type: none"> <li>Evidence that some valuable restricted species (Burma padauk and Burmese rosewood) went unrecorded at log landing II;</li> </ul>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> <li>• Selective logging: logging contract and logging permit, pre-harvesting inventory and tree marking report, records from log landing I, log list.</li> <li>• Conversion: logging contract and logging permit, pre-harvesting inventory report, log list.</li> <li>• Tree plantations: log list, transport permit.</li> </ul>		<ul style="list-style-type: none"> <li>• Significant underreporting of quantity – the volume of exported timber (as it was reported to Vietnamese customs) exceeded the entire volume of timber officially documented at log landing II more than threefold;</li> <li>• The average volume of logs as reported by the importer at Vietnamese customs was 1.7-2.6 times higher than in log lists and sale-purchase contracts for the same species on the Lao side. Subsequently, the average price increased many fold from the contract between the Lao buyer and the Provincial Office of Industry and Commerce to the contract between the exporter and the importer.</li> </ul> <p>It is obvious that most of the wood harvested in smallholding tree plantations is shipped without notice to, and approval of, relevant government bodies due to a lack of business registration of plantations, and a reluctance of holders to follow ambiguous procedures and pay substantial regulatory fees and service charges (Smith, Phengsopha, 2014).</p> <p><b>Summary</b></p> <p>There is a general risk relating to:</p> <ul style="list-style-type: none"> <li>• Lack of registering of harvested logs at log landing II; and</li> <li>• Disparities between records of quantities, composition and quality of harvested timber at different stages of the chain of custody (from pre-felling inventory, to log list and custom documents).</li> </ul> <p><b>Risk Conclusion</b></p> <p>This indicator has been evaluated as <b>specified risk</b>. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
1.17 Trade and transport	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Law No. 06/2007 NA on Forestry, 24 December 2007, Article 53 on transportation of logs and forest products. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a>; <a href="http://www.laotradeportal.net/index.php?r=site/display&amp;id=68">http://www.laotradeportal.net/index.php?r=site/display&amp;id=68</a></li> <li>• Order No. 17/2008 PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 22 September 2008, Article 6 on sale of timber harvested from production forests and infrastructure development projects, Article 11 on seasonal requirements for timber transport, Article 16 on agency responsibilities and documentation requirements, Article 22 on approval to import, register and use logging and timber transport vehicles. Available at: <a href="http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20.%20Protect.pdf">http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20.%20Protect.pdf</a></li> <li>• Agreement No. 32/PM on Resolution of Forest Conference on Forest Management, Forest Inspection and Wood Business held on 25-26 January 2012, 06 March 2012, Article 5.7 on issuing domestic transport permits. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>• Guideline No. 2297/2004 MOF on Bidding Regulations for Buying Timber and Other Forest</li> </ul>	<p><b>Government sources</b></p> <ul style="list-style-type: none"> <li>• laolandissues.org (2015). <i>Eight trucks caught in Vietnam with suspected smuggled timber</i>. [online]. Vientiane Times, 20 April 2015. Available at: <a href="http://www.laolandissues.org/2015/04/20/eight-trucks-caught-in-vietnam-with-suspected-smuggled-timber/">http://www.laolandissues.org/2015/04/20/eight-trucks-caught-in-vietnam-with-suspected-smuggled-timber/</a></li> <li>• laolandissues.org (2015). <i>Overloaded trucks fined 161m in Vietnam</i>. [online]. Vientiane Times, 22 April 2015. Available at: <a href="http://www.laolandissues.org/2015/04/22/overloaded-trucks-fined-161m-in-vietnam/">http://www.laolandissues.org/2015/04/22/overloaded-trucks-fined-161m-in-vietnam/</a></li> </ul> <p><b>Non-Government sources</b></p> <ul style="list-style-type: none"> <li>• Jonsson, T. (2006). <i>Control of Timber Production</i>. [online] Technical report. Sustainable Forestry and Rural Development Project – Lao PDR. Available at: <a href="https://pulpinc.files.wordpress.com/2006/10/logginginlaos.pdf">https://pulpinc.files.wordpress.com/2006/10/logginginlaos.pdf</a></li> </ul>	<p><b>Overview of Legal Requirements</b></p> <p><i>Conversion, selective logging:</i></p> <p>Timber harvested in production forests and areas with infrastructure development projects may be sold through bidding or price consultation (applying the price set by the Ministry of Industry and Commerce) or allocation in a higher efficiency priority order to processing factories which meet the standards required by the National Wood Processing Industry Association (Order No. 17/2008 PM Article 6).</p> <p>The Provincial Office of Industry and Commerce (POIC) accepts logs stored at log landing II after checking the log list and signing a hand-over memorandum with the Provincial Agriculture and Forestry Office. The POIC is responsible for setting the sale price for each timber category and species based on government-fixed prices, for arranging the sale of timber and monitoring of market prices to derive maximum profit for the state, and signs purchase-sale contracts with buyers (Order No. 17/2008 PM Article 16).</p> <p>Transportation of logs to log landing II in production forest areas and areas with infrastructure projects must be stopped by 31 May and is prohibited from 1 June to 31 October because of the rainy season, even when the logging plan has not been fully completed (Order No. 17/2008 PM Article 11 and Guideline No. 0105/MAF, 2008, Article 3.8). Logging and timber transportation can be allowed to proceed during the rainy season only in special cases based on government approval in areas with infrastructure projects where the continuation is necessary to ensure completion of the construction in time. In such circumstances, specific routes must be used for timber transportation to prevent negative effects on the environment, or on national and public roads. If timber is harvested during the rainy</p>



Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Resources from State Standing Timbers, Infrastructural Areas and Production Forest Areas at Second Landings, 29 October 2004, Articles 2 and 6 on timber sale by bidding. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></p> <ul style="list-style-type: none"> <li>• Law No. 03/1997 NA on Transportation, 12 April 1997, Article 10 on requirements for vehicle drivers, Articles 11, 16, 17 and 18 on vehicle requirements, Articles 13, 14 and 15 on establishment of transport enterprise and licence, Article 25 on international and cross-border transport. Available at: <a href="https://www.wto.org/english/thewto_e/acc_e/lao_e/WTACCLAO3A1_LEG_44.pdf">https://www.wto.org/english/thewto_e/acc_e/lao_e/WTACCLAO3A1_LEG_44.pdf</a></li> <li>• Agreement No. 0019/2008 MAF and No. 2139/2008 MPWT, 14 February 2008 between Minister of Agriculture and Forestry And Minister of Public Works and Transport on the Transportation of logs, sawn timber, stumps, wood galls and wood products. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>• Notification No. 1440/2008 MOIC.DIMEX on Management of Wood Transport Vehicle, Wood Extraction Machinery, and Wood Processing Machinery in Consistency with the Laws and Regulations, 4 September 2008, Articles 1 and 3 on approval for importing and registration of wood extraction and transport vehicles. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> </ul>	<ul style="list-style-type: none"> <li>• EU FLEGT Facility (2012). <i>Study for Understanding Timber Flows and Control in Lao PDR</i>. [online]. LTS International. Available at: <a href="http://www.euflegt.efi.int/documents/10180/23308/Study%20for%20understanding%20timber%20flows%20and%20control%20in%20Lao%20PDR">http://www.euflegt.efi.int/documents/10180/23308/Study%20for%20understanding%20timber%20flows%20and%20control%20in%20Lao%20PDR</a></li> <li>• Smirnov D. (2015). <i>Assessment of Scope of Illegal Logging in Laos and Associated Trans-boundary Timber Trade: As Baseline for International Leakage Estimation</i>. [online]. WWF. Available at: <a href="https://wildleaks.org/wp-content/uploads/2016/07/Car-Bi-assessment-of-scope2.pdf">https://wildleaks.org/wp-content/uploads/2016/07/Car-Bi-assessment-of-scope2.pdf</a></li> <li>• Smith, H. (2014). <i>Legal issues and legality barriers for smallholder plantation owners in Lao PDR</i> [online]. Presentation published by ACIAR. Available at: <a href="http://teaknet.org/download/teaknet2014/Session%20III/conf_1.pdf">http://teaknet.org/download/teaknet2014/Session%20III/conf_1.pdf</a></li> </ul>	<p>season without government approval, this can indicate that timber may be illegally transported.</p> <p>A log transport permit is required for the movement of logs from log landing II, and the Provincial Agriculture and Forestry Office is responsible for issuing domestic transport permits (Decision 32/PM 2012 Article 5.7), although the regulations regarding the approval of, and responsibility for, the transport of logs from log landing II to log landing III are not clear; the responsibility for issuing log movement permits has been transferred between agencies several times.</p> <p>The Provincial Agriculture and Forestry Offices shall make release-marks on every recorded log by means of a special hammer-stamp: a F-mark (ຸງ) for timber transported within the country, and a LF-mark (ຸງລ) for logs intended for export in special cases approved by the Government of Laos (Law No. 06/2007 NA on Forestry Article 53; Order No. 17/2008 PM Article 16).</p> <p>Shipments of logs and wood products must be transported on pre-determined routes, equipped with weighing stations, during the right season and time, and with declarations made at prescribed check-points.</p> <p>Every shipment containing timber shall be accompanied by a set of documents issued by the relevant authority, including:</p> <ul style="list-style-type: none"> <li>• A sale contract and calculation of timber royalties to be paid, registered by the Ministry of Finance;</li> <li>• A receipt of sale and of collection of revenue from timber sale (by the Ministry of Finance);</li> <li>• A permit for removal of timber from log landing II (Provincial Agriculture and Forestry Office); and</li> </ul>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> <li>Agreement No. 0182/2009 MAF on the Establishment and Management of Timber Harvest Units and Enterprises, 23 February 2009, Articles 11 and 21 on vehicles, Article 26 on timber harvesting unit and timber harvesting enterprise stamp and Article 27 on import permission requirements for timber cutting and transport machinery. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendum/">http://flegtlaos.com/resources/forestry-legality-compendum/</a></li> <li>Order No. 1765/2013 MOF on paying more attention in timber exports to collect revenue for the government budget in an accurate and timely manner, 4 July 2013, Article 1 on shipment inspection and sealing. Available at: <a href="http://www.laotradeportal.net/kcfinder/upload/files/wood%20export%20Inform.pdf">http://www.laotradeportal.net/kcfinder/upload/files/wood%20export%20Inform.pdf</a> (in Lao)</li> </ul> <p><b>Legal authority</b></p> <ul style="list-style-type: none"> <li>Selective logging: Provincial Agriculture and Forestry Offices, Provincial Office of Industry and Commerce</li> <li>Conversion: the supervision committee responsible for logging management, comprised of various relevant agencies and local authorities, or specific taskforce, Provincial Agriculture and Forestry Offices, Provincial Office of Industry and Commerce.</li> <li>Tree plantations: Village Forest Organisation, District and Provincial Agriculture and Forestry Offices.</li> </ul> <p><b>Legally required documents or records</b></p>		<ul style="list-style-type: none"> <li>A transportation permit for timber commodities, for finished and semi-finished timber products within the country, and for export (Provincial Office of Industry and Commerce).</li> </ul> <p>Cargo trucks transporting timber products shall also have a valid transport enterprise license approved for import, and registration for use for logging and timber transport from the Ministry of Agriculture and Forestry and the Ministry of Public Works and Transport (Order No. 17/2008 PM Article 22).</p> <p><i>Tree plantations:</i></p> <p>Only a transport permit is required for plantation timber (Regulation 196/AF, 2000 Article 14). The tier of the government body approving transportation depends on the point of shipment. Transportation of plantation timber within a province can be approved by a Village Forest Organisation, while transportation of plantation timber between provinces shall be approved by the District Agriculture and Forestry Office and reported to the Provincial Agriculture and Forestry Office. A permit for export abroad is issued by the Provincial Agriculture and Forestry Office.</p> <p>Foresters of Provincial and District Agriculture and Forestry Offices may inspect log landing II and check that the volume actually harvested is consistent with the harvesting permit.</p> <p><b>Description of Risk</b></p> <p>The procedures for documenting timber movement from logging sites and log landings are inadequately enforced. The WWF's analysis of data on timber movement in the southern provinces of Laos provides sufficient grounds to believe that most timber is shipped without the required documentation (Smirnov, 2015).</p> <p>A comparison of official data on issued quota volumes and the officially registered volume of timber harvested in Laos' four</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> <li>Conversion, selective logging: log list, hand-over memorandum between Provincial Agriculture and Forestry Office and Provincial Office of Industry and Commerce, sale contract and calculation of timber royalties to be paid, receipt of sale and collection of revenue from timber sale, removal permit from log landing II, transportation permit for timber commodities.</li> <li>Tree plantations: transport permit.</li> </ul>		<p>southern provinces in the 2011-12 logging season with data on export of wood products from this area has found that &gt;50% of timber products exported were from undocumented sources. Not less than 50% (most likely more than 60%) of wood products exported in the 2010-11 logging season from Sekong province were from undocumented sources. Results of the analysis also suggest that documented timber may comprise only a quarter of raw timber used by local wood processing factories in the Sekong province in 2010-11 (Smirnov, 2015).</p> <p>According to Jonsson (2006), during the inspection of two sawmills in Savannaket province it was found that none of the logs in the log-yard had been numbered (marked) as per regulations (only their dimensions and number had been marked), and that no log lists for any contracts were available.</p> <p>Vietnamese traffic police in the central province of Nghe An have detained eight Lao-registered trucks carrying timber without accompanying documents. According to the police, the trucks had brought the timber from Laos to Vietnam via the Nam Can border gate, i.e. the trucks had gone through formal customs control (Vientiane Times, 20 April 2015).</p> <p>Timber trucks are known to carry timber in excess of the amount specified in the accompanying documents. For example, of the 200 trucks carrying timber from Laos into Vietnam that were checked at weigh stations in Vietnam's Nghe An Province, twenty five trucks were reportedly carrying between five and 30 percent more than their allowed capacity (Vientiane Times, 22 April 2015).</p> <p>There is a risk that the wood harvested in smallholding tree plantations is shipped without notice to, or approval of, relevant government bodies due to most smallholders lacking business registration of their plantations, as well as the reluctance of smallholders to follow challenging and costly procedures. In the</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>absence of transport permits, it is unclear how the source of timber can be tracked (Smith, 2014).</p> <p><b>Summary</b></p> <p>There is a general risk related to:</p> <ul style="list-style-type: none"> <li>• Timber being transported without required documents; and</li> <li>• Transport documents carrying incorrect information.</li> </ul> <p><b>Risk Conclusion</b></p> <p>This indicator has been evaluated as <b>specified risk</b>. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.18 Offshore trading and transfer pricing	<p><b>Applicable laws and regulations</b></p> <p>There is no legislation covering offshore trading and transfer pricing in Laos.</p> <p><b>Legal authority</b></p> <p>N/A</p> <p><b>Legally required documents or records</b></p> <p>N/A</p>	<p><b>Government sources</b></p> <p>N/A</p> <p><b>Non-government sources</b></p> <p>N/A</p>	<p><b>Overview of legal requirements</b></p> <p>N/A</p> <p><b>Description of risk</b></p> <p>N/A</p> <p><b>Risk conclusion</b></p> <p>N/A</p>
1.19 Custom	<p><b>Applicable laws and regulations</b></p> <p><u>General:</u></p>	<p><b>Government sources</b></p> <ul style="list-style-type: none"> <li>• Govt tightens illegal timber inspections at border.</li> </ul>	<p><b>Overview of Legal Requirements</b></p> <p><i>Timber from natural forest:</i></p> <p>In order to promote the export of semi-finished and finished products, the Government of Laos has introduced numerous bans</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
regulations	<ul style="list-style-type: none"> <li>• Law No. 6/2007 NA on Forestry, 24 December 2007, Article 52 on timber export. Available at: <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a>; <a href="http://www.laotradeportal.net/index.php?r=site/display&amp;id=68">http://www.laotradeportal.net/index.php?r=site/display&amp;id=68</a></li> <li>• Law No. 04/NA on Customs, 20 December 2011 Articles 6 on customs duty, Article 12 on the customs value of exported goods, Article 23 on The documents required for detailed customs declaration, Article 59 on abolishment of export tax duties for certain agricultural products. Available at: <a href="http://www.laotradeportal.gov.la/index.php?r=site/display&amp;id=247">http://www.laotradeportal.gov.la/index.php?r=site/display&amp;id=247</a></li> <li>• Instruction No. 1696/CD on the implementation of the ASEAN harmonized custom declaration form. Available at: <a href="http://www.laotradeportal.gov.la/index.php?r=site/display&amp;id=177">http://www.laotradeportal.gov.la/index.php?r=site/display&amp;id=177</a></li> <li>• Decree No 229/PO, 31 May 2012 on Implementation of the Law on Plant Protection, Article 26 on inspection and certification for export. Available at: <a href="http://www.laotradeportal.gov.la/index.php?r=site/display&amp;id=254">http://www.laotradeportal.gov.la/index.php?r=site/display&amp;id=254</a></li> <li>• Notification No. 1601/MOIC.DIMEX on Management and movement of timber, timber products and non-timber products in domestic and for exportation, 26 September 2008, Part II on approval of export of timber products and Part IV on documents for export of finished wood products. Available at:</li> </ul>	<p>Vientiane Times, 22 June 2016.</p> <ul style="list-style-type: none"> <li>• <a href="http://opendevelopmentmekong.net">opendevelopmentmekong.net</a> (2016). <i>Govt widens ban on timber exports, tightens wood business</i>. [online] Vientiane Times, 18 May 2016. Available at: <a href="https://opendevelopmentmekong.net/news/govt-widens-ban-on-timber-exports-tightens-wood-business/">https://opendevelopmentmekong.net/news/govt-widens-ban-on-timber-exports-tightens-wood-business/</a></li> <li>• Laolandissues.org (2015). <i>Log export prohibition to benefit furniture entrepreneurs</i> [online] Vientiane Times, 21 September 2015. Available at: <a href="http://www.laolandissues.org/2015/09/21/log-export-prohibition-to-benefit-furniture-entrepreneurs/">http://www.laolandissues.org/2015/09/21/log-export-prohibition-to-benefit-furniture-entrepreneurs/</a></li> <li>• rightslinklao.org [2016] <i>Nation losing more forests than it gains, minister says</i>. [online]. Vientiane Times, 14 June 2016. Available at: <a href="https://rightslinklao.org/?p=7359">https://rightslinklao.org/?p=7359</a></li> <li>• annx.asianews.network (2015). <i>Plantations open loophole for timber export provincial governor says</i></li> </ul>	<p>on the export of logs and sawn timber (PM Orders No. 11/1999, 10/2000, 15/2001, 18/2002, 25/2004, with Decision No.1415/MOIC.DOI, 2008 providing clarification on types of that timber products prohibited for export).</p> <p>The government is the only body authorised to consider and agree on specific cases in regard to the grant of permission to export unfinished products (logs, sawn timber, stumps, wood galls and semi-finished timber products) made of natural timber. The specific considerations depend on the purpose, quantity and actual logging situation, and on the use of the timber (Law No. 6/2007 NA on Forestry, Article 52; Order No. 17/2008 PM Article 23).</p> <p>Notification No. 1940/2011 MOIC.DIMEX Article 1.3 describes in detail the procedure for application for approval of export of logs, sawn wood and semi-finished wood products through the Department of Import and Export of the MOIC. Regarding obtaining government approval on exportation (as a special case), the Department of Industry and Commerce of POIC is empowered to issue export monitoring permits.</p> <p>A copy of the notification to the Government of Laos shall be provided to the Customs Department, which, in its turn, provides notices to customs at all international checkpoints where the exportation of relevant timber products takes place. Export without such notification is not allowed (Notification No. 1324/2010, Article 1).</p> <p>Logs intended for export in special cases approved by the Government of Laos shall have an LF-mark (ໝວ), which is made by means of a special hammer-stamp by PAFO foresters at log landing II (Order No. 17/2008 PM, Article 23).</p> <p>PM Announcement No. 1360 2015 excluded the possibility of the export of logs and sawn wood without exception. It states: "Export is not allowed for logs, timber, or sawn timber in any case, these logs</p>



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	<p><a href="http://www.laotradeportal.gov.la/kcfinder/upload/files/Notification%20No.1601.pdf">http://www.laotradeportal.gov.la/kcfinder/upload/files/Notification%20No.1601.pdf</a></p> <ul style="list-style-type: none"> <li>Notification No. 0094/MOF.DPAM on Implementation of the Notification of Finance Minister No. 1765/MOF, dated 04 June 2013 on Paying Attention on Income Collection from Timber Export to the National Budget in a Correct, Accurate and Timely Manner, 22 October 2013, Article 3 on obligation to have sales contract with foreign company and use of banking system. Available at: <a href="http://www.laotradeportal.gov.la/kcfinder/upload/files/Notification%20of%20MoF%20No%200094%20(Ok).pdf">http://www.laotradeportal.gov.la/kcfinder/upload/files/Notification%20of%20MoF%20No%200094%20(Ok).pdf</a></li> <li>Notification No. 0076/2012 MOIC.DIMEX on Goods Subject to Automatic and Non-Automatic Import and Export Licensing, 13 January 2012, Annex A and B on goods requiring licensing. Available at: <a href="http://www.laotradeportal.gov.la/index.php?r=site/display&amp;id=76">http://www.laotradeportal.gov.la/index.php?r=site/display&amp;id=76</a></li> </ul> <p><u>Conversion, selective logging:</u></p> <ul style="list-style-type: none"> <li>Order No. 17/2008 PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 22 September 2008, Article 23 on special cases of approval of logs, sawn timber and semi-finished products for export. Available at: <a href="http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf">http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf</a></li> </ul>	<p>[online]. Vientiane Times, 25 June 2015. Available at: <a href="http://annx.asianews.network/content/plantations-open-loop-hole-timber-export-despite-ban-lao-govt-20726">http://annx.asianews.network/content/plantations-open-loop-hole-timber-export-despite-ban-lao-govt-20726</a></p> <ul style="list-style-type: none"> <li>opendevelopmentmekong.net (2016). <i>Province, district authorities have no right to approve logging</i>. [online] Vientiane Times, 14 June 2016. Available at: <a href="https://opendevelopmentmekong.net/news/province-district-authorities-have-no-right-to-approve-logging/">https://opendevelopmentmekong.net/news/province-district-authorities-have-no-right-to-approve-logging/</a></li> <li>wwflaos.org (2016). <i>Provinces instructed to inspect log movements to address illegal trade</i>. [online]. Vientiane Times, 13 June 2016. Available at: <a href="http://www.wwflaos.org/?272790/Provinces-instructed-to-inspect-log-movements-to-address-illegal-trade">http://www.wwflaos.org/?272790/Provinces-instructed-to-inspect-log-movements-to-address-illegal-trade</a></li> </ul> <p><b>Non-Government sources</b></p> <ul style="list-style-type: none"> <li>laolandissues.org (2015). <i>Eight trucks caught in Vietnam with suspected smuggled timber</i>. [online]. Vientiane Times, 20 April 2015. Available at:</li> </ul>	<p>and sawn timbers must be processed into finished wood products in order to be exported”.</p> <p>A recent Prime Ministerial order confirmed the suspension of the export of logs, sawn wood (large sawn timbers, sawn timbers, split wood), roots, stumps, knots, branches and standing trees, or decorative trees that are harvested from natural forest, and extended it to special cases defined by the Government that have not yet been implemented. All border checkpoints are prohibited to approve or facilitate the export of logs and sawn timber (Order No. 15/PM 13 May 2016 Article 2, 14).</p> <p>For export of finished wooden products to comply with the standards of the Ministry of Industry and Commerce, the exporter must obtain permission for export issued by the Department of Industry and Commerce (No. 1601/MOIC.DIMEX 2008 Part IV). The package of documents for export shall comprise:</p> <ul style="list-style-type: none"> <li>Copy of Enterprise Registration Certificate authorising carrying on of a timber business;</li> <li>Export-controlling license issued by the Department of Industry and Commerce, attached to the packing list;</li> <li>Customs declaration forms;</li> <li>Letter of duties exemption (export duties), for finished timber products;</li> <li>Copy of sale-purchase contract with foreign buyer;</li> <li>Copy of payment receipt through the relevant bank (company must pay export tariffs and royalties as required, including special export royalties for controlled wood).</li> </ul> <p><i>Plantation timber:</i></p>



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	<ul style="list-style-type: none"> <li>PM Announcement No. 1360 on log and sawn wood export ban, 08 August 2015.</li> <li>Order No. 15/PM On Strengthening Strictness of Timber Harvest Management and Inspection, Timber Transport and Business, 13 May 2016, Article 2 prohibiting export of logs and sawn wood products without exception, Article 14 prohibiting border checkpoints to approve or facilitate the export of logs and sawn wood products. Available at: <a href="http://www.laotradeportal.gov.la/index.php?r=site/display&amp;id=1013">http://www.laotradeportal.gov.la/index.php?r=site/display&amp;id=1013</a> (in Lao)</li> <li>Notification No. 1940/2011 MOIC.DIMEX, on Procedure to Issue Export and Import License for Timber, 30 September 2011, Article 1 and 4, on export documents and license on import and export license for raw timber. Available at: <a href="http://www.laotradeportal.gov.la/kcfinder/upload/files/Notification%201904%20[ENG].pdf">http://www.laotradeportal.gov.la/kcfinder/upload/files/Notification%201904%20[ENG].pdf</a></li> <li>Notification No. 1324/2010 MoF.CD on Exportation of Round Wood, Sawn Wood, Semi-Finished Wood Products Shall Be Consolidated at the Customs Department to Issue Order of Implementation, 13 April 2010, Article 1 on requirement for centralized approval.</li> </ul> <p><u>Tree plantations:</u></p> <ul style="list-style-type: none"> <li>Notification No. 1791/2011 MOIC.DIMEX on the licensing procedure of the import and export of planted timbers, 30 September 2011, Articles 1 on the procedures for export of plantation timber, Article 3 on documents attached to request, Article 7 on validity of license and renewal of license.</li> </ul>	<p><a href="http://www.laolandissues.org/2015/04/20/eight-trucks-caught-in-vietnam-with-suspected-smuggled-timber/">http://www.laolandissues.org/2015/04/20/eight-trucks-caught-in-vietnam-with-suspected-smuggled-timber/</a></p> <ul style="list-style-type: none"> <li>rfa.org (2015). <i>Civil Sector Workers in Laos Lose Out to Corruption And Rising Cost of Living</i>. [online]. RFA - Radio Free Asia, 23 July 2015. Available at: <a href="http://www.rfa.org/english/news/laos/civil-sector-workers-lose-out-to-corruption-and-rising-cost-of-living-07232015164600.html">http://www.rfa.org/english/news/laos/civil-sector-workers-lose-out-to-corruption-and-rising-cost-of-living-07232015164600.html</a></li> <li>rfa.org (2015). <i>Convoy of Lao Trucks Transports Logs to Vietnam, Despite Ban on Timber Exports</i> [online]. RFA - Radio Free Asia, 30 December 2015. Available at: <a href="http://www.rfa.org/english/news/laos/convoy-of-lao-trucks-transport-logs-to-vietnam-despite-ban-on-timber-exports-12302015130649.html">http://www.rfa.org/english/news/laos/convoy-of-lao-trucks-transport-logs-to-vietnam-despite-ban-on-timber-exports-12302015130649.html</a></li> <li>rfa.org (2014). <i>'Corrupt' Officials in Laos Blamed Over Illegal Timber Trade with Vietnam</i> [online]. RFA - Radio Free Asia, 26 November 2014. Available at:</li> </ul>	<p>Domestic processing of wood from plantations is also encouraged, but such wood may be exported as logs or sawn wood if it cannot be processed domestically (Notice No 1812/MOIC 2015).</p> <p>Provincial Offices of Industry and Commerce are authorised to issue export permits for non-prohibited, special or controlled species of planted timber (Teak, Rubber, Agar wood, Eucalyptus, Acacia auriculiformis and Acacia mangium) <u>in the form of logs and sawn timber</u> based on a certificate of origin of timber certified by a Provincial and Capital Agriculture and Forestry Office (Decision 41/PM 2014 Articles 1; Additional Notification 1135/PSO.DIMEX 2014). Provincial and Capital Agriculture and Forestry Offices are responsible for managing, inspecting and monitoring the transportation of planted timber to be exported abroad, in order to avoid opportunities for smuggling natural timber and other planted timber other than that mentioned in article 1 (Decision 41/PM 2014, Article 3).</p> <p>The exporter must apply to the Department of Import and Export of the Ministry of Industry and Commerce for an export licence for species not listed in Decision 41/PM 2014. For prohibited, special and controlled species, the exporter is required, by a letter from the Permanent Office of the Ministry of Agriculture and Forestry, to verify the origin of timber.</p> <p>For all plantation species the exporter is to submit an application, as well as the following documents (Notification No 1791/MOIC.DIMEX, 2011 Article 3):</p> <ul style="list-style-type: none"> <li>Certificate of origin</li> <li>Enterprise registration which allows a timber business</li> <li>Tax registration</li> <li>Log list acknowledged by the Provincial Agriculture and Forestry Office</li> </ul>

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	<p>Available at:  <a href="http://www.laotradeportal.gov.la/kcfinder/upload/files/Notification%201791%20[ENG].pdf">http://www.laotradeportal.gov.la/kcfinder/upload/files/Notification%201791%20[ENG].pdf</a></p> <ul style="list-style-type: none"> <li>Additional Notification No. 1135/MOIC.DIMEX Authorizing Provinces and Capital City to be in charge of studying and deciding on the approval for exporting of wood from plantations (Teak, Para Rubber, Eaglewood, Eucalyptus and Acacias), 06 May 2014. Available at:  <a href="http://www.laotradeportal.gov.la/kcfinder/upload/files/1135Notification_Plantation_Wood%20Export_Eng-1.pdf">http://www.laotradeportal.gov.la/kcfinder/upload/files/1135Notification_Plantation_Wood%20Export_Eng-1.pdf</a></li> <li>Regulation No. 196/2000 MAF on Long-term Development and Promotion of Tree Planting, 15 August 2000, Article 14 on permit for export of plantation timber, Article 22 about payment of export duties for plantation timber. Available at:  <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>Decision No. 41/PM on authorization to province and the capital for making decision of licensing exportation of the plantation timber for round wood (logs) and sawed wood (processed), 26 March 2014 Article 1 on procedure to request permission to export plantation timber. Available at:  <a href="http://www.laotradeportal.gov.la/kcfinder/upload/files/PMs%20Decision%20no%2041%20on%20plan ted%20timber.pdf">http://www.laotradeportal.gov.la/kcfinder/upload/files/PMs%20Decision%20no%2041%20on%20plan ted%20timber.pdf</a></li> <li>Instruction no. 1812/MoIC.DIMEX, 4 September 2015 to further implement notifications of the government office no. 790/GO.SD, dated 21 May 2015 and 1360/GO.ED, dated 4 September 2015. Available at:</li> </ul>	<p><a href="http://www.rfa.org/english/news/laos/timber-smuggling-11262014170709.html">http://www.rfa.org/english/news/laos/timber-smuggling-11262014170709.html</a></p> <ul style="list-style-type: none"> <li>Forest Sector Performance Indicators 2014, Review report. Part III. September 2014.</li> <li>Forest Trends (2010). <i>Timber Markets and Trade between Laos and Vietnam: A Commodity Chain Analysis of Vietnamese-Driven Timber Flows</i> [online]. Available at:  <a href="http://www.forest-trends.org/documents/files/doc_2365.pdf">http://www.forest-trends.org/documents/files/doc_2365.pdf</a></li> <li>Flegtlaos.com (2016). <i>Importation of timber materials from Laos into Vietnam. Present status and future trends.</i> [online]. Available at:  <a href="https://flegtlaos.com/download/importation-timber-materials-laos-vietnam-present-status-future-trends/">https://flegtlaos.com/download/importation-timber-materials-laos-vietnam-present-status-future-trends/</a></li> <li>rfa.org (2015). <i>Lao Officials Fail to Enforce Government Ban on Timber Exports.</i> [online]. RFA - Radio Free Asia, 23 September 2015. Available at:  <a href="http://www.rfa.org/english/new">http://www.rfa.org/english/new</a></li> </ul>	<ul style="list-style-type: none"> <li>Document releasing the timber from the Provincial Agriculture and Forestry sector (record of logs marked/stamped)</li> <li>Tax payment</li> <li>Fee receipt</li> </ul> <p>Export licenses are valid for 90 days and shall expire automatically if such period has elapsed (Notification No 1791/MOIC.DIMEX, 2011 Article 7).</p> <p>After receiving an export permit/license, wood exporters shall be inspected by the Department of Public Asset Management of the Ministry of Finance in cooperation with the Provincial Office of Industry and Commerce and the Provincial Agriculture and Forestry Office (Notification No. 0094/MOF.DPAM 2013), which shall:</p> <ul style="list-style-type: none"> <li>Recheck and register payments of timber taxes and other loyalties;</li> <li>Examine and register purchase orders between foreign buyers and sellers, which must envisage payment via a legitimate bank in Laos; and</li> <li>Check, record and seal wood shipments.</li> </ul> <p><i>General:</i></p> <p>For all kinds of wood products, export companies must have a sales contract with a foreign company, and must transact money via the banking system of the Lao PDR (Notification No. 0094/MOF.DPAM 2013 Article 1).</p> <p>Export phytosanitary certificates are issued by the Plant Protection Authority in Provincial and Vientiane Capital Agriculture and Forestry Offices in accordance with Decree No 229/PO, 31 May 2012 Article 26.</p>

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	<p><a href="http://laotradeportal.gov.la/index.php?r=site/display&amp;id=911">http://laotradeportal.gov.la/index.php?r=site/display&amp;id=911</a> (in Lao)</p> <p><b>Legal authority</b></p> <ul style="list-style-type: none"> <li>• Customs Department of the Ministry of Finance</li> <li>• Department of Import and Export of the Ministry of Industry and Commerce, Provincial office of Industry and Commerce</li> <li>• Department of Forestry of the Ministry of Agriculture and Forestry, Provincial Agriculture and Forestry Office</li> <li>• Department of Public Asset Management of the Ministry of Finance</li> </ul> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>• Export license</li> <li>• Certificate of origin</li> <li>• Copy of Enterprise Registration Certificate authorised to exercise timber business</li> <li>• Packing list</li> <li>• Customs declaration form</li> <li>• Copy of sale-purchase contract</li> <li>• Copy of payment receipt through the Bank of Laos</li> <li>• Bank slip on payment of export tariffs and royalties</li> </ul>	<p><a href="http://laos/lao-officials-fail-to-enforce-government-ban-on-timber-exports-09232015170812.html">s/laos/lao-officials-fail-to-enforce-government-ban-on-timber-exports-09232015170812.html</a></p> <ul style="list-style-type: none"> <li>• rfa.org (2016). <i>Lao Tax Collectors Pay to Play</i>. [online]. RFA - Radio Free Asia, 19 January 2016. Available at: <a href="http://www.rfa.org/english/news/laos/Lao-corruption-01192016150712.html">http://www.rfa.org/english/news/laos/Lao-corruption-01192016150712.html</a></li> <li>• Sigaty, T. (2003). <i>Report on Legal Framework of Forestry Sector for Forestry Strategy 2020 Lao PDR</i>. SIDA. Vientiane. Laos.</li> <li>• Xuan To, P., Dressler, W., Mahanty, S. (2014). <i>Social Networks of Corruption in the Vietnamese and Lao Cross-Border Timber Trade</i>. [online]. Anthropological Forum, Issue 2, Pages 154-174. Available at: <a href="https://www.researchgate.net/publication/262010050_Social_Networks_of_Corruption_in_the_Vietnamese_and_Lao_Cross-Border_Timber_Trade">https://www.researchgate.net/publication/262010050_Social_Networks_of_Corruption_in_the_Vietnamese_and_Lao_Cross-Border_Timber_Trade</a></li> </ul>	<p>Wood products from natural forest (logs, trunk, bark, rough-processed timber, and semi-finished timber) are subject to non-automatic export licencing, while wood products from plantations are generally subject to automatic export licencing under Notification No 0076/MOIC.DIMEX.</p> <p>The documents required for a detailed customs declaration are as follows (Law No. 04/NA 2011 on Customs Article 23):</p> <ul style="list-style-type: none"> <li>• Invoice;</li> <li>• Manifest;</li> <li>• Packaging list;</li> <li>• Certificates of origin; and</li> <li>• Export permit.</li> </ul> <p>Laos is currently modernising its customs service according to ASEAN standards, therefore the declarant is required to lodge an ASEAN Customs Declaration Document with the following supporting documents attached (Instruction No. 1696/CD 2010):</p> <ol style="list-style-type: none"> <li>1. Original copies of: <ul style="list-style-type: none"> <li>• Invoice;</li> <li>• Certificate of Origin;</li> <li>• Sale Contracts;</li> <li>• Packing List; and</li> <li>• Permits from concerned agency (for controlled commodities).</li> </ul> </li> <li>2. Photocopies of: <ul style="list-style-type: none"> <li>• Business Registration License;</li> </ul> </li> </ol>

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			<ul style="list-style-type: none"> <li>• Tax License (officially valid); and</li> <li>• Other relevant documents.</li> </ul> <p>Wood products are subject to customs duty, and the customs value of exported goods is defined as the actual value of goods, including transportation costs delivered to the customs border checkpoint of export (Law No. 04/NA 2011 on Customs Articles 6, 12). Products from tree plantations shall not be exempt from export duties (Regulation No. 196/2000 MAF Article 22), although legislation provides for the exemption from export tax duties of certain agricultural products derived from plantations (Law No. 04/NA 2011 on Customs Article 59). However, in practice, concession agreements with certain companies waive export duties for plantation timber, and customs officials and industry operators have verified that export duties are not collected (Sigaty, 2003).</p> <p><b>Description of Risk</b></p> <p>The WWF’s report (Smirnov, 2015) concludes that the legal status of much of the timber exported by Laos is doubtful. Flow of timber export is poorly monitored, and the Government of Laos lacks reliable information on export of wood products. There are substantial discrepancies in trade statistics with importing countries. For example, Lao wood exports to China and Vietnam from 2012-14 as reported by importing countries exceeded total annual logging quotas many-fold, and the officially registered volume of timber by an order of magnitude. The total value of Lao wood products as reported by importing countries far exceeded the value of exported wood products. According to analysis of data from Lao state customs statistics, the disparity between these two data sets is increasing. In 2013, the official export value was only 8% of the total value of Lao timber imported as reported by destination countries (Smirnov, 2015).</p>

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			<p>According to Deputy Minister of Agriculture and Forestry Thongphat Vongmany, “on average, the government approved only about 200,000 cubic metres of logs to be cut annually, but statistics provided by customs officials of neighbouring countries showed that as high as one million cubic metres of wood was exported from Laos in a year” (Vientiane Times, 13 June 2016).</p> <p>These discrepancies imply irregular or unofficial timber exports, and the corresponding leakages from national revenue (Forest Sector Performance Indicators 2014). WWF research indicates that a significant part of shipments containing wood cross the Lao border without being declared at border gates, i.e. these shipments are smuggled (Smirnov, 2015). Traffic of large amounts of undocumented timber via official Laos-Vietnam border crossings is reported by Vietnamese mass-media. As of the beginning of April 2015, traffic police in Chuong Duong District (Nghe An province) have seized eight Laos-registered trucks on National Highway No. 7, allegedly laden with smuggled timber (no documents were provided by the trucks’ drivers). According to the police, dozens of Laotian timber trucks are hiding from police on small roads off National Highway 7, and timber is brought to Vietnam via the Nam Can Border Gate situated between Xiang Khouand and Nghe An provinces (Thanh Nien News, 10 April 2015).</p> <p>Dual contracting between exporters and importers may also take place when one contract with an underestimated price is presented on the Lao side (in order to understate payments/charges in the process of selling and paying taxes to the Lao state), and another with the real price is presented to customs in the importing country (Smirnov, 2015).</p> <p>There are indications that some contracts may be made with dummy (“ghost”) companies (Smirnov, 2015).</p> <p>Investigation of the seizure of a large shipment of rosewood from Laos conducted by Vietnamese Customs found no evidence that the wood was legally procured in Laos prior to its import to Vietnam, as</p>

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			<p>the Lao export company specified in the contract denied trading the timber (Xuan To et al., 2014). Furthermore, the investigation found evidence that only six trucks out of the original 13 had legally crossed the border.</p> <p>Provincial branches of the Customs Department of the Ministry of Finance do not disclose full records of timber export to higher authorities. As was acknowledged by government-controlled media, “information regarding the amount of wood exported is not available as the government has been unable to collect the information from local authorities” (Vientiane Times, September 18, 2015).</p> <p>According to sources, the Customs Department is perceived as one of the most corrupted state agencies in the country. According to a finance official in a government office: “It is well-known that officials in the tax and customs sectors in Laos earn extra income somehow by getting involved in corruption, so they can have big houses and luxurious cars. This causes money to leak from tax collection” (RFA - Radio Free Asia, 23 July 2015).</p> <p>Another source from the Ministry of Finance told mass media that: “The people who will be accepted to work at the tax and customs department must pay under the table at least 50 million kip (about U.S. \$6,100)”, and “if they are accepted to work at an international border checkpoint, they must pay at least 100 million (about U.S. \$12,000), because they can easily earn more money for two years” (RFA - Radio Free Asia, 19 January 2016). According to a Forest Trends’ report (2010), “facilitation” payments made to Lao officials overseeing the export procedure on site at various levels, amounted to about US\$13/m<sup>3</sup> of timber exported to Vietnam.</p> <p>Almost all export of wooden products from Laos is still comprised of logs and sawn wood (Smirnov, 2015). The share of these products in total exports from Laos in monetary terms almost always exceeded 90% in the period between 2000 and 2014, reaching 95% in 2011-13, and nearly 98% in 2014. From the mid-2000s, the share of logs in exports has been increasing steadily, and reached 56% in</p>



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			<p>2014, while in 2002 logs accounted for only 14% of the total (further, the export value of logs doubled in 2014 compared to 2013).</p> <p>The ban on the export of logs and sawn timber from natural forests imposed by the Government of Laos from 1999 is either not enforced, or is circumvented due to numerous permissions issued in “exceptional cases” backed by high ranking national and provincial officials who share an interest in the timber trade. Sources quoted in mass media reports have linked Lao national leaders to the flourishing illegal log trade, and have claimed that they pressure enforcement officials not to take action against smuggling activities (RFA - Radio Free Asia, 26 November 2014; 23 September 2015).</p> <p>The Deputy Minister of Agriculture and Forestry admitted that many local authorities breached the law in the past by permitting export of wood from natural forests (Vientiane Times, 14 June 2016). This includes first-hand evidence and analysis of systemic corruption in government authorisations for cross-border trade in illegal logs between Laos and Vietnam, (including in Attapeu Province, South Laos) involving officials of both countries, and senior timber trade representatives in Vietnam.</p> <p>Recently, the Government of Laos reaffirmed its strong commitment to enforcing the ban on the export of all types of unfinished wooden products, and new regulations (PM Announcement No. 1360 on 08 August 2015 and Order No. 15/PM on 13 May 2016) exclude the possibility of export of natural timber logs and sawn wood without exception, including suspending special cases approved by Government that have not yet been implemented. Prime Minister Thongloun Sisoulith announced that any government official involved in illegal logging will be penalised without exception (Vientiane Times, 16 June, 2016).</p> <p>Deep Involvement of high-ranking politicians with illegal export of unfinished wood products challenges recent measures taken by the</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>Lao government to crack down on the implementation and enforcement of the ban.</p> <p>Based on analysis of Vietnamese customs data, Forest Trends (2016) reported that in 2015 Vietnamese import of logs from Laos increased by 4% compared to 2014 (321,700m<sup>3</sup> in 2015, against 308,600m<sup>3</sup> in 2014), while import of sawn wood decreased by 23% (383,100m<sup>3</sup> in 2015, against 495,100m<sup>3</sup> in 2014).</p> <p>According to local sources, hundreds of trucks in Champasak, Salavan, Sekong and Attapue provinces were continuing to transport logs to neighbouring Vietnam, around the clock, months after on the Prime Ministerial Decree of August 8, 2015 prohibited export of unfinished wood products without exception (RFA - Radio Free Asia, 23 September 2015).</p> <p>A hundred large trucks laden with logs were seen on 15 December 2015 at the Lao Bao-Dansavanh international border checkpoint in the Sepon district of Savannakhet province transporting timber to Vietnam. The convoy was directed by traffic policemen on motorcycles, and export of logs was allegedly permitted by a “Lao national leader” (RFA - Radio Free Asia, 30 December 2015).</p> <p>Apart from such brazen violations, perpetrators also hide timber and partially processed logs in containers of under-finished wood products. According to Deputy Minister of Finance Mr Bounchom Ubonpaseuth, businessmen are attempting a number of approaches to ensure that their undocumented logs are able to cross the border, and consequently more thorough inspections by the relevant authorities are required (Vientiane Times, 22 June 2016).</p> <p>Officials also voiced concerns that traders could export unfinished wood products made from natural timber under the guise of timber coming from plantations (Vientiane Times, 25 June 2016).</p> <p>A risk of timber smuggling exists for both natural forests and plantations.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p><b>Summary</b></p> <p>There is a general risk relating to:</p> <ul style="list-style-type: none"> <li>• Export of illegal harvested timber;</li> <li>• Dual contracting between exporters and importers, with underestimated prices on the Laos side and real prices invoiced in the receiving country;</li> <li>• Contracts may be made with dummy (“ghost”) companies with no proof of the timber’s origin; and</li> <li>• Violation of the ban on export of logs and sawn timber from natural forests.</li> </ul> <p><b>Risk Conclusion</b></p> <p>This indicator has been evaluated as <b>specified risk</b>. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.20 CITES	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Order No. 17/2008 PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 22 September 2008, Article 20.3 on prohibition to extract some protected tree species including <i>Dalbergia cochinchinensis</i> and <i>D. cultrate</i>. Available at: <a href="http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf">http://www.prflaos.org/sites/default/files/policy/9.%20PM%20Order%20no%20Strengthening%20the%20Forest%20Management%20,%20Protect.pdf</a></li> </ul>	<p><b>Non-government sources</b></p> <ul style="list-style-type: none"> <li>• EIA (2014). <i>Routes of Extinction: The corruption and violence destroying Siamese rosewood in the Mekong</i>. [online]. Available at: <a href="https://eia-international.org/report/routes-of-extinction-the-corruption-and-violence-destroying-siamese-rosewood-in-the-mekong-2">https://eia-international.org/report/routes-of-extinction-the-corruption-and-violence-destroying-siamese-rosewood-in-the-mekong-2</a></li> </ul>	<p><b>Overview of Legal Requirements</b></p> <p>Laos’ 2008 Prime Ministerial Order No17/PM explicitly prohibits harvesting of all domestic <i>Dalbergia</i> species, and this prohibition was reinforced by Prime Ministerial Order No-010/PM of 2011, banning the “exploitation, trading and export of endangered wood, including kayoung wood and <i>Dalbergia cochinchinensis</i>”.</p> <p>Classified as vulnerable on the IUCN Red List, Siamese rosewood (<i>Dalbergia cochinchinensis</i>) was listed in Appendix II of CITES at the 16<sup>th</sup> meeting of the Conference of Parties (CoP16) in Bangkok in March 2013, following a proposal by Thailand and Vietnam. The</p>

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	<ul style="list-style-type: none"> <li>Instruction No. 0142/2009 MAF on the Inspection of Forest, Forest Products, Forest Land, Non-Timber Forest Products (NTFPs), Aquatic Animal and Wildlife, 7 October 2009, Article IV.9.2.2 on CITES documentation requirements and inspection.</li> <li>Consideration of proposals for amendment of Appendices I and II, <i>Dalbergia cochinchinensis</i>. 16th meeting of Sixteenth meeting of the Conference of the Parties Bangkok (Thailand), 3-14 March 2013. Available at: <a href="https://cites.org/sites/default/files/eng/cop/16/prop/E-CoP16-Prop-60.pdf">https://cites.org/sites/default/files/eng/cop/16/prop/E-CoP16-Prop-60.pdf</a></li> </ul> <p><b>Legal authority</b></p> <ul style="list-style-type: none"> <li>Department of Forestry of the Ministry of Agriculture and Forestry (CITES management authorities in Lao PDR)</li> </ul> <p><b>Legally required documents or records</b></p> <ul style="list-style-type: none"> <li>CITES export permit</li> </ul>	<ul style="list-style-type: none"> <li>Flegtlaos.com (2016). <i>Importation of timber materials from Laos into Vietnam. Present status and future trends</i>. [online]. Available at: <a href="https://flegtlaos.com/download/importation-timber-materials-laos-vietnam-present-status-future-trends/">https://flegtlaos.com/download/importation-timber-materials-laos-vietnam-present-status-future-trends/</a></li> <li>EIA (2015a). <i>Time for ASEAN to act to end illegal, violent rosewood trade</i>. [online]. 5th May, 2015. Available at: <a href="https://eia-international.org/time-for-asean-to-act-to-end-illegal-violent-rosewood-trade">https://eia-international.org/time-for-asean-to-act-to-end-illegal-violent-rosewood-trade</a></li> <li>EIA (2015b). <i>Addressing ASEAN's Regional Rosewood Crisis: An Urgent Call to Action</i>. [online]. Available at: <a href="https://eia-international.org/report/addressing-aseans-regional-rosewood-crisis-an-urgent-call-to-action">https://eia-international.org/report/addressing-aseans-regional-rosewood-crisis-an-urgent-call-to-action</a></li> <li>EIA (2016a). <i>Red Alert: How fraudulent Siamese rosewood exports from Laos and Cambodia are undermining CITES protection</i>. [online]. Available at: <a href="https://eia-international.org/red-alert-how-fraudulent-siamese-rosewood-exports-from-laos-and-cambodia-are-undermining-cites-protection/">https://eia-international.org/red-alert-how-fraudulent-siamese-rosewood-exports-from-laos-and-cambodia-are-undermining-cites-protection/</a></li> </ul>	<p>restrictions on endangered Siam rosewood (<i>Dalbergia cochinchinensis</i>) came into effect from June 12, 2013.</p> <p>As harvesting is banned in all range states, the listing should prohibit international trade in Siamese rosewood logs, sawn timber and veneers.</p> <p>Under CITES Appendix II, species cannot be exported from range state producer countries without CITES export permits issued by relevant management authorities, with these being issued, in turn, on the basis of scientific authorities confirmation that such trade will not be detrimental to the survival of the species. Range states are also obliged to pre-notify the CITES Secretariat regarding quotas for harvest and trade before any CITES export permits can be issued. For Siamese rosewood, these export obligations apply to Thailand, Laos, Cambodia and Vietnam – all of which have experienced rampant illegal exports in recent years.</p> <p>Importing countries also have clear obligations to ensure imports of Siamese rosewood are not accepted unless accompanied by valid CITES export permits.</p> <p>CITES requires that export permits should not be issued without “legality acquisition” (verified legality), and that imports should not be accepted where illegal acquisition in the country of harvest is suspected.</p> <p><b>Description of Risk</b></p> <p>The EIA’s analysis of the impact of the CITES listing for Siamese rosewood concluded that it has largely failed, because the actions of Laos and Cambodia – Parties to CITES and key range states for the species – have fundamentally undermined efforts to curb trade (EIA, 2016a).</p> <p>Laos was registered as the origin of 63,530m<sup>3</sup>, or 83% of Siamese rosewood imports reported to the CITES Trade database during the</p>

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		<p><a href="http://international.org/wp-content/uploads/EIA-Red-Alert-FINAL.pdf">international.org/wp-content/uploads/EIA-Red-Alert-FINAL.pdf</a></p> <ul style="list-style-type: none"> <li>EIA (2016b). <i>Laos &amp; Cambodia rosewood exports violate UN treaty</i>, 24th June, 2016. [online]. Available at: <a href="https://eia-international.org/laos-cambodia-violate-un-treaty-with-illegitimate-exports-of-endangered-timber">https://eia-international.org/laos-cambodia-violate-un-treaty-with-illegitimate-exports-of-endangered-timber</a></li> <li>EIA (2016c). <i>The Hongmu Challenge: an EIA Briefing for 66th CITES Standing Committee</i>. [online]. Available at: <a href="https://eia-global.org/reports/the-hongmu-challenge-an-eia-briefing-for-66th-cites-standing-committee">https://eia-global.org/reports/the-hongmu-challenge-an-eia-briefing-for-66th-cites-standing-committee</a></li> <li>Xuan To, P., Dressler, W., Mahanty, S. (2014). <i>Social Networks of Corruption in the Vietnamese and Lao Cross-Border Timber Trade</i>. [online]. Anthropological Forum, Issue 2, Pages 154-174. Available at: <a href="https://www.researchgate.net/publication/262010050_Social_Networks_of_Corruption_in">https://www.researchgate.net/publication/262010050_Social_Networks_of_Corruption_in</a></li> </ul>	<p>first 18 months of the species' Appendix II listing (from June 2013 to December 2014).</p> <p>EIA's report (2016a) stresses that Laos has no credible inventories of remaining populations of Siamese rosewood to justify any exports at all, or likely any evidence of legality, as required under the Convention. The lack of any credible inventory or survey data on populations or stocks in Laos excludes the possibility that a Non-Detriment Findings system could have been devised in the country.</p> <p>Field surveys carried out in two central Lao provinces in 2012 have confirmed that natural populations of <i>D. cochinchinensis</i> in the Lao PDR are under severe and continuing threat from illegal logging. No mature individuals were found, and all trees with a DBH (diameter at breast height) greater than 15cm had been logged. This trend was observed for all surveyed populations, even within strictly protected areas.</p> <p>According to experts interviewed by EIA (2016), the current amount of Siamese rosewood logging and export in Laos cannot be considered non-detrimental, and represents a severe threat to the future survival of the species.</p> <p>At the December 2014 Regional Rosewood Dialogue in Bangkok, representatives from Laos acknowledged their CITES Management Authorities neither knew what standing stocks of Siamese rosewood remained in Laos, nor conducted Non-Detriment Findings. It was formally recommended that Laos develop a Non-Detriment Findings system during 2015, and that all range states party to the Rosewood Dialogue must "provide NDF when issuing export CITES permit (and export license depending on countries)". It appears that neither recommendation has been implemented. EIA believes that no CITES-certified exports from Laos since 2013 have been justified by Non-Detriment Findings, nor will they be in future. Consequently, without significant reform, all on-going exports are in violation of CITES (EIA, 2016a).</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p><a href="#">the Vietnamese and Lao Cross-Border Timber Trade</a></p>	<p>The complicity of government officials has been a key factor in the failure to enforce legal controls over the harvest and export of Siamese rosewood in Laos (EIA, 2014), and it is highly unlikely that much of the volume of <i>D. cochinchinensis</i> exported from Laos under CITES permits in 2013 and 2014 was legally harvested.</p> <p>There is also evidence of the illegitimate issuance of CITES export permits by Laos. In March 2014, a rosewood trader in China offered to sell EIA undercover investigators numerous export permits issued by Laos' CITES Management Authority, covering thousands of cubic metres of rosewood logs. This constitutes a glaring violation of CITES procedures and principles, and suggests the CITES authority in Laos is culpable (EIA, 2016a).</p> <p>EIA stressed that Laos has systemically disregarded the most basic legal safeguards of UN trade rules for endangered species in ways that seriously undermine the credibility of CITES.</p> <p>EIA is calling for an immediate suspension of all trade in Siamese rosewood from Laos until they demonstrate that trade levels are not detrimental to the survival of the species in the wild and that the timber is legal (EIA, 2016b).</p> <p>EIA is advocating strengthening protection for Siamese rosewood by removing a loophole in the CITES Appendix II listing – Annotation 5 – which exempts semi-finished and finished products from CITES protection (2015a, 2015b, 2016c). This approach is adopted by a Thai Proposal to the CITES Conference of the Parties in September 2016, which suggests extending the product coverage of Appendix II.</p> <p>Based on analysis of Vietnamese customs data, Forest Trends (2016) reported that import of Siamese rosewood from Laos to Vietnam declined dramatically from 26,400m<sup>3</sup> in 2014 to around 3,000m<sup>3</sup> in 2015 (Forest Trends, 2016). This decline could be partly due to the impact of a Vietnamese Ministry of Industry and Trade Circular 37 dated October 24, 2014, which temporarily suspended</p>



Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>re-export of logs and sawn wood from Lao and Cambodian natural forests, and due to restrictions on import of Siamese rosewood from Laos imposed by the CITES authority in Vietnam.</p> <p>The Vietnamese Customs Department investigated a case in which Siamese rosewood (<i>Dalbergia cochinchinensis</i>) imported from Laos to Vietnam was fraudulently mis-declared in import-export documents as <i>Dalbergia Cambodiana</i>. The importer falsified the name of the wood species in an attempt to limit the company's tax liability and, more significantly, to change the timber from a prohibited to a permitted species (Xuan To et al., 2014).</p> <p><b>Summary</b></p> <p>There is a risk relating to:</p> <ul style="list-style-type: none"> <li>• Illegal harvest and export of Siamese rosewood under CITES export permits; and</li> <li>• Illegal issuance of CITES export permits.</li> </ul> <p><b>Risk Conclusion</b></p> <p>This indicator has been evaluated as <b>specified risk</b>. Threshold (2) is met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
<b>Diligence/du e care procedures</b>			
1.21 Legislation requiring due diligence/du e care	<p><b>Applicable laws and regulations</b></p> <p>There is no legislation covering Due Diligence/du e care procedures in relation to timber in Laos.</p> <p><b>Legal authority</b></p> <p>N/A</p>	<p><b>Government sources</b></p> <p>N/A</p> <p><b>Non-government sources</b></p> <p>N/A</p>	<p><b>Overview of legal requirements</b></p> <p>N/A</p> <p><b>Description of risk</b></p> <p>N/A</p> <p><b>Risk conclusion</b></p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
procedures	<b>Legally required documents or records</b> N/A		N/A

### Recommended control measures

Indicator	Recommended control measures
1.1 Land tenure and management rights	<ul style="list-style-type: none"> <li>Map of national forest categories: provide idea of possible location of forest management unit and potential risk in case of overlapping of development project or plantation with officially designated forest categories.</li> <li>Village Forest Management Agreement and maps of village land and zoning of village forests: existence of these documents reduces risk of possible violations of rights of villagers. These documents can be used to assess compliance of location of timber source (tree plantation, forest conversion under development project etc.) to zoning of village area.</li> <li>Land title for private land: confirms legitimate right to plant trees.</li> <li>Land title for private land or a three-year temporary land use certificate for tree planting issued by the District Office of Natural Resources and Environment/District Agriculture and Forestry Office: legitimates right of holder to conduct commercial tree planting. Documents must include accurate descriptions of borders as well as a map.</li> <li>Temporary Land Use Certificate for tree planting issued by District Offices of Natural Resources and Environment: confirms legitimate right to plant trees.</li> <li>Business registration: confirms legitimate right to deal with logging operations and to harvest plantation timber for commercial use.</li> </ul>
1.2 Concession licenses	<ul style="list-style-type: none"> <li>Basic document justifying necessity of forest conversion: allows checking of whether authorities were empowered to sign agreement; shall include accurate description of concession borders and a map. Date of map must correspond to date of agreement's signing.</li> <li>Concession/lease agreement for tree plantation by the Ministry of Natural Resources and Environment or Provincial/City Offices of Natural Resources and Environment: legitimates right of holder regarding commercial tree planting; allows checking of whether authorities were empowered to sign agreement; shall include accurate description of concession borders and a map. Date of map must correspond to date of agreement's signing.</li> <li>Decision on conversion of degraded and barren forest lands made by authorities of different levels (municipal, district, province, national) depending on area: confirms that decision on conversion was made by authorities according to their mandate.</li> </ul>

Indicator	Recommended control measures
	<ul style="list-style-type: none"> <li>• Study on socio-economic information and appropriateness to natural conditions, land tenure rights: must be undertaken and approved before concession agreement is signed; must include information on existence or absence of third party rights; provides evidence that area lacks productive forests and complies with definition of degraded forest or barren land (in case of concession for establishment of tree plantation).</li> <li>• Social and environmental impact assessment, including appropriate resolution measures: must be undertaken and approved before concession agreement is signed; must provide evidence that area lacks productive forests and complies with definition of degraded forest or barren land (in case of concession for establishment of tree plantation), to substantiate absence of irreversible negative effect, and to provide measures for reforestation and/or compensation of negative social and environment impact; must provide proof of consultations with stakeholders.</li> <li>• Operational plan on protection of water resources and environment, land clearing, village development, participation of local people, benefit sharing etc.: must be undertaken and approved before concession agreement is signed. Must include maps with accurate borders of clearing areas, proofs of consultations with stakeholders, information on compensation to, and benefit sharing with, affected local population.</li> </ul>
1.3 Management and harvesting planning	<ul style="list-style-type: none"> <li>• Field visits: to verify that contractors have a Timber Extraction Contract</li> <li>• National and provincial annual logging plans/quotas approved by the National Assembly and the Ministry of Agriculture and Forestry: relevant quota has to be included in annual logging plan for current year.</li> <li>• Forest management plan for production forest area endorsed by the Department of Forestry of the Ministry of Agriculture and Forestry: forest management plan must be approved for concerned production forest area; allows verification of information on location of logging sites, annual allowable cut, as well as composition of tree species available for harvesting.</li> <li>• Pre-harvesting inventory and tree marking report approved by Provincial Agriculture and Forestry Office: must be undertaken in year preceding logging season, and must include maps in accordance with requirements; data from tree marking report (species, sizes, volumes) must match specification of timber on sale.</li> <li>• Logging plan approved by the supervision committee responsible for logging management or by Provincial Agriculture and Forestry Offices (for conversion timber): must be undertaken in year preceding logging season and include maps in accordance with requirements; data from tree marking report (species, sizes, volumes) must match specification of timber on sale.</li> <li>• Village Forest Management plan: includes information on areas allocated for smallholding tree plantations, age of plantations, planted tree species.</li> <li>• Plantation management plan for registered plantation: includes information on location of parcels allocated for logging in current year, age structure and planted species.</li> </ul>

Indicator	Recommended control measures
	<ul style="list-style-type: none"> <li>Field inspection: to confirm plans are in accordance with legal requirements, and that maps correspond to actual delineation on the ground.</li> </ul>
1.4 Harvesting permits	<ul style="list-style-type: none"> <li>Contract for logging in production forest areas between Provincial Agriculture and Forestry Offices and operator, and logging permit: the contractor shall be a state logging unit.</li> <li>Contract for logging in areas with infrastructure development, mining, tree and industrial crop plantations between specially appointed committee responsible for logging management and operator, and logging permit issued by the supervision committee: the contractor shall be a state logging unit. In cases where the contractor is a concession holder or its associate company, this can be indicative of illicit activities. Borders of logging (clearing) area must comply with project design (approved route of road, transmission line, maximum flooding level of reservoir etc.). Approval of District office of Agriculture and Forestry or by Provincial or Vientiane Capital Agriculture and Forestry Offices via a request to District Agriculture and Forestry Offices for verification of registered plantations is required.</li> <li>Government permission is required for harvesting of prohibited tree species (in case of forest conversion).</li> </ul>
1.5 Payment of royalties and harvesting fees	<ul style="list-style-type: none"> <li>Log list: made at log landing II. Volumes, composition of species, and sizes in log list shall match characteristics of timber on sale.</li> <li>Contract on sale-purchase: proves that timber was officially sold by government agency, and that royalties were paid.</li> <li>Royalty payment receipt (certificate): to be compared with market prices and minimum prices set by the Ministry of Industry and Commerce for current year. This information may provide an indication as to whether timber was auctioned or sold via negotiations at the lowest price (which can be indicative of conspiracy between officials and buyer).</li> </ul>
1.6 Value added taxes and other sales taxes	<ul style="list-style-type: none"> <li>Bank deposit slip</li> <li>Payment receipt (certificate)</li> </ul>
1.7 Income and profit taxes	<ul style="list-style-type: none"> <li>Bank deposit slip</li> <li>Payment receipt (certificate)</li> </ul>
1.8 Timber harvesting regulations	<ul style="list-style-type: none"> <li>Logging contract and logging permit, forest management plan for production forest area, pre-harvesting inventory and tree marking report.</li> <li>Logging contract and logging plan (for conversion timber): borders of logging area must comply with project design (route of road or transmission line, maximum flooding level of reservoir etc.)</li> <li>Plantation management plan for registered plantations.</li> </ul>

Indicator	Recommended control measures
	<ul style="list-style-type: none"> <li>• Government approval for prohibited tree species.</li> <li>• On-site verification of legal management practices.</li> </ul>
1.9 Protected sites and species	<ul style="list-style-type: none"> <li>• Map of national forest categories: to find out whether timber sources are situated within protection or conservation forests.</li> <li>• Village Forest Management Plan and map with zoning of village forests: to find out whether plantation or area with forest conversion falls within village conservation or protection forests.</li> <li>• Management plans for National Protected Areas, protection and production forest areas: allocation of logging areas shall comply with management plans, and protection sites (habitats of rare wildlife species, areas with high biodiversity) shall be set aside.</li> <li>• Logging contract and logging permit, forest management plan for production forest area, pre-harvesting inventory, and tree marking report: protection sites (habitats of rare wildlife species, areas with high biodiversity) and trees of prohibited species shall be mapped and set aside.</li> <li>• Logging contract and logging plan (for conversion timber): to find out whether logging area falls within protection or conservation forests.</li> <li>• Maps of tree plantation, plantation management plan for registered plantations: to find out whether plantation falls within conservation or protection forests.</li> <li>• Government approval for prohibited tree species: can be allowed only in case of forest conversion.</li> </ul>
1.10 Environmental requirements	<ul style="list-style-type: none"> <li>• Village Forest Management Plan and map with zoning of village forests.</li> <li>• Management plans for National Protected Areas, protection and production forest areas: shall set environmental limitations for logging activities.</li> <li>• Logging plan: shall contain measures on environmental protection (forest roads shall not cross steep slopes or go along river banks, temporary bridges shall be built over streams).</li> <li>• Plantation management plan for registered plantations: to find out whether plantation is situated outside of conservation and protection forests, whether plan provides standards for application of pesticides and fertilisers, procedures on storing of chemicals and disposal of empty containers, whether list of banned pesticides is available.</li> <li>• Environmental impact assessment: must be undertaken and approved before granting concession; to check whether irreversible negative impact on environmental value was considered, and what measures were taken to mitigate and compensate negative impact.</li> <li>• Operational plan on protection of water resources and environment: for development projects and tree plantations.</li> </ul>

Indicator	Recommended control measures
	<ul style="list-style-type: none"> <li>• Summary report of actual implementation of measures to mitigate and minimise impacts.</li> <li>• For tree plantations: <ul style="list-style-type: none"> <li>○ Records of good agricultural practices, and records of complaints and actions taken to resolve them, are reviewed by the Department of Agriculture once a year.</li> <li>○ License on import of pesticides.</li> <li>○ Records on pesticides turnover.</li> <li>○ Pesticide registration certificate.</li> </ul> </li> </ul>
1.11 Health and safety	<ul style="list-style-type: none"> <li>• Companies shall enforce specific regulations for workers.</li> <li>• Companies shall report to the Labour Inspection Agency on assessment of risks to safety and health within the labour units, and to the Labour Inspection Agency on accidents.</li> <li>• For tree plantations: <ul style="list-style-type: none"> <li>○ Pesticide registration certificate.</li> <li>○ List of banned pesticides.</li> <li>○ Instructions on the correct use of pesticides, and with information on the negative impacts of pesticide exposure.</li> </ul> </li> <li>• For development projects and tree plantations: <ul style="list-style-type: none"> <li>○ Report on completion of UXO survey or UXO clearance and release of land for use (combined with the handover certificate).</li> <li>○ UXO/Mine Accident/Victim Reports (check whether there were accidents, detail victims and circumstances).</li> </ul> </li> </ul>
1.12 Legal employment	<ul style="list-style-type: none"> <li>• For development projects and tree plantations: <ul style="list-style-type: none"> <li>○ Study on socio-economic information.</li> <li>○ Operational plan on participation of local people.</li> </ul> </li> <li>• Employment contracts shall comply with basic legal requirements.</li> <li>• Company's shall follow internal regulations on labour practices.</li> </ul>



Indicator	Recommended control measures
1.13 Customary rights	<ul style="list-style-type: none"> <li>• Company's reports on youth and foreign employees shall be used to check the number of foreign and youth workers.</li> </ul> <ul style="list-style-type: none"> <li>• Concession/lease agreement granted by the state for hydropower dam construction, mining etc.: to find out whether concession overlaps village areas; contract considers right of local population, and terms require mitigation of damage and compensation for damage, relocation expenses (including provision of appropriate source of subsistence).</li> <li>• Concession/lease agreement for tree plantation by Ministry of Natural Resources and Environment or Provincial/City Offices of Natural Resources and Environment: to find out whether concession overlaps village areas; contract considers right of local population, and terms require mitigation of damage and compensation for damage, relocation expenses (including provision of appropriate source of subsistence).</li> <li>• Village Forest Management Plan and map with zoning of village land/forests: to find out whether forest management plans for production forest areas reckon with these documents; in case of conversion, mitigation and compensation measures must be commensurate with type and value of converted lands.</li> <li>• Forest management plan for production forest area endorsed by the Department of Forestry of the Ministry of Agriculture and Forestry: to find out whether village forestry organisations were involved in planning.</li> <li>• For development projects and forest plantations: <ul style="list-style-type: none"> <li>○ Social impact assessment.</li> <li>○ Resettlement plan.</li> <li>○ Land acquisition assessment.</li> <li>○ Land acquisition and compensation report.</li> <li>○ Ethnic minority development plan.</li> <li>○ Memo with the estimation of compensation signed by all stakeholders.</li> </ul> </li> </ul>
1.14 Free prior and informed consent	N/A
1.15 Indigenous peoples rights	N/A
1.16 Classification of species, quantities, qualities	<ul style="list-style-type: none"> <li>• Logging contract and logging permit: basic information on permitted timber for harvesting for comparison with log list and checking of its validity.</li> </ul>

Indicator	Recommended control measures
	<ul style="list-style-type: none"> <li>• Pre-harvesting inventory and tree marking report: basic information on permitted timber for harvesting for comparison with log list and checking of its validity.</li> <li>• Records from log landing I: basic information on permitted timber for harvesting for comparison with log list and checking of its validity.</li> <li>• Log list.</li> <li>• Transport permits as required for plantation timber: this is the only official document for plantation timber that specifies composition, quantity and quality.</li> </ul>
1.17 Trade and transport	<ul style="list-style-type: none"> <li>• Sale contract: the sale contract with the government (for natural timber) is the key document which provides legitimate grounds for issuing all other permissions.</li> <li>• Removal permit from log landing II.</li> <li>• Transportation permit for timber commodities.</li> <li>• Receipt of sale and collection of revenue from timber sale – for natural timber.</li> </ul>
1.18 Offshore trading and transfer pricing	N/A
1.19 Custom regulations	<ul style="list-style-type: none"> <li>• Export license.</li> <li>• Certificate of origin.</li> <li>• Copy of Enterprise Registration Certificate authorised to exercise timber business.</li> <li>• Packing list.</li> <li>• Customs declaration form.</li> <li>• Copy of sale-purchase contract.</li> <li>• Copy of payment receipt through Bank of Laos.</li> <li>• Bank slip on payment of export tariffs and royalties.</li> </ul>
1.20 CITES	<ul style="list-style-type: none"> <li>• Government approval for prohibited tree species (for conversion timber); prerequisite document to justify application for CITES certificate.</li> </ul>

Indicator	Recommended control measures
1.21 Legislation requiring due diligence/due care procedures	N/A

## Controlled wood category 2: Wood harvested in violation of traditional and human rights

### Risk assessment

Indicator	Sources of Information	Functional scale	Risk designation and determination
2.1. The forest sector is not associated with violent armed conflict, including that which threatens national or regional security and/or linked to military control.	See detailed analysis below.	Country	Low risk Thresholds (1) AND (2) AND (3) And (4) AND (5) are met.
2.2. Labour rights are respected including rights as specified in ILO Fundamental Principles and Rights at work.	See detailed analysis below.	Country	Specified risk for right to freedom of association and collective bargaining and for child labour. Thresholds (14) AND (15) are met.  Low risk for forced labour and for discrimination against women and non-Hmong ethnic minorities in the labour market. Thresholds (11) AND (12) are met.
2.3. The rights of Indigenous and Traditional Peoples are upheld.	See detailed analysis below.	Country	Specified risk Thresholds (23) AND (24) AND (26) are met.

### Recommended control measures

Indicator	Recommended control measures
2.1	
2.2	CM should be based on clear evidence that the Organization has policies in place that guarantee core labour rights.
2.3	(1) Clear evidence that a forest operation is not taking place in a territory claimed by IP OR (2) clear evidence that the FMU is managed by the governance structures of Indigenous Peoples, OR (3) Clear evidence that the involved indigenous peoples have freely ceded their territorial and/or use rights in an agreement or settlement with the government, OR (4) An (FPIC) agreement with the IPs with rights in the FMU after a fair, transparent, cultural appropriate and inclusive procedure.

## Detailed analysis

Sources of information	Evidence	Scale of risk assessment	Risk indication <sup>1</sup>
<b>Context</b> (the following are indicators that help to contextualize the information from other sources) <ul style="list-style-type: none"> <li>Searching for data on: level of corruption, governance, lawlessness, fragility of the State, freedom of journalism, freedom of speech, peace, human rights, armed or violent conflicts by or in the country, etc.</li> </ul>			
World Bank: Worldwide Governance Indicators - the WGI report aggregate and individual governance indicators for 215 countries (most recently for 2004–2014), for six dimensions of governance: Voice and Accountability; Political Stability and Absence of Violence; Government Effectiveness; Regulatory Quality; Rule of Law; Control of Corruption <a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a>	<a href="http://info.worldbank.org/governance/wgi/index.aspx#reports">http://info.worldbank.org/governance/wgi/index.aspx#reports</a> (click on table view tab and select Country) In 2015 (latest available year) Laos scores between 4.43 (for Voice and Accountability) and 60.48 (for Political Stability and Absense of Violence/Terrorism) on the percentile rank among all countries for all six dimensions (the scores range from 0 (lowest rank) to 100 (highest rank) with higher values corresponding to better outcomes).	Country	
World Bank Harmonized List of Fragile Situations:	<a href="http://siteresources.worldbank.org/EXTLICUS/Resources/511777-1269623894864/FY15FragileSituationList.pdf">http://siteresources.worldbank.org/EXTLICUS/Resources/511777-1269623894864/FY15FragileSituationList.pdf</a>  Laos does not feature on this list	Country	
Committee to Protect Journalists: Impunity Index CPJ's Impunity Index calculates the number of unsolved journalist murders as a percentage of each country's population. For this index, CPJ examined journalist murders that occurred between January 1, 2005, and December 31, 2015, and that remain unsolved. Only those nations with five or more unsolved cases are included on this index.	<a href="https://cpj.org/reports/2015/10/impunity-index-getting-away-with-murder.php">https://cpj.org/reports/2015/10/impunity-index-getting-away-with-murder.php</a> Laos does not feature on this Impunity Index	Country	
Carleton University: Country Indicators for Foreign Policy: the Failed and Fragile States project of Carleton University examines state fragility using a combination of structural data and current event monitoring In general, a high score - 6.5 or higher - indicates that a country is performing poorly relative to other states. Such a score may be indicative of an arbitrary and autocratic government, a history of non-transparent government, the presence of significant barriers to political participation, the	<a href="http://www4.carleton.ca/cifp/app/ffs_ranking.php">http://www4.carleton.ca/cifp/app/ffs_ranking.php</a> Laos scores 5.74 on the State fragility map 2012 (preliminary data).	Country	

<sup>1</sup> A risk indication is provided for each source analyzed, except in the first part that addresses the general country context as that is not a risk indicator. A cumulative risk assessment for each risk indicator is provided in the row with the conclusion on each risk indicator, based on all the sources analyzed and evidence found.

<p>absence of a consistently enforced legal framework, or a poor human rights record.</p> <p>A low score - in the range of 1 to 3.5 - indicates that a country is performing well relative to others, or that a country's structural conditions present little cause for concern. Values in the moderate 3.5 to 6.5 range indicate performance approaching the global mean.</p> <p><a href="http://www4.carleton.ca/cifp/ffs.htm">http://www4.carleton.ca/cifp/ffs.htm</a> (Select Country Ranking Table)</p>			
<p>Human Rights Watch: <a href="http://www.hrw.org">http://www.hrw.org</a></p>	<p><a href="https://www.hrw.org/sites/default/files/world_report_download/wr2016_web.pdf">https://www.hrw.org/sites/default/files/world_report_download/wr2016_web.pdf</a> <i>Human Rights Watch World Report 2016</i></p> <p>There is no chapter about Laos in the Human Rights Watch World Report 2016, but Laos is mentioned in a chapter on children behind bars and on Thailand.</p> <p>“Laos and Vietnam also operate drug detention centers that hold large numbers of children; in Vietnam, detained children and adults are subjected to forced labor, beatings, and torture. In fact, the rationale for such drug detention centres is to lock up and punish the poor and marginalized. In Cambodia, these centers hold “street children” who do not use drugs but who are picked up and detained in operations to “clean the streets.” Similarly, <b>Lao authorities use the Somsanga detention center, which has received direct support from the US embassy in Vientiane in recent years, as a dumping ground for street children and others considered socially undesirable.</b> (p. 47)</p> <p>[...] <b>Migrant workers from</b> Burma, Cambodia, and <b>Laos</b> are vulnerable to abuses by police and government authorities [in Thailand] and to exploitation by employers and criminals, including sexual violence and extreme labor exploitation. Trafficking of migrants into sex work or onto Thai fishing boats remained pressing concerns in 2015.” (p. 568)</p>	Country	
<p>US AID: <a href="http://www.usaid.gov">www.usaid.gov</a> Search on website for [country] + 'human rights'</p>	<p>No information on human rights situation in Laos found</p>	Country	
<p>Global Witness: <a href="http://www.globalwitness.org">www.globalwitness.org</a> Search on website for [country] + 'human rights'</p>	<p><a href="https://www.globalwitness.org/en/countries/laos/#more">https://www.globalwitness.org/en/countries/laos/#more</a> <b>Laos</b> “The Lao People's Democratic Republic has seen rising commercial interest in the past decade, with agribusiness companies from China and Vietnam flooding in to cash in on arable land and cheap labour. This investment should herald a new era of prosperity for Laos' people, but <b>endemic corruption, weak rule of law and widespread disregard for local land rights have encouraged unethical behaviour by companies, and spawned a rash of state-licensed land grabs.</b></p>	Country	



	<p>At least 1.1 million hectares of land have been allocated to industrial concessions, with many families offered no choice but to vacate their ancestral lands. In a country where 80 per cent of the population rely on small-scale farming, this rapid sell-off means more and more people are losing their livelihoods and being pushed deeper into poverty. The environmental cost is also huge. Across the country, forest cover is giving way to industrial-scale plantations growing export crops like rubber and coffee. Meanwhile, those brave enough to speak out often pay a high price. In December 2012, Laos' most prominent civil society leader Sombath Somphone vanished, raising suspicions of a high-level cover up. Journalists, activists and community leaders are also regularly harassed and, as a result, civil society remains too scared to speak out.</p> <p>In May 2013, our report and video 'Rubber Barons' revealed for the first time how rubber is a key driver of land grabs. Vast amounts of land have been acquired for rubber plantations in Laos and Cambodia by two of Vietnam's largest companies, Hoang Anh Gia Lai and the Vietnam Rubber Group, both of which have close links to the region's political elite.</p> <p>After the release of Rubber Barons, the Vietnam Rubber Group promised to improve communication with communities surrounding its plantations. Communities affected by Hoang Anh Gia Lai in Laos have not yet followed their Cambodian counterparts in submitting a complaint against the company to the International Finance Corporation – the private lending arm of the World Bank – but that option remains open to them."</p>		
<p><a href="http://wwf.panda.org/about_our_earth/about_forests/deforestation/forest_illegal_logging/">http://wwf.panda.org/about_our_earth/about_forests/deforestation/forest_illegal_logging/</a></p>	<p><a href="http://wwf.panda.org/about_our_earth/deforestation/deforestation_causes/illegal_logging/">http://wwf.panda.org/about_our_earth/deforestation/deforestation_causes/illegal_logging/</a> no information on Laos found</p> <p><a href="http://indicators.chathamhouse.org/sites/files/reports/Tackling%20Illegal%20Logging%20and%20Related%20Trade_0.pdf">http://indicators.chathamhouse.org/sites/files/reports/Tackling%20Illegal%20Logging%20and%20Related%20Trade_0.pdf</a> <i>Tackling Illegal Logging and the Related Trade - What Progress and Where Next? Chatham House Report – July 2015</i> "This second Chatham House assessment is based on research on nine producer countries (Brazil, Cameroon, the Democratic Republic of the Congo [DRC], Ghana, Indonesia, Laos, Malaysia, Papua New Guinea [PNG] and the Republic of the Congo), (p. 8) [...] Other countries, such as the DRC, Ghana, Laos, Papua New Guinea and the Republic of the Congo, produce less timber overall but have much higher shares of illegal timber in their total production. (p. 9) [...] Those with poor policy scores, such as the DRC and Laos, have high illegality rates. [...] At the other end of the spectrum lie the DRC, Laos and the Republic of the Congo, where corruption is rife, government accountability lacking and law enforcement weak. (p. ix) [...] Another expanding source of timber is land cleared of forest for other uses – mainly for agriculture but also</p>	Country	

	<p>for mining and infrastructure development. The countries in which such conversion is now a major source of timber include Indonesia, Laos, Malaysia and Papua New Guinea.(p. 7) [...]Percentage of total timber production estimated to be illegal, 2013 in Laos is 80%. (p. 12) [...]Similarly, in Laos, most timber is thought to have come from forest conversion in recent years, not least owing to infrastructure projects and plantation expansion; infractions of laws related to conversion are widespread in that country (p. 15) [...] Level of governance in Laos (as % of maximum score) is in category “25% and below”. (p. 28) [...]Contradictions between laws are common, in particular between those that govern different sectors. In Laos, the forestry and land laws are contradictory: while the former stipulates that all forests belong to the state, the latter allows for ownership by communities or other entities with permanent title. [...]Policy scores for legal framework (as % of maximum score) in 2013 in Laos is in category “25% and below” for High Level Policy and Legislative Framework and in category 50-75% for Tenure and Use Rights. (p. 29) [...]Policy scores for checks and balances (as % of maximum score) in 2013 in Laos is in category “25% and below”. (p. 31) [...]In the DRC, Laos and Malaysia negotiations [on VPAs with EU, LV] are proceeding slowly, particularly in the case of Malaysia. (p. 33) [...]Furthermore, in some countries (Laos, Malaysia and the Congo), high- ranking officials are allowed by law to make discretionary decisions related to resource allocation, which seriously undermines the effectiveness of forest-sector legislation.(p. 34) [...]Policy scores for transparency (as % of maximum score) in 2013 for Laos is in category “25% and below”. (p. 36) Policy scores for enforcement and assuring legality (as % of maximum score) in 2013 for Laos is in category “25% and below”. (p. 37)</p> <p><a href="http://wwf.panda.org/core/general.cfc?method=getOriginalImage&amp;ulmgID=%26%2AR%5C%27%21%3EW5%0A">http://wwf.panda.org/core/general.cfc?method=getOriginalImage&amp;ulmgID=%26%2AR%5C%27%21%3EW5%0A</a>  <i>Map Illegal Logging – Countries with high rates of illegal logging</i>  Laos is not mentioned on this map.</p>		
Chatham House Illegal Logging Indicators Country Report Card <a href="http://www.illegal-logging.info">http://www.illegal-logging.info</a>	<a href="http://www.illegal-logging.info/regions/laos">http://www.illegal-logging.info/regions/laos</a> Laos “About 40% of the Lao People’s Democratic Republic is covered by closed canopy forests, with much of the remaining forest seriously degraded. The clearance of natural forest areas for plantations or infrastructure projects is the main source of timber in the country, for which the main export markets are Vietnam, Thailand, and China. The government’s current forestry strategy (to 2020) aims to regenerate forests and increase the area of timber plantations (Chatham House, 2014; EFI).”	Country	

	<p>In 2009, the government started engaging with the voluntary partnership agreement (VPA) process, and formal negotiations with the EU began in 2012. The government's aims for this process are to ensure sustainable development of the forest sector, improve opportunities for the country's timber industry and increase revenue from timber exports (EFI). However the forest governance situation remains poor, with a lack of transparency and accountability resulting in significant implementation and enforcement challenges. Available evidence suggests that illegal practices are widespread in the forest sector (Chatham House, 2014)."</p> <p><a href="http://www.illegal-logging.info/sites/files/chlogging/CHHJ2363_Laos_Logging_Research_Paper_FINAL_FOR_RELEASE.pdf">http://www.illegal-logging.info/sites/files/chlogging/CHHJ2363_Laos_Logging_Research_Paper_FINAL_FOR_RELEASE.pdf</a></p> <p><i>Illegal Logging and Related Trade, The Response in Lao PDR, A Chatham House Assessment, October 2014</i></p> <p>“Executive Summary</p> <p>The government of Lao PDR has taken a number of steps to reduce illegal logging and associated trade. Most notably, it has made progress towards negotiations with the EU on a voluntary partnership agreement (VPA). This has prompted the establishment of a multi-stakeholder steering committee and a technical working group and the revision of several land and forestry laws to include provisions related to the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan.</p> <p>However, significant implementation and enforcement challenges remain. The legal framework is unclear and, at times, contradictory. Implementation by central and local governments is inconsistent, and internal mechanisms to oversee government decisions are limited. Moreover, enforcement capacity is weak and there is a lack of transparency. The available evidence suggests that illegal practices are widespread in the forest sector.”</p>		
<p>Transparency International Corruption Perceptions Index Based on expert opinion, the Corruption Perceptions Index measures the perceived levels of public sector corruption worldwide. <a href="http://www.transparency.org/">http://www.transparency.org/</a></p>	<p><a href="http://www.transparency.org/news/feature/corruption_perceptions_index_2016">http://www.transparency.org/news/feature/corruption_perceptions_index_2016</a> <i>Transparency International Corruption Perceptions Index 2016</i> Laos scores 30 points on the Corruption Perceptions Index 2016 on a scale from 0 (highly corrupt) to 100 (very clean). Laos ranks 123 out of 176 with rank nr. 1 being the cleanest country.</p>	Country	
<p>Amnesty International Annual Report: The state of the world's human rights -information on key human rights issues, including: freedom of expression; international justice; corporate accountability; the death penalty; and reproductive rights</p>	<p><a href="https://www.amnesty.org/en/documents/pol10/2552/2016/en/">https://www.amnesty.org/en/documents/pol10/2552/2016/en/</a> <i>State of the Human Rights Report 2015/16</i></p> <p>“Laos. Severe restrictions on freedom of expression, association and peaceful assembly continued and authorities prepared to further tighten control of civil society groups. Two prisoners of conscience arrested in 1999 for attempting a peaceful protest remained imprisoned. One activist was imprisoned for online criticism of the government. Restrictions on practising Christianity were</p>	Country	

	<p>reported, including arrests and prosecutions. No progress was recorded in the case of a prominent civil society member, three years after his enforced disappearance.</p> <p>[...] <b>Sombath Somphone, a prominent civil society member</b> who was abducted outside a police post in the capital, Vientiane, in December 2012, <b>remained disappeared</b> with no progress in his case.</p> <p>[...] <b>Approximately 20 people were reported to have been sentenced to death in 2015, mainly for drug-related offences.</b> While <b>Laos is not known to have carried out executions since 1989</b>, it failed to accept more than a dozen UPR recommendations calling for an official moratorium on the death penalty.” (p. 226-227)</p>		
<p>Freedom House  <a href="http://www.freedomhouse.org/">http://www.freedomhouse.org/</a></p>	<p><a href="https://freedomhouse.org/report/freedom-world/freedom-world-2016">https://freedomhouse.org/report/freedom-world/freedom-world-2016</a></p> <p>The status of Laos on the <b>Freedom in the World 2016</b> index is <b>'not free'</b>.</p> <p><a href="https://freedomhouse.org/report/freedom-net/freedom-net-2015">https://freedomhouse.org/report/freedom-net/freedom-net-2015</a></p> <p>The status of Laos on the <b>Freedom on the Net 2015</b> index is <b>'no information available.'</b></p> <p><a href="https://freedomhouse.org/report/freedom-press/freedom-press-2016">https://freedomhouse.org/report/freedom-press/freedom-press-2016</a></p> <p>The status of Laos on the <b>Freedom of the Press 2016</b> index is <b>'not free'</b>.</p>	Country	
<p>Reporters without Borders: Press Freedom Index  Rank nr. 1 has the best press freedom.  <a href="https://index.rsf.org/#/">https://index.rsf.org/#/</a></p>	<p><a href="https://rsf.org/en/ranking">https://rsf.org/en/ranking</a>  2016 World Press Freedom Index  <b>Laos is ranked #173 out of 180</b> in the 2016 World Press Freedom Index with a score of 71.58.</p>	Country	
<p>Fund for Peace - Fragile States Index - the Fund for Peace is a US-based non-profit research and educational organization that works to prevent violent conflict and promote security. The Fragile States Index is an annual ranking, first published in 2005 with the name Failed States Index, of 177 nations based on their levels of stability and capacity  <a href="http://fsi.fundforpeace.org/">http://fsi.fundforpeace.org/</a></p>	<p><i>Fragile States Index 2016</i>  <b>Laos is ranked 55 out of 178 countries</b> on the Fragile States Index. (nr 1 being the most failed state). This ranks Laos in the category <b>'High Warning' (in between "Elevated Warning" and "Alert")</b>.</p>	Country	
<p>The Global Peace Index. Published by the Institute for Economics &amp; Peace, This index is the world's leading measure of national peacefulness. It ranks 163 nations according to their absence of violence. It's made up of 23 indicators, ranging from a nation's level of military expenditure to its relations with neighbouring countries and the level of respect for human rights.</p>	<p><a href="http://economicsandpeace.org/wp-content/uploads/2016/06/GPI-2016-Report_2.pdf">http://economicsandpeace.org/wp-content/uploads/2016/06/GPI-2016-Report_2.pdf</a>  2016 Global Peace Index  The <b>state of Peace in Laos is labelled 'High'</b> with Laos <b>ranking number 52 out of 163 countries.</b> (p. 11)</p>	Country	

<p>Source: The Guardian:  <a href="http://economicsandpeace.org/research/iep-indices-data/global-peace-index">http://economicsandpeace.org/research/iep-indices-data/global-peace-index</a></p>			
<p><b>Additional sources of information</b> (These sources were partly found by Googling the terms '[country]', 'timber', 'conflict', 'illegal logging')</p>	<p><b>Evidence</b></p>	<p><b>Scale of risk assessment</b></p>	<p><b>Risk indication</b></p>
	<p><a href="http://www.rfa.org/english/news/laos/new-lao-prime-minister-issues-ban-on-timber-exports-05172016152448.html">http://www.rfa.org/english/news/laos/new-lao-prime-minister-issues-ban-on-timber-exports-05172016152448.html</a>  <i>New Lao Prime Minister Issues Ban on Timber Exports - 2016-05-17</i>          “The new Lao government has issued a moratorium on the export of logs and timber in a bid to reduce rampant and widespread illegal wood shipments outside the small Southeast Asian nation’s borders, according to a copy of the document obtained by RFA’s Lao Service.          Prime Minister Thongloun Sisoulith, who assumed office on April 20, issued the moratorium on May 13. It requires all ministries, provincial governors and mayors to implement strict measures to control and inspect the felling of trees, log transportation, and logging businesses.          The moratorium contains 17 points, including one that forbids the export of logs, timber, processed wood, roots, branches, and trees from natural forests as well as logs the previous government had recently approved for export.”</p> <p><a href="http://www.rfa.org/english/news/laos/laos-government-appoints-committee-to-enforce-timber-export-ban-06032016163544.html">http://www.rfa.org/english/news/laos/laos-government-appoints-committee-to-enforce-timber-export-ban-06032016163544.html</a>  <i>Lao Government Appoints Committee to Enforce Timber Export Ban - 2016-06-03</i>          Lao Prime Minister Thongloun Sisoulith this week appointed an ad hoc committee to enforce a nationwide ban on illegal logging within 60 days and block and prevent timber from leaving the country after some provinces were found to have violated a logging ban.          [...]Laos has long suffered from the rampant smuggling of logs and timber to neighbors such as China and Vietnam where they are used to make furniture. The government previously issued moratoriums and notices of suspension of logging activities and bans on timber exports to deal with the problem, but to little avail.          A report by the World Wide Fund for Nature (WWF) leaked online last October revealed huge increases in illegal logging in Laos and suggested that government collusion had prompted some officials to take action to examine discrepancies in timber export and import figures with China and Vietnam.”</p> <p><a href="https://eia-international.org/leaked-report-reveals-huge-scale-of-illegal-logging-in-laos">https://eia-international.org/leaked-report-reveals-huge-scale-of-illegal-logging-in-laos</a>  <i>Leaked report reveals huge scale of Laos illegal logging - 21st June, 2016</i></p>		

“This article was originally published on October 21, 2015 and updated on June 21, 2016

Recently, the new Prime Minister of Laos has made a series of encouraging statements and actions to tackle rampant forest crimes in the country so it is timely that a report leaked last year, showing the scale of the problem, is now available in the Lao language.[...]

An unpublished, credible report on logging practices in southern Laos has exposed **systematic illegal felling and rampant timber smuggling into neighbouring countries.**

The report’s findings are startling; **in 2013, Laos exported 1.4 million cubic metres of timber to Vietnam and China, more than 10 times the country’s official harvest. In some areas the illegal logging rate has reached an astounding 100 per cent.**

The report, dated June 2015 and entitled Assessment of Scope of Illegal Logging in Laos and Associated Trans-boundary Timber Trade [...] echoes the **findings of a series of field investigations undertaken in the region by the Environmental Investigation Agency (EIA) since 2007.**

The forests of Laos are being plundered by well-connected companies to feed the wood processing industries of Vietnam and China, and the situation is getting worse.

**In Laos, virtually all logging operations are linked to forest clearance for infrastructure projects, especially hydropower dams and roads, mining and agricultural plantations.** The leaked report finds that **such projects are not subject to any meaningful oversight or enforcement;** in four southern provinces, over half of the timber exported came from unknown sources. Analysis of logging carried out in Salavan Province for a road construction project found 100 per cent of the timber felled to be illegal. In a mining project in neighbouring Sekong Province, 99 per cent of logging was found to be illegal.

It also finds that the **Lao Government’s stated policy of banning exports of logs and sawn timber to promote domestic processing has been an abject failure,** with opaque “exceptional” permissions ensuring the flow of wood into neighbouring continues unabated. In 2014, logs and sawn timber accounted for 98 per cent of all wood exports from Laos by value. Customs data also reveals routine under-pricing of wood in Laos; in 2013, the recorded value of exported wood was just eight per cent of the value declared in the importing countries. [...]Predictably, **enforcement in Laos against illegal logging and timber smuggling is found to be virtually non-existent.** State enforcement agencies do not conduct inspections of logging operations linked to forest conversion projects. In four southern provinces of Laos, **Government agencies confiscated only five per cent of the estimated illegal timber volume and focus solely on small-scale loggers rather than the powerful companies behind the overwhelming majority of illegal logging operations in the country.”**

	<p><a href="http://www.historyguy.com/hmong_rebellion_in_laos.html#.WAYoaiRFojk">http://www.historyguy.com/hmong_rebellion_in_laos.html#.WAYoaiRFojk</a>  <i>The Hmong Rebellion in Laos (1975-Present) – 22 May 2016</i>  “The conflict which most Americans know as The Vietnam War, also included civil wars in the neighboring nations of Laos and Cambodia. In both of these Southeast Asian countries, Communist forces overthrew the governments after long and bloody warfare. In Laos, an ethnic group known as the Hmong continued to fight against the forces of the new Communist government and its allies from Vietnam. This little-known war continues to this day. During America’s long and painful time in Vietnam, the U.S. government recruited many Hmong into a secret army trained and armed by the Central Intelligence Agency (CIA). Following the fall of Saigon and America’s desire to forget about our unsuccessful war in Indochina, U.S. aid to the Hmong ended, and they were left to deal with the Communist Pathet Lao and North Vietnamese on their own. They have resisted ever since.”</p> <p><a href="http://www.globaltimbertrackingnetwork.org/fileadmin/templates/globaltimbertrackingnetwork.org/upload/Regional_Workshop_for_Asia_Pacific_Oceania/Denis_Smirnov.pdf">http://www.globaltimbertrackingnetwork.org/fileadmin/templates/globaltimbertrackingnetwork.org/upload/Regional_Workshop_for_Asia_Pacific_Oceania/Denis_Smirnov.pdf</a>  <i>Overview of illegal logging in Laos and related trans-boundary trade – WWF - 20 August, 2013</i>  “Scope of illegal logging in Laos  • Technically, most of timber harvested in Laos is illegal because logging and trade do not comply with legislation incl.:  - Prohibition of logs and sawn wood export,  - Prohibition of logs and sawn wood export,  - ban on conversion of forests into plantations,  - ban of debt-repayment and bartering of timber in exchange for development support  - requirement of EIA for development projects,  - lack of border demarcation for logging sites and logging plans etc.  • Lack of baseline data on illegal timber means that no reliable estimate of how this trend will develop can be made.”</p>		
From national CW RA: Info on illegal logging	Not available		
<p><b>Conclusion on country context:</b>  Laos scores low on most indicators reviewed in this context section such as on corruption, accountability, governance, rule of law, freedom and press freedom and is considered a country with a high warning status on the Fragile States Index. Serious human rights violations are reported in relation to freedom of expression, association and peaceful assembly, while authorities prepared to further tighten control of civil society groups. Laos has an estimated level of illegal logging of 80%. In 2009, the government started engaging with the voluntary partnership agreement (VPA) process, and formal negotiations with the EU began in 2012. Nevertheless, the forest governance situation remains poor, with a lack of transparency and accountability resulting in significant implementation and enforcement challenges. Available evidence suggests that</p>		Country	



illegal practices are widespread in the forest sector. It is encouraging that the new Lao government has issued a moratorium on the export of logs and timber and appointed an ad hoc committee to enforce a nationwide ban on illegal logging in a bid to reduce rampant and widespread illegal wood exports. However, optimism is tempered because previous governments issued moratoriums and notices of suspension of logging activities and bans on timber exports to deal with the problem, but to little avail.			
<b>Indicator 2.1. The forest sector is not associated with violent armed conflict, including that which threatens national or regional security and/or linked to military control.</b>			
<b>Guidance</b>			
<ul style="list-style-type: none"> <li>Is the country covered by a UN security ban on exporting timber?</li> <li>Is the country covered by any other international ban on timber export?</li> <li>Are there individuals or entities involved in the forest sector that are facing UN sanctions?</li> </ul>			
Compendium of United Nations Security Council Sanctions Lists: <a href="http://www.un.org">www.un.org</a> Google: "Consolidated United Nations Security Council Sanctions List" for latest version. It is regularly updated.	<a href="https://scsanctions.un.org/fop/fop?xml=htdocs/resources/xml/en/consolidated.xml&amp;xslt=htdocs/resources/xsl/en/consolidated.xsl">https://scsanctions.un.org/fop/fop?xml=htdocs/resources/xml/en/consolidated.xml&amp;xslt=htdocs/resources/xsl/en/consolidated.xsl</a> <i>Consolidated United Nations Security Council Sanctions List – generated 18 October 2016</i>	Country	Low risk
US AID: <a href="http://www.usaid.gov">www.usaid.gov</a>	There is <b>no UN Security Council ban</b> on timber exports from Laos  Laos is <b>not covered by any other international ban on timber export.</b>  There are <b>no individuals or entities involved in the forest sector in Laos that are facing UN sanctions.</b>		
Global Witness: <a href="http://www.globalwitness.org">www.globalwitness.org</a>			
From national CW RA			
<b>Guidance</b>			
<ul style="list-style-type: none"> <li>Is the country a source of conflict timber? If so, is it at the country level or only an issue in specific regions? If so – which regions?</li> <li>Is the conflict timber related to specific entities? If so, which entities or types of entities?</li> </ul>			
<a href="http://www.usaid.gov">www.usaid.gov</a>  Conflict Timber is defined by US AID as: - conflict financed or sustained through the harvest and sale of timber (Type 1), - conflict emerging as a result of competition over timber or other forest resources (Type 2) Also check overlap with indicator 2.3	<b>No information on conflict timber in Laos found.</b>	Country	Low risk
<a href="http://www.globalwitness.org/campaigns/environment/forests">www.globalwitness.org/campaigns/environment/forests</a>	<b>No information on conflict timber in Laos found.</b>	Country	Low risk
Human Rights Watch: <a href="http://www.hrw.org/">http://www.hrw.org/</a>	<b>No information on conflict timber in Laos found.</b>	Country	Low risk
World Resources Institute: Governance of Forests Initiative Indicator Framework (Version 1)	This work resulted in a publication: Assessing and Monitoring Forest Governance: A user's guide to a diagnostic tool (available on this page)	Country	Low risk

<a href="http://pdf.wri.org/working_papers/gfi_tenure_indicators_sep09.pdf">http://pdf.wri.org/working_papers/gfi_tenure_indicators_sep09.pdf</a> Now: PROFOR <a href="http://www.profor.info/node/1998">http://www.profor.info/node/1998</a>	published by PROFOR in June 2012. <b>This tool has not yet been applied to Laos.</b>		
Amnesty International Annual Report: The state of the world's human rights -information on key human rights issues, including: freedom of expression; international justice; corporate accountability; the death penalty; and reproductive rights <a href="http://www.amnesty.org">http://www.amnesty.org</a>	<b>No information on conflict timber in Laos found.</b>	Country	Low risk
World Bank: Worldwide Governance Indicators - the WGIs report aggregate and individual governance indicators for 213 economies (most recently for 2004–2014), for six dimensions of governance: Voice and Accountability; Political Stability and Absence of Violence; Government Effectiveness; Regulatory Quality; Rule of Law; Control of Corruption <a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a> Use indicator 'Political stability and Absence of violence' specific for indicator 2.1	<a href="http://info.worldbank.org/governance/wgi/index.aspx#reports">http://info.worldbank.org/governance/wgi/index.aspx#reports</a> In 2015 (latest available year) <b>Laos scores 60.48 for Political Stability and Absence of Violence/Terrorism (the scores range from 0 (lowest rank) to 100 (highest rank) with higher values corresponding to better outcomes).</b>	Country	Low Risk
Greenpeace: <a href="http://www.greenpeace.org">www.greenpeace.org</a> Search for 'conflict timber [country]'	<b>No information on conflict timber in Laos found.</b>	Country	Low risk
CIFOR: <a href="http://www.cifor.org/">http://www.cifor.org/</a> <a href="http://www.cifor.org/publications/Corporate/FactSheet/forests_conflict.htm">http://www.cifor.org/publications/Corporate/FactSheet/forests_conflict.htm</a>	<a href="http://www.cifor.org/publications/Corporate/FactSheet/forests_conflict.htm">http://www.cifor.org/publications/Corporate/FactSheet/forests_conflict.htm</a> Timber incomes have financed violent conflict in Cambodia, Democratic Republic of Congo, Indonesia, Liberia, Myanmar, Sierre Leone, and other countries. While <b>Illicit drugs are widespread in the forested regions of Bolivia, Colombia, Laos, Myanmar, and Peru.</b>	Country	Low Risk
Google the terms '[country]' and one of following terms or in combination 'conflict timber', 'illegal logging'	<a href="http://www.rfa.org/english/news/laos/timber-smuggling-11262014170709.html">http://www.rfa.org/english/news/laos/timber-smuggling-11262014170709.html</a> <b>'Corrupt' Officials in Laos Blamed Over Illegal Timber Trade with Vietnam – 26-11-2014</b> <b>"Top government officials in Laos have been linked to the flourishing illegal timber trade between the country and neighboring Vietnam, according to sources who cite unofficial crossings along the border as conduits for the illicit activity.</b> <b>"The smuggling of logs cannot be stopped because some of the Lao national leaders are involved in it," an official who works at one of the non-governmental groups on forest conservation in the country told RFA's Lao Service.</b> <b>Some of the mining companies operating along the Champassak, Attappue and Saravan provinces in southern Laos claimed that some national leaders pressured enforcement officials not to take action against the smuggling activities.</b>	Country	Specified risk

	<p>When asked about the claims, an official who works in the investigation department at the Ministry of Agriculture and Forestry declined to comment. The UK-based nongovernmental organization Environmental Investigation Agency (EIA) said the illegal timber trade had thrived so far because of poor enforcement by both Laos and Vietnam.</p> <p>“The enforcement on the borders between Laos and Vietnam is very, very weak. The enforcement in Vietnam is very, very weak. So Vietnam is very willing to take timber smuggled from Laos into Vietnam.”</p> <p>Chronic problem</p> <p>Illegal logging and timber exports have long been a chronic problem in Laos. A police report indicated that 257 cases related to the illegal trading of timber were discovered last year, topping an annual list of the country’s economic-related crimes, the Vientiane Times reported.</p> <p>To repopulate the nation’s forests, the government wants to reach forest coverage of 65 percent of the land by next year, and 70 percent by 2020, from the current 40 percent, according to an official estimate. One independent expert, however, says the current coverage is less than 30 percent.”</p> <p>[...] “Forest officials in practice find it difficult to seize and arrest timber smugglers, especially the big logging business that is backed by big politicians, or otherwise they will be removed if they block the politicians’ interests,” the source said.”</p> <p><a href="http://www.rfa.org/english/news/laos/logging-08202015173841.html">http://www.rfa.org/english/news/laos/logging-08202015173841.html</a>  <i>Lao Loggers Backed by Corrupt Officials Pillaged Champassak Forests in July - 2015-08-20</i></p> <p>“Illegal logging in southern Laos’ Champassak province was particularly devastating on forests in July, according to a local police officer, who said businessmen working in tandem with high-ranking officials raced to cut timber in the region ahead of the start of the rainy season.</p> <p>The police officer, who spoke to RFA’s Lao Service on condition of anonymity, said that logging trucks bearing both Lao and Vietnamese registrations, and carrying both legal and illegal loads, can be seen at all times throughout central and southern Laos hauling timber into neighboring Vietnam.</p> <p>And while local authorities often know that the wood has been illicitly procured, there is little they can do to stem the flow across the border.</p> <p>“Last month, my colleagues and I stopped illegal-logging trucks, but the driver called someone and told me to talk with the man on phone,” the police officer said.</p> <p>“The man I talked with on the phone is one of the provincial leaders [in Champassak] who ordered me to let the trucks go and escort them, rather than seize the logs.”</p>	<p>Champassak province</p>	<p>Specified risk</p>
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	<p><a href="http://www.laolandissues.org/2016/03/02/inspectors-uncover-widespread-illegal-logging-vehicle-imports/">http://www.laolandissues.org/2016/03/02/inspectors-uncover-widespread-illegal-logging-vehicle-imports/</a>  <i>Inspectors uncover widespread illegal logging, vehicle imports - March 2nd, 2016</i></p> <p>“Inspection authorities have uncovered more than 86,744 cubic metres of illegal logs, the illegal importation of 978 vehicles, and also discovered banking officials taking customers’ money, during inspections carried out in 2015. The illegal logs were found after the authorities investigated suspicious incidents in 12 provinces and Vientiane, according to the 2015 report from the Inspection Committee of the Party Central Committee, and the Government Inspection Authority.</p> <p>According to the report, upwards of 5,855 cubic metres of illegal logs were seized in two districts of Borikhamxay province. Some 50 people were involved in the illegal cases, comprising 27 state officials, 18 Lao and foreign business people, and five village authority members. Sixty-eight vehicles used to transport illegal logs were seized and fines were levied, amounting to more than 848 million kip. Inspectors also discovered that 978 vehicles – 607 cars and 371 motorbikes – were imported illegally in three provinces. The involved parties have been fined a total amount in excess of 10.7 billion kip. Following their inspection of state-owned commercial banks, the inspectors also found that some banking officials abused their power for personal gain through various means. Some banking officials made fake documents enabling them to withdraw customers’ money, failed to transfer money into customers’ bank accounts as requested, asked for service commission charges from customers, and produced fake documents to transfer money for their personal gain, among other offences. <b>The above cases were some of the many irregularities exposed by inspectors in 2015.</b></p> <p>The inspection authorities said a number of state officials involved in corruption cases had been disciplined. According to the 2015 report, almost 242 billion kip was found to have been misappropriated and 95 officials involved, including four women, were disciplined. Of the 95 officials, 62 worked in Oudomxay province, 11 in the Ministry of Finance, and 22 were banking officials.</p> <p>It has been reported that more than 3,000 billion kip was lost through various means, following inspections into state expenditure and revenue collection at 303 targeted bodies within 11 ministries and state organisations, as well as 13 provinces and Vientiane. Just over 467.59 billion kip of the lost money has been recovered, according to the report. The inspection authorities have vowed to retrieve the remaining money.</p> <p>[see also information found on illegal logging presented in context section]</p>	Country	Specified risk
From national CW RA	Not available		
<b>Conclusion on indicator 2.1:</b>		Country	Low risk

<p>Although illegal logging and timber exports have been reported as a chronic problem in Laos for a long time, no information was found on Laos as a source of conflict timber and the forest sector is not associated with any violent armed conflict. There is no UN security ban, other ban or UN sanction.</p> <p><b>The following low risk thresholds apply:</b></p> <p>(1) The area under assessment is not a source of conflict timber<sup>2</sup>; AND</p> <p>(2) The country is not covered by a UN security ban on exporting timber; AND</p> <p>(3) The country is not covered by any other international ban on timber export; AND</p> <p>(4) Operators in the area under assessment are not involved in conflict timber supply/trade; AND</p> <p>(5) Other available evidence does not challenge 'low risk' designation.</p>			
<p><b>Indicator 2.2. Labour rights are respected including rights as specified in ILO Fundamental Principles and Rights at work.</b></p> <p><b>Guidance</b></p> <ul style="list-style-type: none"> <li>• Are the social rights covered by the relevant legislation and enforced in the country or area concerned? (refer to category 1)</li> <li>• Are rights like freedom of association and collective bargaining upheld?</li> <li>• Is there evidence confirming absence of compulsory and/or forced labour?</li> <li>• Is there evidence confirming absence of discrimination in respect of employment and/or occupation, and/or gender?</li> <li>• Is there evidence confirming absence of child labour?</li> <li>• Is the country signatory to the relevant ILO Conventions?</li> <li>• Is there evidence that any groups (including women) feel adequately protected related to the rights mentioned above?</li> <li>• Are any violations of labour rights limited to specific sectors?</li> </ul>			
<p><b>general sources from FSC-PRO-60-002a V1-0 EN</b></p>		<p><b>information found and specific sources</b></p>	
<p>Status of ratification of fundamental ILO conventions:  <a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:11001:0::NO::">http://www.ilo.org/dyn/normlex/en/f?p=1000:11001:0::NO::</a>  or use: ILO Core Conventions Database:  <a href="http://www.ilo.org/ilolex/english/docs/declworld.htm">http://www.ilo.org/ilolex/english/docs/declworld.htm</a>  C29 Forced Labour Convention, 1930  C87 Freedom of Association and Protection of the Right to Organise Convention, 1948  C98 Right to Organise and Collective Bargaining Convention, 1949  C100 Equal Remuneration Convention, 1951  C105 Abolition of Forced Labour Convention, 1957</p>		<p><a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103060">http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103060</a>  Laos ratified 5 of the 8 ILO Core conventions and the status of 5 of these ratified Conventions is: "in force".  The status of C105 - Abolition of Forced Labour Convention, 1957 (No. 105) is "not in force" since it was denounced on 10 Jan 1990.  The minimum age specified for the C138 Minimum Age Convention, 1973, is 14 years.  Laos did not ratify C87 Freedom of Association and Protection of the Right to Organise Convention, 1948, C98 Right to Organise and Collective Bargaining Convention, 1949 and C105 Abolition of Forced Labour Convention, 1957</p>	
		<p>scale of risk assessment</p> <p>Country</p>	<p>risk indication</p> <p>Specified risk for freedom of association, right to organize and collective</p>

<sup>2</sup> "Conflict timber" limited to include "timber that has been traded at some point in the chain of custody by armed groups, be they rebel factions or regular soldiers, or by a civilian administration involved in armed conflict or its representatives, either to perpetuate conflict or take advantage of conflict situations for personal gain - conflict timber is not necessarily illegal. Please refer to FSC-PRO-60-002a V1-0.







	<p>that these statistics indicate that measures, including an action plan, are needed to address child labour in the country. In this regard, the Committee notes that the country's Decent Work Country Programme (2011–15) includes as a target the adoption by 2013 of a National Policy and Plan of Action to End Child Labour. <b>The Committee observes with concern that there remain a significant number of children engaged in child labour, including in hazardous work.</b> The Committee accordingly urges the Government to pursue its efforts towards the adoption and implementation of a National Policy and Plan of Action on child labour, to achieve the elimination of child labour. It requests the Government to provide information on measures taken to prevent and eliminate child labour within the country, as well as the results achieved. It also requests the Government to continue to provide information on the manner in which the Convention is applied in practice, including information from the labour inspectorate on the number and nature of contraventions reported, violations detected and penalties applied.</p> <p>...</p> <p>Article 2(3). Age of completion of compulsory education. The Committee previously noted that article 22 of the Constitution states that the Government shall implement compulsory primary education. However, it noted that <b>the age of completion of compulsory schooling was 11 years of age, three years below the minimum age for admission to work of 14 years.</b> In this regard, the Committee noted that the <b>Committee on the Rights of the Child (CRC)</b>, in its concluding observations of 8 April 2011, <b>expressed concern at the disparity between the legal minimum age for employment and the age of completion of compulsory education (11 or 12 years) as this disparity could create a situation whereby children who do not wish to continue their schooling after completing their compulsory education start working illegally</b> before attaining the minimum age for employment (CRC/C/LAO/CO/2, paragraph 63). [...]The Committee accordingly <b>encourages the Government to consider raising the age of completion of compulsory education so as to coincide with that of the minimum age of 14 years for admission to employment or work.</b> It requests the Government to provide information on any measures taken in this regard.”</p> <p><a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3251750:NO">http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3251750:NO</a> <i>Direct Request (CEACR) - adopted 2015, published 105th ILC session (2016) Worst Forms of Child Labour Convention, 1999 (No. 182) - Lao People's Democratic Republic (Ratification: 2005)</i> “The Committee notes that the <b>Government's report has not been received.</b> It hopes that the next report will contain full information on the matters raised in its previous comments. <b>Repetition</b></p>	Country	Specified risk for child labour
		Country	Specified risk on child labour

	<p>Article 6. Programmes of action. The Committee notes the Government's indication that the <b>Ministry of Labour and Social Welfare developed a National Plan of Action for the elimination of the worst forms of child labour, which was adopted in February 2014.</b> The objectives of this National Plan of Action include interventions to prevent the worst forms of child labour, strengthened coordination with regard to the monitoring of the worst forms of child labour and measures to ensure that children affected by these worst forms are provided with health, education, skills training, counselling and social protection services. The <b>Committee encourages the Government</b> to pursue its efforts to implement the National Plan of Action for the elimination of the worst forms of child labour, <b>and to provide, in its next report, information on concrete measures</b> taken in this regard.</p> <p>Article 7(1). Penalties and the application of the Convention in practice. Trafficking and commercial sexual exploitation. The Committee previously noted that the <b>Committee on the Rights of the Child expressed concern that Lao People's Democratic Republic remained a country of origin, transit and destination for victims of trafficking for the purposes of forced labour and sexual exploitation.</b></p> <p><b>The Committee notes the Government's statement that it is taking measures, in collaboration with NGOs, to protect children from trafficking and commercial sexual exploitation.</b> These measures include holding training workshops for stakeholders on tools to protect children from child sex tourism, providing assistance to anti-trafficking police during investigations and implementing information campaigns in target villages on the topic of trafficking. <b>The Government states that, according to the 2013–14 report of the National Human Trafficking Committee, the authority responsible for investigating and prosecuting cases of trafficking, 231 persons were found guilty of trafficking in persons between 2008 and 2012.</b> The Committee requests the Government to pursue and strengthen its efforts to combat the trafficking and commercial sexual exploitation of children, including child sex tourism. It requests the Government to continue to provide information on the specific measures taken to address these worst forms of child labour, and on the results achieved, including the number of investigations, prosecutions, convictions and the particular penalties applied.</p> <p>Article 7(2). Effective and time-bound measures. Clause (a). Preventing the engagement of children in the worst forms of child labour. Access to free basic education. The Committee previously noted the information in the <b>UNESCO Education for All Global Monitoring Report of 2011 that the net enrolment rate for primary education in the country was 69 per cent and there remained 142,000 out-of-school children of primary school age.</b></p> <p>The Committee takes due note of the information in the Government's report regarding the measures it has taken within its <b>Education for All National Plan of Action 2003–15,</b> which seeks to achieve universal basic and primary</p>	Country	Specified risk on child labour
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	<p>education, promote community participation in basic education and improve the relevance and quality of basic education. It also welcomes the measures contained in the <b>Education Sector Development Framework 2009–15</b>, aimed at reducing the cost barriers for education, reducing repetition and drop-out rates and developing inclusive education to facilitate enrolment and completion of unreached learners. The Committee notes with interest that, according to the <b>UNESCO Education for All Global Monitoring Report of 2013 and 2011 the net enrolment rate for primary education had reached 98 per cent by 2011, and the number of out of school children of primary school age had decreased significantly to 66,000 children</b>. Considering that education contributes to preventing the engagement of children in the worst forms of child labour, the Committee encourages the Government to pursue its efforts, within the framework of the Education for All National Plan of Action 2003–15 and the Education Sector Development Framework, to facilitate access to and completion of free basic education.</p> <p>Clause (b). Direct assistance for the removal of children from the worst forms of child labour and providing for their rehabilitation and social integration. Sale and trafficking. The Committee previously noted that the Ministry of Labour and Social Welfare was engaged in activities for the rehabilitation of child victims of trafficking, including through the provision of repatriation support and the operation of transit centres for victims.</p> <p>The Committee notes the <b>Government's statement that it is collaborating with several NGOs in the implementation of projects to provide support to victims of trafficking, including children. Measures taken through these projects include repatriation assistance for child victims of trafficking, reunifying child victims with their families, support for their reintegration into society, follow-up support and providing financial assistance to former victims</b>. The Committee requests the Government to pursue its efforts to ensure that child victims of trafficking are provided with appropriate support services for their repatriation, rehabilitation and social integration. It requests the Government to continue to provide information on the implementation of measures in this regard, including on the number of child victims of trafficking who have been reached by these services.</p> <p>Clause (d). Children at special risk. Street children. The Committee notes the <b>Government's indication that it is operating a project to reach out to vulnerable street children (entitled PeuanMit). This project has provided services to approximately 1,600 vulnerable children</b>, including educational support, shelter, vocational training, employment placement services and support for family reintegration. Recalling that children who live and work on the street are particularly at risk for engagement in the worst forms of child labour, the Committee requests the Government to pursue its efforts to protect this vulnerable group, and to continue to provide information on the steps taken in this regard.</p>	Country	Low risk on child labour
		Country	Low risk on child labour
		Country	Low risk on child labour

	<p>Ethnic minorities. The Committee previously noted the information from a survey conducted by the Ministry of Labour and Social Welfare and UNICEF indicating that a significant number of child victims of trafficking in the country were from ethnic minority groups. It noted the information in the Government's Education for All National Plan of Action 2003–15 that children from ethnic minorities faced significant barriers to education, including a lack of qualified teachers and a significant number of villages without schools in provinces with large ethnic minority populations. In this regard, the Government indicated that low enrolment and completion rates in primary education were concentrated among children in rural, remote and specific ethnic group areas, but that one of the objectives of the National Plan of Action was equitable access to education.</p> <p>The Committee notes the information in the Government's report that the Ministry of Education and Sport has developed education programmes to encourage children of ethnic minority groups to attend schools, including through the establishment of 28 boarding schools for such children from remote areas. The Government indicates that, in addition to providing accommodation, it also pays school fees and provides textbooks, uniforms, meals and access to health care. Observing that children from ethnic minorities in the country may be particularly vulnerable to the worst forms of child labour, the Committee strongly encourages the Government to strengthen its efforts to protect these children from the worst forms of child labour. In this regard, it encourages the Government to pursue its efforts to facilitate educational access to children who are members of ethnic minorities, and to continue to provide information on the measures taken in this regard."</p> <p><a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3185037:NO">http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3185037:NO</a></p> <p><i>Direct Request (CEACR) - adopted 2014, published 104th ILC session (2015) Equal Remuneration Convention, 1951 (No. 100) - Lao People's Democratic Republic (Ratification: 2008)</i></p> <p>[...]Article 1(b). Work of equal value. Private sector. Regarding the application of section 15 of the LDPW (equal remuneration and benefits for women and men who have the same position, task, work or responsibility) to jobs of an entirely different nature but of equal value, the Government indicates that section 15 is applied through equal remuneration "for men and women who perform the same work's value at the same labour unit". The Committee notes however that unlike section 45 of the Labour Law of 2007, the section 96 of the revised Labour Law 2014 no longer refers to "work of equal value". The Committee draws the attention of the Government to the fact that only providing for equal salaries or wages between men and women generally may not be sufficient to give effect to the Convention as it does not capture the concept of "work of equal value". The Committee recalls that the concept of</p>	Country	Specified risk for child labour for ethnic minorities
	<p>[...]Article 1(b). Work of equal value. Private sector. Regarding the application of section 15 of the LDPW (equal remuneration and benefits for women and men who have the same position, task, work or responsibility) to jobs of an entirely different nature but of equal value, the Government indicates that section 15 is applied through equal remuneration "for men and women who perform the same work's value at the same labour unit". The Committee notes however that unlike section 45 of the Labour Law of 2007, the section 96 of the revised Labour Law 2014 no longer refers to "work of equal value". The Committee draws the attention of the Government to the fact that only providing for equal salaries or wages between men and women generally may not be sufficient to give effect to the Convention as it does not capture the concept of "work of equal value". The Committee recalls that the concept of</p>	Country	Specified risk for equal remuneration

	<p>“work of equal value” set out in the Convention permits a broad scope of comparison, including, but going beyond equal remuneration for “equal”, “the same” or “similar” work, and also encompasses work that is of an entirely different nature, which is nevertheless of equal value. Moreover, application of the Convention is not limited to comparisons between men and women in the “same labour unit” and allows for a much broader comparison to be made between jobs performed by men and women in different places or enterprises, or between different employers (see General Survey on the fundamental Conventions, 2012, paragraphs 673 and 697). The Committee asks the Government to provide information, including relevant judicial decisions, on the practical application of section 15 of the LDWP and section 96 of the Labour Law 2014 to jobs of an entirely different nature, involving different positions, tasks, work and responsibility, but which are nevertheless of equal value. The Committee also asks the Government to clarify with respect to section 96 whether a claim can be brought for a violation of equal remuneration for work of equal value, if work compared is overall of equal value based on a range of factors and whether the legislation allows for broad comparisons between jobs performed by men and women in different labour units, enterprises or between different employers.</p> <p><b>Scope of application. Public sector.</b> The Committee notes that the <b>categories of workers excluded from the Labour Law 2007 pursuant to section 6 remain the same in the Labour Law 2014, and include civil servants. The Labour Law 2014 in section 6 also provides that “household workers” must “comply with the working contract”, but it is unclear whether the Law covers household workers.</b> Regarding the public sector, the Committee notes the Government’s statement that section 15 of the LDPW is applied through the Governmental Decree on Public Servants No. 82/PM of 2003 and that the “policy on position promotion, upgrading salary scale and others are implemented equally for men and women”. <b>The right to equal remuneration for men and women for work of equal value is however not set out in the Governmental Decree on Public Servants.</b> The Committee also notes the <b>Government’s indication that challenges remain in implementing equal remuneration for men and women for those not covered by the labour law</b> and that local administration takes responsibility for solving issues through mediation and advice. The Committee asks the Government to provide information on the measures taken or envisaged to ensure that equal remuneration for men and women for work of equal value is applied in practice for public servants, and to provide statistics on the distribution of men and women in the different posts of the public service and their corresponding levels of earnings. The Committee encourages the Government to examine whether the applicable substantive and procedural provisions, in practice, allow claims regarding equal remuneration for work of equal value to be brought successfully by civil servants particularly through local mediation (see General Survey, 2012, paragraph 871), and to provide information on the progress</p>	Country	Specified risk for equal remuneration for civil servants and household workers.
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	<p>made in this regard. The Committee also asks the Government to indicate how the principle of the Convention is applied to household workers.</p> <p><b>Article 2. Wage determination.</b> The Committee notes that pursuant to section 108 of the Labour Law 2014 the State is responsible for determining the levels of minimum wage based on consultations, and that the “minimum wage can be determined for each sector”. The Committee notes that no information was provided on sector-specific minimum wages in legislation or collective agreements. The Government indicates however, that remuneration is usually higher than the minimum wage and that remuneration in the garment industry is between US\$150 to \$200 per month, in mining and steel production between \$300 to \$350 per month and in the service sector between \$200 and \$300 per month. In this regard, the <b>Committee notes from the World Bank’s 2012 report “Labour Standards and Productivity in the Garments Export Sector” that the garment industry employs some 20,000 workers, of which 85 per cent are women. The Committee draws the attention of the Government to paragraph 683 of its General Survey on the fundamental Conventions, 2012, in which it noted the tendency to set lower wages for sectors predominantly employing women.</b> The Committee asks the Government to indicate the method and criteria used for setting sector-level and industry-based minimum wages and how it is ensured that minimum wages in female-dominated occupations or sectors, such as the garment industry, are not set below the rates applying to male-dominated occupations or sectors involving work of equal value. Please also provide information on any collective agreements registered under section 170 of the Labour Law 2014, applying the principle of the Convention.</p> <p><b>Article 3. Objective job evaluation.</b> The Committee welcomes the information provided on the measures taken by the Government to promote gender equality; it notes however that <b>no information was provided regarding the promotion of objective job evaluation methods free from gender bias.</b> The Committee recalls that the concept of “equal value” requires some method of measuring and comparing the relative value of different jobs. There needs to be an examination of the respective tasks involved, undertaken on the basis of entirely objective and non-discriminatory criteria to avoid the assessment being tainted by gender bias. Article 3 of the Convention presupposes the use of appropriate techniques for objective job evaluation, comparing factors such as skill, effort, responsibilities and working conditions (see General Survey, 2012, paragraph 695). The Committee once again asks the Government to provide information on any measures taken, in cooperation with workers’ and employers’ organizations, to promote objective job evaluation methods free from gender bias, in the public and private sectors.</p> <p><b>Article 4. Cooperation with social partners.</b> The Committee notes the <b>Government’s statement that leading up to the 2014 revision of the Labour Law, a Labour Law Revision Committee (LLRC) was established including employers’ and workers’ organizations as well as the Federation of Lao</b></p>	Country	Specified risk for equal remuneration
		Country	Specified risk for equal remuneration
		Country	Low risk for equal remuneration

	<p>Women, and that during the revision process the LLRC took into account ILO technical advice and ILO Conventions. The Committee asks the Government to continue to provide specific information on any cooperation with employers' and workers' organizations to give effect to the principle of equal remuneration for men and women for work of equal value, including by means of collective agreements.</p> <p>Part IV of the report form. The Committee notes from the Government's report that <b>no claims of violation of section 15 of the LDPW were recorded during the reporting period.</b> The Committee recalls that the <b>absence of complaints does not necessarily mean that the Convention and the national legislation are effectively applied and is more likely to indicate a lack of awareness of the rights, a lack of confidence in or absence of practical access to procedures, or fear of reprisals (see General Survey, 2012, paragraph 870).</b> The Committee asks the Government to provide specific information on steps taken to raise awareness among workers, employers and their respective organizations and to engage in the capacity building of judges and the labour inspectorate to apply the principle of the Convention. The Committee further asks the Government to continue to provide information on any court or administrative decisions regarding the application of section 15 of the LDPW and section 96 of the Labour Law 2014, as well as information on any violations recorded by the labour inspectorate.</p> <p>Part V. The Committee notes the Government's statement <b>that no statistics are collected on the respective earning levels of men and women in the different sectors of the economy and in different occupations.</b> The Committee notes that according to section 156(5) of the Labour Law 2014, the Ministry of Labour and Social Welfare is responsible for conducting research on labour, statistics and information, and the labour market. The Committee draws the Government's attention to the importance of collecting data and undertaking research on the actual situation, including the underlying causes, for addressing appropriately discrimination and unequal pay, and determining if measures taken are having a positive impact (see General Survey, 2012, paragraph 869). The Committee asks the Government to make the necessary efforts to collect and analyse sex disaggregated data on the remuneration levels in the various industries, in the public and private sectors, and for the different occupational categories and to provide such data with its next report."</p> <p><a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3185059:NO">http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3185059:NO</a>  <i>Direct Request (CEACR) - adopted 2014, published 104th ILC session (2015) Discrimination (Employment and Occupation) Convention, 1958 (No. 111) - Lao People's Democratic Republic (Ratification: 2008)</i>  <b>Article 1(1)(a) of the Convention. Prohibition of discrimination.</b> The Committee recalls that article 35 of the Constitution of 2003 provides that "Lao Citizens are</p>	Country	Specified risk for equal remuneration
		Country	Specified risk for equal remuneration



	<p>equal before the law, irrespective of their gender, social status, education, beliefs and ethnic group”, and article 8 provides that all acts creating division and discrimination against ethnic groups are prohibited. The Committee notes the Government’s indication that “belief” in article 35 of the Constitution includes religion, but does not include political opinion. The Committee further notes that the new Labour Law 2014 defines discrimination in the workplace as “all action by the employer that hinders, is biased or limits opportunities for promotion and confidence on the part of the employee” (section 3(28)), and prohibits “direct or indirect discrimination by employers against employees in the labour unit” (section 141(9)). While there are some provisions prohibiting gender discrimination, <b>the Committee notes that the Labour Law 2014 no longer explicitly prohibits discrimination on the grounds of race, religion and beliefs, as previously provided for in section 3(2) of the Labour Law 2007, nor does it prohibit discrimination based on colour, political opinion, national extraction and social origin.</b> In its 2012 General Survey on the fundamental Conventions, paragraphs 743–745, the Committee emphasizes the importance of clear and comprehensive definitions of what constitutes direct and indirect discrimination in identifying and addressing its many manifestations. It also recalls that where legal provisions are adopted to give effect to the Convention they <b>should include at least all the grounds set out in Article 1(1)(a) of the Convention, namely race, colour, sex, religion, political opinion, national extraction or social origin.</b> [...]</p> <p><b>Article 1(1)(b).</b> The Committee notes that <b>sections 87(1), 100 and 141(2) of the Labour Law 2014</b> provide protection against discrimination on the basis of pregnancy, marital status and HIV status in recruitment and termination of employment, but <b>no longer prohibits discrimination based on nationality, age or socio-economic status</b>, which were previously included in the Labour Law 2007. [...]</p> <p><b>Legislation. Scope of application.</b> The Committee notes that the categories of workers previously excluded from the Labour Law 2007 have remained the same in the Labour Law 2014, and include civil servants. It notes the Government’s statement that workers excluded from labour legislation are covered by “different legal texts”. The Committee also notes that section 6 of the Labour Law 2014 provides that “household workers” must “comply with the working contract”. The Committee recalls that <b>civil servants are covered by the Prime Minister’s Decree on Civil Servants, which does not contain provisions applying the principles of the Convention and which excludes certain groups from its application (section 3).</b> It also recalls that the principle of the Convention applies to all workers. [...]</p> <p><b>Sexual harassment.</b> The Committee notes that section 83(4) of the Labour Law 2014 allows the worker to cancel the employment contract in the event of harassment or sexual harassment on the part of the employer, or when the employer ignores that any such action occurs, and that section 141(4) prohibits</p>	Country	Specified risk for discrimination on grounds of race, religion and beliefs, colour, political opinion, national extraction and social origin
		Country	Specified risk for discrimination on grounds of nationality, age or socio-economic status
		Country	Specified risk for discrimination on against civil servants and household workers

	<p>employers from violating the personal rights of employees, especially female employees, through speech, sight, text, touch or touching inappropriate areas. However, <b>sexual harassment is not explicitly defined and prohibited in the Labour Law 2014, and it is unclear how the above provisions protect workers from all forms of sexual harassment in employment, and provide for adequate remedies and sanctions.</b> The Committee recalls its general observation of 2003 highlighting the importance of taking effective measures to prevent and prohibit sexual harassment at work. Such measures should address both quid pro quo and hostile environment sexual harassment (see also General Survey on the fundamental Conventions, 2012, paragraph 789). [...]</p> <p><b>Article 1(2). Inherent requirements.</b> The Committee notes that, pursuant to section 33(3) of the Labour Law 2014, certain jobs can be reserved for Lao citizens, especially traditional jobs of Lao ethnic groups, jobs promoting Lao traditions, indigenous knowledge and jobs that do not require knowledge or high capital. The provision states that these jobs will be specified in a separate list. The Committee asks the Government to provide information on the practical application of section 33(3) of the Labour Law 2014 and how it is ensured that this provision does not lead to indirect discrimination against non-citizens on the grounds set out in the Convention with respect to hiring and job security. Please provide a copy of the list of occupations reserved for Lao citizens.</p> <p><b>Article 2. Equality of opportunity and treatment between men and women.</b> The Committee notes that the new Labour Law 2014 (section 72) continues to adopt different retirement ages for men (60 years of age) and women (55 years of age), and notes the Government's statement that voluntary early retirement for women is widely practiced. The Committee recalls that setting earlier retirement ages for women can have a detrimental impact on women's career paths and access to higher-level positions (see General Survey on the fundamental Conventions, 2012, paragraph 760). The Committee further notes the Government's indication that the Lao Women's Union is the lead implementing agency for the Law on the Development and Protection of Women of 2004 and that the Lao National Commission for the Advancement of Women (LCAW) undertakes research, provides policy advice and is responsible for the implementation of the National Strategy for the Promotion of the Advancement of Women (2011–15). The Committee notes the information in the Government's report on the increase in net enrolment rates of girls and boys in pre-education and elementary education in 2013. The Government further indicates that in 2012 the representation of women of various ethnic groups in high-ranking positions in the public sector was 5.44 per cent. In the private sector, among 508 economic leaders, 153 were women. In 2005–06, of 25,327 vocational students, 9,797 were women; of 1,513 technical and vocational teachers in the public and private sectors, 466 were women. [...]</p>	Country	Specified risk for sexual harassment
		Country	Specified risk for discrimination of non-Lao people
		Country	Specified risk for discrimination of women
		Country	Low risk for discrimination of women
		Country	Specified risk for discrimination of women of various





	<p>women to raise awareness of the role of women in Lao society; on widening the participation of ethnic minority women in poverty alleviation; and on building solidarity among Lao women, including those from ethnic minorities, through periodic workshops on political thought, the Constitution and law. The Plan also sets out the broader aim of enhancing harmony between ethnic minorities, economic groups, sexes and religions, and moving towards greater solidarity among the population as a whole.</p> <p>The Plan specifically states that, <b>as a means of tackling the problem of narcotics, agricultural land will be allocated to ethnic minorities and measures taken to provide them with permanent jobs as a substitute for the income that they currently earn from opium production. Particular focus is placed on the development of mountainous and remote areas, by promoting tourism based on nature, ethnic history and culture. In addition, a programme has been formulated for the development of target areas in different provinces that aims to allocate permanent jobs, build the necessary infrastructure and improve living conditions.</b> In this context, the Plan affirms that the cultural heritage of the locals and ethnic minorities will be promoted and safeguarded. <b>The Plan does not include any specific measures directed at “ethnic minorities”, and does not define exactly who is included in these groups. While a certain amount of attention is given to these groups within the broader development framework, the lack of a targeted approach to tackling the issues faced by the indigenous peoples of the Lao People’s Democratic Republic poses the risk that their vulnerability will continue or even be exacerbated.</b></p> <p><b>ILO Decent Work Country Programme<sup>13</sup></b>  The ILO Decent Work Country Programme for the Lao People’s Democratic Republic (2011–15) <b>acknowledges that the country’s seventh National Socioeconomic Development Plan aims for the greater inclusion of vulnerable and geographically remote groups.</b> The Decent Work Country Programme does not, however, address the situation of ethnic minorities or indigenous peoples, <b>except inasmuch as indigenous peoples form part of vulnerable groups,</b> whose concerns are covered under a more general approach.</p> <p>Livelihoods and employment of indigenous populations in general  The <b>traditional livelihood</b> followed by indigenous peoples is <b>rotational or shifting cultivation,</b> also known as “swidden agriculture”, primarily practised for the growing of rice and corn. Some also supplement their incomes through <b>non-timber forest products,</b> selling <b>livestock</b> or engaging in <b>non-farming and off-farm activities.</b><sup>14</sup> Groups like the Kmhmu also <b>hunt</b> various forest animals for food, and <b>produce baskets and other household items</b> made from bamboo and wood.<sup>15</sup> In addition, some indigenous peoples of the Lao People’s Democratic Republic have been associated with the <b>cultivation of opium.</b> Women commonly work in the fields and have generally been responsible for most</p>	<p>Country</p> <p>Country</p>	<p>ethnic minorities</p> <p>Low risk for ethnic minorities</p> <p>Specified risk for discrimination of ethnic minorities</p>
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	<p>phases of poppy cultivation and opium production.<sup>16</sup> The <b>government has been endeavouring to end the practice of shifting cultivation</b>, however, by <b>resettling highland people in or near the lowlands</b> and steering them towards other forms of livelihood.<sup>17</sup> [...]</p> <p>Observations from the field and discussions with employers indicate that <b>most jobs in the non-farm economic enterprises sector require fluency in Lao and, in some cases, other foreign languages</b>. Many members of small ethnic minorities, even those with some schooling, are fluent in neither Lao nor any foreign language. Owing to the <b>lack of disaggregated data</b> in the labour force survey, it is difficult to attempt a more detailed description of the employment situation of the country's indigenous peoples.</p> <p><b>Child labour and indigenous peoples</b> There are no detailed and disaggregated data on indigenous children and work in the report on the 2010 National Child Labour Survey in the Lao People's Democratic Republic.<sup>20</sup> The report does indicate, however, that, of the surveyed child population between 5 and 17 years of age, 15 per cent are engaged in economic activities, of whom more than 10 per cent are engaged in child labour, including 7.4 per cent in hazardous child labour. In urban areas, 6.9 per cent, in rural areas with roads, 16.9 per cent, and in rural areas without roads, 21.7 per cent of the children surveyed are engaged in economic activities. Slightly more than 9 out of every 10 child workers aged between 5 and 17 years are engaged in agriculture, forestry and fishing, among whom 55 per cent are female. The strong nexus between the rural areas and child labour in the Lao People's Democratic Republic is of particular relevance in illuminating the issue of child labour among indigenous children. <b>As indigenous peoples primarily live in the country's rural areas, further examination should be made of the issue of indigenous children and work.</b></p> <p><b>Challenges</b> [...] Over and above confronting the problems caused by the loss of their traditional livelihoods, the indigenous peoples of the Lao People's Democratic Republic have <b>been unable fully to integrate themselves in the modern market economy</b>. This stems primarily from <b>a lack of skills development, training, opportunities and access to credit</b>. In a context of growing poverty and a decline in their skills, large numbers of people from the country's indigenous populations are migrating in search of economic opportunities. Thus, <b>many members of Lao ethnic minorities migrate to Thailand, where they find themselves at risk of being trafficked</b>. In this context, the employment and livelihoods report<sup>26</sup> by the Ministry of Planning and Investment and UNDP underlines the vital need to tackle the problems of low productivity in agriculture, lack of investment in social and physical infrastructure, low human</p>	Country	Low risk for discrimination in the labour market
		Country	Specified risk for child labour
		Country	Low risk for discrimination of indigenous peoples in labour market

	<p>capital endowment and the dearth of diversified income sources, in particular in the case of ethnic groups.</p> <p>Data gaps There is a general lack of disaggregated data on indigenous peoples in the Lao People's Democratic Republic and, where these exist, they are not clearly identified. There are data, derived in particular from the national census, on broad ethno-linguistic groups, but there is no clear demarcation of indigenous peoples or ethnic minorities. This is all the more true of the 2010 Labour Force Survey, which lacks any disaggregated data based on ethnic groups.</p> <p>Disaggregated data on the various indigenous groups of the Lao People's Democratic Republic would be an essential basis for any undertaking to tackle the multiple problems faced by the country's indigenous peoples and to examine the successes and failures of the current policy and legal frameworks." (p 69-75)</p>		
<p>ILO Child Labour Country Dashboard: <a href="http://www.ilo.org/ipecc/Regionsandcountries/lang-en/index.htm">http://www.ilo.org/ipecc/Regionsandcountries/lang-en/index.htm</a></p>	<p><a href="http://www.ilo.org/ipeccinfo/product/viewProduct.do?productId=25520">http://www.ilo.org/ipeccinfo/product/viewProduct.do?productId=25520</a> <i>The twin challenges of child labour and educational marginalisation in the South-East and East Asia region: an overview – May 2014</i> "It is important to note that the estimates of employment for Lao PDR based on the NCLS of 2010 likely significantly understate actual employment levels of children. The underestimation is product of problems with the definition of employment used in the employment question in the NCLS of 2010 that leads to a lack of information on the overlap between school and employment. As evidence from other developing countries indicates that children combining school and work form of the majority of children in employment, the underestimation of employment in the case of Lao PDR could be considerable.(p. 4) Estimates of child labour involvement, based on standard ILO global estimate methodology, for Laos is for children aged 5-11 years in employment is 37,065 (4.1% of total age group) for children aged 12-14 years in regular (non-light) employment is 65,173 (15.1% of total age group) for children aged 15-17 years in hazardous employment is 105,565 (25.8% of total age group), for children aged 5-14 years in child labour is 102,238 (7.7% of total age group) and for children aged 5-17 years in child labour is 207,803 (11.9% of total age group). (p. 6) The term child labour refers to the subset of children's production that is injurious, negative or undesirable to children and that should be targeted for elimination. (p. 2) [...] the Report uses two methods to approximate child labour. It first presents child labour estimates based on the methodology employed by ILO in its global child labour estimates. Following this, it relies on the broader concept of employment as an approximation of child labour. Children in employment are those engaged in any economic activity for at least one hour during the reference period.<sup>1</sup> Economic activity covers all market</p>	<p>Country</p>	<p>Specified risk for child labour</p>



	<p>production and certain types of non-market production (principally the production of goods and services for own use). It includes forms of work in both the formal and informal economy; inside and outside family settings; work for pay or profit (in cash or in kind, part-time or full-time), or as a domestic worker outside the child's own household for an employer (with or without pay)." (p. 3)</p> <p><a href="http://www.ilo.org/ipecc/informationresources/WCMS_202334/lang-en/index.htm">http://www.ilo.org/ipecc/informationresources/WCMS_202334/lang-en/index.htm</a>  <i>Report on the National Child Labour Survey 2010 of Lao PDR – 18 January 2013</i>  [...]" "Child labour and hazardous child labour: survey findings  Child labour is a subset of working children. As per the Lao PDR LFS and CLS 2010 survey estimate, <b>out of a total number of 1,767,109 children</b> (of which 857,962 are girls), <b>about 15 per cent (265,509 total of 146,610 are girls) are currently employed in some economic activity. Among the children engaged in economic activity, 67.0 per cent (178,014 in number) can be considered as child labour and 49.0 per cent of the working children (130,137 in number) can be termed as hazardous child labour, as defined above.</b> Thus, 2 out of every 3 child in child labour were found to be engaged in hazardous work.  According to the international statistical measurement standards, all working children below the minimum aged specified by law for entry into employment or work are considered as child labourers. For Lao PDR, where there is no provision for light work under the labour law and the minimum age for employment is 14 years, there are about 75,231 child labourers in the age group 5-13 years, while the rest (119,394) are aged 14-17 years. Most of the working children identified as child labourers, both in terms of number and percentage, are from rural areas with roads. Just over 136,000 children from the rural areas with roads are child labourers, constituting nearly three-fourth of the working children from these areas. About 17,900 urban child workers and about 23,800 child workers from rural areas without roads are child labourers. The percentage of hazardous child labour among the working children is similar in urban (59.6 per cent) and rural areas with roads (59.7 per cent). This figure is lower, at 45.2 per cent in the rural areas without road.  From a gender perspective, the absolute number of female child labourers, at 96,368 is much higher than their male counterparts (81,646). Although in percentage terms, the proportion of female child labourers among female working children (65.7 per cent) is slightly lower than the corresponding proportion for males (68.7 per cent). The situation is similar with respect to hazardous child labour, where 47.8 per cent of female child workers and 50.5 per cent of the male child workers are engaged in hazardous child labour."</p>	Country	Specified risk for child labour
Global March Against Child Labour: <a href="http://www.globalmarch.org/">http://www.globalmarch.org/</a>	<a href="http://www.globalmarch.org/content/tobacco-farmers-exploiting-child-labor">http://www.globalmarch.org/content/tobacco-farmers-exploiting-child-labor</a> <i>Tobacco farmers exploiting child labor – 18-06-2013</i>		

	<p>“Director for the International Tobacco Control Project Mary Assunta Kolandai said that child labor in the tobacco industry was a major problem in Indonesia, Cambodia, Laos, Malaysia, the Philippines, Thailand and Vietnam.”</p>	Country	Specified risk for child labour
<p>Office of the United Nations High Commissioner for Human Rights (OHCHR), Committee on Rights of the Child:  <a href="http://www.ohchr.org/EN/HRBodies/CRC/Pages/CRCIndex.aspx">http://www.ohchr.org/EN/HRBodies/CRC/Pages/CRCIndex.aspx</a></p>	<p><a href="http://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=CRC%2fC%2fLAO%2fCO%2f2&amp;Lang=en">http://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=CRC%2fC%2fLAO%2fCO%2f2&amp;Lang=en</a>  <i>Committee on Rights of the Child - Concluding Observations: Lao People’s Democratic Republic - 8 April 2011</i>  “Economic exploitation, including child labour  63. The Committee is concerned at the disparity between the legal minimum age for employment (15 years) and the age at the end of compulsory education (11 or 12 years) as this disparity could create a situation whereby children who do not wish to continue their schooling after completing their compulsory education start working illegally before attaining the minimum age for employment.  64. The Committee urges the State party to take all appropriate legislative and other measures to ensure that children are not employed in situations that could be detrimental to their health, development or well-being. It also recommends that the State party take appropriate measures, legislative and other, to increase the number of years of compulsory education so that the end of compulsory education corresponds to the minimum age for employment. The Committee encourages the State party to seek technical assistance from the International Programme on the Elimination of Child Labour of the International Labour Office (ILO-IPEC) in this regard.”</p>	Country	Specified risk for child labour
<p>Committee on the Elimination of Discrimination against Women  <a href="http://www.ohchr.org/en/hrbodies/cedaw/pages/cedawindex.aspx">http://www.ohchr.org/en/hrbodies/cedaw/pages/cedawindex.aspx</a>  (Use the link to ‘Key documents’ on the left hand side. Go to “observations’ and search for country.) (Refer to CW Cat. 1)  Or:  Right top select country click on CEDAW treaty, click on latest reporting period and select concluding observations</p>	<p>Last available concluding observations of the Committee on the Elimination of Discrimination against Women on Laos are from 2009 and are outdated.  The last due date for the State Party’s report is 13 September 2014, but there is no report available.</p>	Country	Specified risk for discrimination against women
<p>Human Rights Watch: <a href="http://www.hrw.org/">http://www.hrw.org/</a></p>	<p><a href="https://www.hrw.org/news/2015/11/05/human-rights-watch-concerns-laos">https://www.hrw.org/news/2015/11/05/human-rights-watch-concerns-laos</a>  <i>Human Rights Watch Concerns on Laos, Submitted in advance of the EU-Laos Human Rights Dialogue October 2015</i>  “[...] Labor Rights  Laos violates the right to freedom of association for workers in law and in practice. The Trade Union Law 2008 defines a trade union as a “mass organization in the political system of the democratic centralism unified leadership under the Lao People’s Revolution Party” and requires that unions affiliate to the Lao Federation of Trade Unions (LFTU), which is controlled by the government and the ruling party. Article 5 of the law requires trades unions to “organize and conduct activities in line with the unified leadership under the</p>	Country	Specified risk for right to freedom of association and collective bargaining

	<p>Lao Revolution Party.” Laos violates article 22 of the ICCPR and article 8 of the International Covenant on Economic, Social and Cultural Rights by preventing workers from establishing or joining unions of their own choosing outside of the LFTU.</p> <p>The LFTU is so close to the government that the president and two vice presidents of the LFTU are given status equal to a minister and vice ministers in the government and are paid salaries by the government. In public statements, the LFTU has regularly said that it plays a role in helping the government enforce “labor discipline” in line with the law. The LFTU’s quasi-state function compromises its ability to represent workers, since it plays a dual, and sometimes conflicting, role as a controller as well as a potential protector of workers’ interests.</p> <p>Laos also effectively prohibits workers from exercising the right to strike. Article 65 of the Labor Law 2007 strictly prohibits workers or their representatives from calling a work stoppage in a wide variety of situations, including disputes regarding implementation of the labor law or regulations, or over workers benefits under the law. Work stoppages are also forbidden when the matter in dispute is currently being discussed in a negotiation that both sides have agreed to participate in, or during the period when the dispute is being considered by government labor authorities, or is being considered by the labor disputes settlement procedures of the courts. Any person or organization that engages either “directly or indirectly” in a stoppage, or who “verbally or materially incites workers” to conduct a stoppage “thus causing damage...or social disorder” is subject to prosecution. The penal code provides for between one and five years’ imprisonment for those who join an organization that encourages protests, demonstrations and other actions that might cause “turmoil or social instability.””</p>		
<p>Child Labour Index 2014 produced by Maplecroft.  <a href="http://maplecroft.com/portfolio/new-analysis/2013/10/15/child-labour-risks-increase-china-and-russia-most-progress-shown-south-america-maplecroft-index/">http://maplecroft.com/portfolio/new-analysis/2013/10/15/child-labour-risks-increase-china-and-russia-most-progress-shown-south-america-maplecroft-index/</a></p>	<p><a href="https://maplecroft.com/portfolio/new-analysis/2013/10/15/child-labour-risks-increase-china-and-russia-most-progress-shown-south-america-maplecroft-index/">https://maplecroft.com/portfolio/new-analysis/2013/10/15/child-labour-risks-increase-china-and-russia-most-progress-shown-south-america-maplecroft-index/</a>  Child Labour Index 2014  Laos is labeled “High Risk”</p>	Country	Specified risk for child labour
<p><a href="http://www.verite.org/Commodities/Timber">http://www.verite.org/Commodities/Timber</a>  (Useful, specific on timber)</p>	<p>No information found that leads to a ‘specified risk’ designation in relation to labour rights.</p>	Country	Low risk
<p>The ITUC Global Rights Index ranks 139 countries against 97 internationally recognised indicators to assess where workers’ rights are best protected, in law and in practice. The Survey provides information on violations of the rights to freedom of association, collective bargaining and strike as defined by ILO Conventions, in particular ILO Convention Nos. 87 and 98 as</p>	<p><a href="http://www.ituc-csi.org/IMG/pdf/survey_ra_2016_eng.pdf">http://www.ituc-csi.org/IMG/pdf/survey_ra_2016_eng.pdf</a>  <i>The ITUC Global Rights Index 2016</i>  Laos is not mentioned in this index.  <a href="http://survey.ituc-csi.org/Laos.html?lang=en">http://survey.ituc-csi.org/Laos.html?lang=en</a></p>	Country	-

<p>well as jurisprudence developed by the ILO supervisory mechanisms. There are 5 ratings with 1 being the best rating and 5 being the worst rating a country could get.  <a href="http://www.ituc-csi.org/new-ituc-global-rights-index-the?lang=en">http://www.ituc-csi.org/new-ituc-global-rights-index-the?lang=en</a></p>	<p>The ITUC does not have an affiliate in Laos</p>		
<p>Gender wage gap (in OECD countries)  <a href="http://www.oecd.org/gender/data/genderwagegap.htm">http://www.oecd.org/gender/data/genderwagegap.htm</a></p>	<p><a href="http://www.oecd.org/about/membersandpartners/list-oecd-member-countries.htm">http://www.oecd.org/about/membersandpartners/list-oecd-member-countries.htm</a>  <b>Laos is not a member of the OECD</b></p>	Country	-
<p>World Economic Forum: Global Gender Gap Index  <a href="http://reports.weforum.org/global-gender-gap-report-2015/">http://reports.weforum.org/global-gender-gap-report-2015/</a>          Search for country rankings for the adjusted and the unadjusted pay gap</p>	<p><a href="http://reports.weforum.org/global-gender-gap-report-2015/economies/#economy=LAO">http://reports.weforum.org/global-gender-gap-report-2015/economies/#economy=LAO</a>  <i>Global Gender Gap Index 2015 - Laos</i>  <b>Laos ranks no. 52 out of 145 countries</b> with a score of 0.713. (The highest possible score is 1 (equality) and the lowest possible score is 0 (inequality)).          On the <b>more specific sub-index on Economic participation and opportunity</b>  <b>Laos ranks no. 11 with a score of 0.811.</b></p> <p>Within that index, the most specific and relevant indicator is the <b>Wage equality for similar work</b>. Here <b>Laos ranks no. 23 with a score of 0.75</b> which places <b>Laos in the top of 145 included countries.</b></p>	Country	Low risk for gender pay gap
<p>use, if applicable:  <a href="http://www.ilo.org/global/research/global-reports/global-wage-report/lang--en/index.htm">http://www.ilo.org/global/research/global-reports/global-wage-report/lang--en/index.htm</a>  <i>Global Wage Report</i> (Use latest version)          “The Global Wage Report analyses the evolution of real wages around the world, giving a unique picture of wage trends and relative purchasing power globally and by region.”</p>	<p><b>Laos is not included in the Global Wage Report 2014/15</b></p>	Country	-
<p><a href="http://www.globallslaveryindex.org/">http://www.globallslaveryindex.org/</a>          The Global Slavery Index estimates the number of people in modern slavery in 167 countries. The Global Slavery Index answers the following questions:          What is the estimated prevalence of modern slavery country by country, and what is the absolute number by population?          How are governments tackling modern slavery? What factors explain or predict the prevalence of modern slavery?</p>	<p><a href="http://www.globallslaveryindex.org/index/">http://www.globallslaveryindex.org/index/</a>  <i>Global slavery index 2016</i>  <b>Laos ranks 37 out of 167 countries.</b></p> <p>“The 2016 Global Slavery Index estimates <b>20,000 people or 0.295% percent of the total population live in conditions of modern slavery in Laos.</b> This is based on a random-sample, nationally representative survey undertaken in 2015, that sought to <b>identify instances of both forced marriage and forced labour</b> within the general population (survey conducted in Spanish language).</p> <p><b>The lowest percentage is 0.018% and the highest percentage is 4.373%.</b></p> <p><a href="http://www.globallslaveryindex.org/region/asia-pacific/">http://www.globallslaveryindex.org/region/asia-pacific/</a>  <i>How many people are in modern slavery in Asia Pacific?</i></p>	Country	Low risk for forced labour

	<p>“[...] The <b>abuse of workers on Thai fishing vessels</b> operating in South East Asian waters has become increasingly well documented.[15] Researchers and investigative journalists have documented the abuse of migrant workers on fishing vessels, often young men and boys, who have endured brutal treatment including physical abuse, excessive and inhumane working hours, sleep and food deprivation, and forced use of methamphetamines.[16] Some longhaul trawlers and their fishermen remained at sea for years at a time. Between April and September 2015, more than 2,000 men were rescued from Thai fishing vessels, many of which were operating in Indonesian waters.[17] <b>Ongoing reports of worker exploitation in seafood pre-processing facilities were also evident, with workers from Myanmar, Cambodia and Laos working excessive hours in oppressive and abusive conditions.</b>[18] Much of the seafood processed was distributed to the global market.”</p>		
<p>Google the terms '[country]' and one of following terms 'violation of labour rights', 'child labour', 'forced labour', 'slave labour', 'discrimination', 'gender pay/wage gap, 'violation of labour union rights' 'violation of freedom of association and collective bargaining'</p>	<p><a href="http://survey.ituc-csi.org/Laos.html?lang=en">http://survey.ituc-csi.org/Laos.html?lang=en</a> Laos - 5 – <b>No guarantee of rights</b></p> <p><a href="https://unhcrsurveys.wordpress.com/category/laos/">https://unhcrsurveys.wordpress.com/category/laos/</a> <i>ITUC Annual Survey of Violations of Trade Union Rights Laos – 15 May 2011</i> “<b>Trade union rights are severely curtailed. The law bans strikes and stoppages. The only trade union organisation in Laos is still closely linked to the Lao People’s Revolutionary Party (LPRP), the only political party recognised in law. Nine people were arrested after a rural workers’ demonstration.</b>”</p> <p><a href="http://www.refworld.org/docid/4fd88940c.html">http://www.refworld.org/docid/4fd88940c.html</a> <i>2012 Annual Survey of Violations of Trade Union Rights – Laos</i> “Trade union rights in law While the Constitution guarantees some freedoms to Lao citizens, there is little room for trade union activities in the law. <b>All unions must belong to the Lao Federation of Trade Unions (LFTU), which is directly controlled by the ruling party. The law further prohibits union members from organising an "illegal group, gathering, or protest and acts" that are found to damage the union as well as the interest of the state or the collective interest. Those who join an organisation that encourages protests, demonstrations and actions that might cause "turmoil or social instability" face imprisonment of between one and five years. Furthermore, the law meticulously regulates the internal organisation of unions, and stipulates that only Lao nationals can become union members.</b> While protection against anti-union dismissals is secured, <b>the law does not protect workers against retaliation short of dismissal, e.g. transfers for "disciplinary reasons".</b> In the Labour Law, unions are only acknowledged in the context of identification of workers for redundancy, the possibility to negotiate on wage levels and to assist individual workers in settling disputes. <b>Finally, the dispute resolution system fails to provide any possibility of legal strike action,</b></p>	<p>Country</p>	<p>Specified risk for right to organize and collective bargaining</p>
		<p>Country</p>	<p>Specified risk for right to organize and collective bargaining</p>

as all disputes must be settled by negotiation, mediation, arbitration or by the People's Court. [...]

In practice  
 Union and party hand in glove:  
 Given that the Lao Federation of Trade Unions (LFTU) and the Lao People's Revolutionary Party (LPRP) are so closely knit, the LFTU effectively enables the party to control the workers. In its official declarations, the LFTU frequently speaks of its collaborative role with the government to ensure enforcement of the labour law so that the rights of both workers' and employers' are protected and as a formulator of future labour laws and regulations. This quasi-official function of the LFTU means it has a dual role as both a controller as well as a potential protector of labour.  
 Factory level LFTU representatives are usually LPRP members and/or part of the management. There is little evidence that the union is able to effectively protect workers' rights in particular in private sector companies.”

<http://www.refworld.org/topic.50ffbce582,50ffbce5b2,577f95e715,0,,ANNUALREPORT,LAO.html>

2016 Trafficking in Persons Report – Laos  
 “LAOS: Tier 2 Watch List  
 Laos is a source and, to a much lesser extent, a transit and destination country for women, children, and men subjected to sex trafficking and forced labor. Lao trafficking victims often are migrants seeking better opportunities outside the country who experience labor or sexual exploitation after arriving in destination countries, most often Thailand, as well as Vietnam, Malaysia, China, Taiwan, and Japan. Some migrate with the assistance of brokers charging fees, but many also cross borders independently with valid travel documents. Traffickers, including victims' family members, are often known to those in the rural communities where they lure victims with false promises of legitimate work abroad. Many victims, particularly women and girls, many younger than 18 years old, are exploited in Thailand's commercial sex industry and in forced labor in domestic service, factories, or agriculture. Lao men and boys are victims of forced labor in Thailand's fishing, construction, and agricultural industries. [...]  
 Laos is reportedly a transit country for some Vietnamese and Chinese women and girls who are subjected to sex trafficking and forced labor in neighboring countries, particularly Thailand. Local organizations reported concerns that some of the Vietnamese men and women working in or near (often illegal) logging and construction areas along the Laos-Vietnam border may be victims of trafficking. They reported similar concerns about Burmese nationals working as manual laborers or involved in the sex trade near the "golden triangle" tri-border area with Burma and Thailand.

	<p>There is little data on the scope of trafficking within Laos. Some Vietnamese, Chinese and Lao women and children are subjected to sex trafficking in the country, usually in larger cities or in close proximity to borders, casinos, or special economic zones, reportedly to meet the demand of Asian tourists and migrant workers. Some Lao adults and children are subjected to forced labor in the agricultural sector within Laos. Reports indicate child sex tourists from the United Kingdom, Australia, and the United States travel to Laos intending to exploit child sex trafficking victims.</p> <p>The Government of Laos does not fully meet the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so. In December 2015, the Lao National Assembly approved the Law on Anti-Trafficking in Persons, which was promulgated in February 2016. The government completed its 2016-2020 national action plan.”</p> <p><a href="https://www.fidh.org/en/region/asia/laos/Situation-of-minorities-remains">https://www.fidh.org/en/region/asia/laos/Situation-of-minorities-remains</a>  <i>Situation of minorities remains dire as Laos goes before the UN Committee on Elimination of Racial Discrimination – 27-02-2012</i></p> <p>“Although Laos has become a State party to the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD) since 1974, ethnic minority groups in the country continue to face discrimination and their basic rights and freedoms are subject to a range of limitations that are incompatible with Laos’ obligations under international law, said the International Federation for Human Rights (FIDH) and its member league the Lao Movement for Human Rights (MLDH).</p> <p>Laos will go before the UN Committee on the Elimination of Racial Discrimination (CERD) this week in Geneva to report on its compliance with the ICERD. In an alternative report submitted to the Committee, MLDH points to the discrepancy between State rhetoric of ethnic equality and the reality on the ground, which is characterized by a range of discriminatory practices that seriously undermine the rights of ethnic minorities to equality and to freedoms of expression, assembly, association and religion. The report reveals that discrimination is directed not only against the Hmong but also against other minorities such as the Mien, the Khmu and the O’ie. Individuals belonging to an ethnic and religious minority group suffer double discrimination.</p> <p>The situation of the Hmong in Laos is of particular concern. The government is “maintaining its exactions against the Hmongs because of the military alliance of their parents or their grand-parents had with the United States during the Vietnam War,” said the report. While exact numbers are difficult to obtain, it is estimated that 2000-3000 Hmongs are still hiding in the jungle in the Saysomboun region in northern Laos. The detention and disappearance of several Hmong men who left the jungle and surrendered themselves to the authorities since 2005 have created a climate of mistrust among those still holding out in the jungle, for fear that they would be persecuted by the</p>	Country	Specified risk for forced labour
		Country	Specified risk for discrimination against ethnic minorities



	<p>government if they deliver themselves to the authorities. Most of the estimated 2000 Hmongs who surrendered to the authorities are placed in camps rather than allowed to return to their villages. Access to these surrendered Hmongs by independent humanitarian and human rights monitors are routinely denied.”</p> <p><a href="http://unpo.org/article/17235">http://unpo.org/article/17235</a>  <i>Joint UPR Report Outlines Human Rights Abuses Against Hmong In Lao – June 17, 2014</i>  “The UPR report focuses in particular on the situation of the Hmong people in the LPDR, who are subjected to inter alia discrimination, uncompensated land confiscation, arbitrary arrests and violations of their cultural and religious rights. You can access the full report by clicking on its link under “Attached Documents” on the right.</p> <p>The Hmong ChaoFa people are an indigenous group originally from the ChaoFa region of Northern Laos that distinguish themselves from the Laotian population through their ethnicity, language, culture and religion. Unfortunately, the Hmong people are not recognized as an indigenous group by the Laotian Government and specific legislation for indigenous people in the LPDR does not exist either. The Hmong people have been heavily stigmatized due to their involvement with the American Forces during the Vietnam War. They are stereotyped as a violent anti-governmental group and are systematically targeted and discriminated by the Laotian Government.</p> <p>Under the 1991 Constitution, the Lao People’s Revolutionary Party was designated as the one and only legal political party in the country. Accordingly, the rule of law is undermined in the LPDR by political interference and endemic corruption. Moreover, widespread restrictions of the freedom of expression and association, political prisoners, arbitrary arrests, enforced disappearances, abject poverty, inequality, and lack of access to health and education, accompanied by severe restrictions on cultural and religious freedoms for ethnic minorities and indigenous peoples, such as the Hmong, are increasing. For example, charges of threat to the national security of the LPDR are employed to arrest members of minority communities, and in particular Hmong individuals who are perceived as untrustworthy and anti-governmental. Furthermore, especially Hmong communities living in remote rural areas do not have access to basic services and are the most affected by food insecurity resulting in high rates of child malnutrition and child mortality. The Hmong people face further impoverishment by land grabbing practices of the Laotian Government forcing them to relocate and contributing to their internal displacement.”</p>	ChaoFa region of Northern part of country	Specified risk for discrimination against Hmong people
<b>Additional general sources</b>	<b>Additional specific sources</b>		
From national CW RA	Not available	Country	-

		Country	
<p><b>Conclusion on Indicator 2.2:</b></p> <ul style="list-style-type: none"> <li>Not all social rights are covered by the relevant legislation in Laos. For example; Labour Law Amendment Act of 2013 does not contain provisions regulating light work and there is no list of light work activities permitted to children of 12–14 years; section 96 of the revised Labour Law 2014 does not refer to “work of equal value”; civil servants are excluded from section 6 of the Labour Law 2014, which also provides that “household workers” must “comply with the working contract”; the Labour Law 2014 does not explicitly prohibits discrimination on the grounds of race, religion and beliefs, colour, political opinion, national extraction and social origin, while sections 87(1), 100 and 141(2) of the Labour Law 2014 do not prohibit discrimination based on nationality, age or socio-economic status; sexual harassment is not explicitly defined and prohibited in the Labour Law 2014, which also (section 72) continues to adopt different retirement ages for men (60 years of age) and women (55 years of age).</li> <li>The right to freedom of association and collective bargaining is not upheld; The Trade Union Law 2008 defines a trade union as a “mass organization in the political system of the democratic centralism unified leadership under the Lao People’s Revolution Party” and requires that unions affiliate to the Lao Federation of Trade Unions (LFTU), which is controlled by the government and the ruling party. Article 5 of the law requires trades unions to “organize and conduct activities in line with the unified leadership under the Lao Revolution Party.” Laos thus prevents workers from establishing or joining unions of their own choosing outside of the LFTU. Laos also effectively prohibits workers from exercising the right to strike. Article 65 of the Labor Law 2007 strictly prohibits workers or their representatives from calling a work stoppage in a wide variety of situations.</li> <li>There is no evidence confirming compulsory and/or forced labour in Laos; Although ILO C105 Abolition of Forced Labour Convention, 1957 is no longer in force, there is little data on the scope of trafficking within Laos; only some Lao adults and children are reported to be subjected to forced labor in the agricultural sector within Laos, while no incidents of forced labour specific in the forestry sector were found in the assessment; section 141 of the new Labour Law No. 43/NA, adopted in 2013, prohibits employers from using forced labour of any kind, whether directly or indirectly (although no penal sanction for the exaction of forced labour seems to be provided for in the Law); and Laos ranks 37 out of 167 countries on the Global slavery index 2016.</li> <li>There is no evidence confirming discrimination in respect of employment and/or occupation, and/or gender, although because of a concentration of low enrolment and completion rates in primary education among children in rural, remote and specific ethnic group areas members of ethnic minorities lack the skills required for most ‘out of farm’ jobs and are therefore marginalized in the labour market. However, there is no evidence that members of ethnic minorities in general are <u>discriminated in the labour market</u> because of their ethnicity. An exception is the reports of widespread and systematic discrimination against Hmong people and therefore discrimination against Hmong people in the labour market is considered a specified risk. In the Global Gender Gap Index 2015, for the indicator Wage equality for similar work, Laos ranks no. 23 with a score of 0.75 which places Laos in the top of 145 included countries.</li> <li>There is evidence confirming significant child labour; Laos is labeled “Extreme Risk” in the Child Labour Index 2014; Estimates of child labour involvement in Laos, based on standard ILO global estimate methodology, for children aged 15-17 years in hazardous employment is 105,565 (25.8% of total age group), for children aged 5-14 years in child labour is 102,238 (7.7% of total age group) and for children aged 5-17 years in child labour is 207,803 (11.9% of total age group).</li> <li>Laos is signatory to 5 fundamental ILO Conventions of which 5 are in force; Laos did not ratify C87 Freedom of Association and Protection of the Right to Organise Convention, 1948, C98 Right to Organise and Collective Bargaining Convention, 1949 and C105 Abolition of Forced Labour Convention, 1957.</li> </ul>		Country	<p>Specified risk for right to freedom of association and collective bargaining, for child labour and discrimination against Hmong people in the labour market.</p> <p>Low risk for forced labour and for discrimination against women and non-Hmong ethnic minorities in the labour market.</p>

<ul style="list-style-type: none"> <li>• There is no evidence that any groups (including women) do not feel adequately protected related to the rights mentioned above: see information on discrimination in respect of employment and/or occupation, and/or gender above;</li> <li>• Violations of labour rights are not limited to specific sectors.</li> </ul> <p><b>The following specified risk thresholds apply:</b></p> <p>(14) The applicable legislation for the area under assessment contradicts indicator requirement(s); AND (15) There is substantial evidence of widespread violation of key provisions of the ILO Fundamental Principles and Rights at work.</p> <p><b>The following low risk thresholds apply for forced labour and for discrimination against women and non-Hmong ethnic minorities in the labour market:</b></p> <p>(11) Applicable legislation for the area under assessment does not cover all key provisions of ILO Fundamental Principles and Rights at work but other regulations and/or evidence of their implementation exist. Reports do not lead to conclusions of systematic violations of rights. When labour laws are broken, cases are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities. SLIMF: Applicable legislation for the area under assessment does not cover all key provisions of ILO Fundamental Principles and Rights at work but there is no evidence of violation of ILO Fundamental Principles and Rights at work; AND (12) Other available evidence do not challenge 'low risk' designation.</p>		
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**Indicator 2.3. The rights of Indigenous and Traditional Peoples are upheld.**

<p><b>Guidance:</b></p> <ul style="list-style-type: none"> <li>• Are there Indigenous Peoples (IP), and/or Traditional Peoples (TP) present in the area under assessment?</li> <li>• Are the regulations included in the ILO Convention 169 and is UNDRIP enforced in the area concerned? (refer to category 1)</li> <li>• Is there evidence of violations of legal and customary rights of IP/TP?</li> <li>• Are there any conflicts of substantial magnitude [footnote 6] pertaining to the rights of Indigenous and/or Traditional Peoples and/or local communities with traditional rights?</li> <li>• Are there any recognized laws and/or regulations and/or processes in place to resolve conflicts of substantial magnitude pertaining to TP or IP rights and/or communities with traditional rights?</li> <li>• What evidence can demonstrate the enforcement of the laws and regulations identified above? (refer to category 1)</li> <li>• Is the conflict resolution broadly accepted by affected stakeholders as being fair and equitable?</li> </ul>
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general sources from FSC-PRO-60-002a V1-0 EN	information found and specific sources	scale of risk assessment	risk indication
ILO Core Conventions Database <a href="http://www.ilo.org/ilolex/english/docs/declworld.htm">http://www.ilo.org/ilolex/english/docs/declworld.htm</a> - ILO Convention 169	<a href="http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103060">http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103060</a>	Country	Specified risk for rights of IPs

Or use: <a href="http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11001:0::NO::">http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11001:0::NO::</a>	Laos did not ratify ILO Convention 169		
Survival International: <a href="http://www.survivalinternational.org/">http://www.survivalinternational.org/</a>	No information found on indigenous peoples in Laos	Country	Low risk
Human Rights Watch: <a href="http://www.hrw.org/">http://www.hrw.org/</a>	No information found on indigenous peoples in Laos	Country	Low risk
Amnesty International <a href="http://amnesty.org">http://amnesty.org</a>	No information found on indigenous peoples in Laos	Country	Low risk
The Indigenous World <a href="http://www.iwgia.org/regions">http://www.iwgia.org/regions</a>	<p><a href="http://www.iwgia.org/publications/search-pubs?publication_id=740">http://www.iwgia.org/publications/search-pubs?publication_id=740</a>  <i>The Indigenous world 2016</i>  “With a population of over seven million, Laos is the most ethnically diverse country in mainland Southeast Asia. The ethnic Lao, comprising around a third of the population, dominate the country economically and culturally. There are, however, pockets where the number of ethnic groups exceeds that of the Lao and where their culture is prominent. Another third of the country consists of members of other Tai language-speaking groups. The remaining third have first languages belonging to the Mon-Khmer, Sino-Tibetan and Hmong-lu Mien families. Sometimes, the latter two groups, more often only ethnic groups belonging to the third group, are considered to be the indigenous peoples of Laos. Officially all ethnic groups have equal status in Laos, and the concept of indigenous peoples is not recognised by the government, despite the fact that Laos voted in favour of adopting the UN Declaration on the Rights of Indigenous Peoples.</p> <p>The Lao government currently recognises 160 ethnic sub-groups within 49 ethnic groups. Indigenous peoples, especially of the third group, are unequivocally the most vulnerable groups in Laos, representing 93% of the country’s poor. They face territorial, economic, cultural and political pressures and are experiencing various threats to their livelihoods. Their land and resources are increasingly under pressure from pro-investment government development policies and commercial natural resource exploitation.</p> <p>Laos has ratified ICERD (1974) and ICCPR (2009). The Lao government, however, severely restricts fundamental rights, including freedom of speech (media), association, assembly and religion, and civil society is closely controlled. Organisations openly focused on indigenous peoples or using related terms in the Lao language are not allowed and open discussions about indigenous peoples with the government can be sensitive, especially as the issue is seen as pertaining to special (human) rights. In 2014, the Universal Periodic Review of the Lao People’s Democratic Republic (Lao PDR or Laos) made no direct reference to indigenous peoples. (p. 299)</p> <p>Cultivating transnational relationships  Many of the indigenous peoples found in Laos are, in fact, transnational ethnic</p>	Country  Country  Country  Country	Presence of IPs  Specified risk for IP rights  Specified risk for IP rights  Specified risk for IP rights

	<p>groups scattered over national boundaries that maintain cultural ties with communities from the same group across the border and even on a regional level. [...]</p> <p>Political developments and human rights [...] the most striking political development related to the establishment of Provincial Assembly (PA) branches at provincial level which will allow indigenous and local communities to raise their concerns, grievances and seek access to justice.<sup>5</sup></p> <p>On 20 January 2015, the United Nations Human Rights Council (HRC) met in Geneva, Switzerland to examine Laos's human rights record through the Universal Periodic Review (UPR) process.<sup>6</sup> On 23 June, Laos accepted 118 of the 196 UPR recommendations. This included recommendation from Cambodia on protection of the cultural rights and languages of indigenous peoples, and from Ghana on ensuring that all ethnic groups are treated equally and have equal access to social services, including health and education.<sup>7</sup> [...] With regard to indigenous peoples, Laos [...] did not agree on recommendation 121-191 which calls on the government to "Acknowledge and guarantee the indigenous peoples' rights, including by fully engaging indigenous peoples of the country in decision-making in all the matters that affect them".<sup>10</sup></p> <p>In 2015, the Department of Ethnic and Religious Affairs (DOERA), which is the organ in charge of ethnic policy under the Ministry of Home Affairs (MOHA), secured funding to draft a decree on Ethnic Minority Work based on the model elaborated by the Committee for Ethnic Minority Affairs (CEMA) in Vietnam. This body promulgated a decree on ethnic minority affairs in 2011. The decree in Vietnam aims to ensure and promote equality and solidarity, preserve the language, scripts and identity and promote the customs, habits, traditions and culture of each ethnic minority group. It also envisages that ethnic minority people should hold key posts in ethnic minority areas.<sup>11</sup> (p. 300-302)</p> <p>Civil society and international projects advocating for recognition of customary land tenure International organisations have supported recognition of the customary use of land and forest and recognition of the collective rights of indigenous peoples over their traditional land through the inclusion of communal land titling in drafts of the first National Land Policy. The SUFORD-SU Project<sup>12</sup> has produced a draft Guidelines for Registration and Communal Land Titling of Village Use Forests in Production Forest Areas (PFA). Although the scope of the guidelines covers only PFAs, the main principles of the guidelines could also be applied to uncategorized forests. The project has also piloted inventories of customary land use through Participatory Land Use Planning (PLUP) inside PFAs in Northern Laos in order to revise the three forest categories based on the recommendation from the National Assembly.</p>	Country	Low risk for participation in decision making and access to justice
		Country	Specified risk for participation in decision making
		Country	Low risk for rights of IPs

	<p>SUFORD has also innovated by conducting Forest Land Use Zoning (FLUZ) and using the Free, Prior and Informed Consent (FPIC) process for communities to decide on the use of their fallow forest land. This forms part of their rotational shifting cultivation system of land use, and is targeted for regeneration by the government under four possible scenarios: keeping fallow forest to ensure food security; using the fallow for planting indigenous tree species; agroforestry schemes; or natural regeneration. On the ground, the practice of Participatory Land Use Mapping-Forest Land Use Zoning (PLUM-FLUZ) 13 promotes the safeguarding of customary land tenure in Laos so that communities are not losing access to forest land but are undergoing change in the use of their resource towards medium and long-term management systems. The Land Issue Working Group (LIWG)<sup>14</sup> and the Mekong Region Land Governance (MRLG) are currently also supporting recognition of customary land tenure in Laos.<sup>15</sup> 2015 furthermore witnessed increased donor support around the country, including KfW<sup>16</sup> and the World Bank for National Protected Areas, and this is a step further towards supporting indigenous peoples to secure their collective right to their land and resources. (p. 302-303)</p> <p>Concerns over adverse impacts of Chinese banana plantations and mining Economic growth in Laos is driven by foreign investment, particularly in the commodification of natural resources. Large-scale projects in hydropower, mining, agriculture and industrial development have attracted investors from China, Thailand and Vietnam. Despite massive investment, the per capita Gross National Income reached only US\$1,232 in 2015, which is considered just below the requirement for a nation to graduate from Least Developed Country (LDC) status.<sup>17</sup> What's more, the investments involve heavy social and environmental costs, and these have triggered indigenous peoples' concerns and resulted in land and forest conflicts in which they generally do not receive fair and just treatment.</p> <p>[...]indigenous peoples are becoming increasingly aware of and making use of various channels available, including the National Assembly and social media to make their voices heard, advocating for greater accountability from investors operating on their traditional land." (p. 303-304)</p> <p><a href="http://www.iwgia.org/iwgia_files_publications_files/0671_I2014eb.pdf">http://www.iwgia.org/iwgia_files_publications_files/0671_I2014eb.pdf</a>  <i>The Indigenous World 2014</i>  <i>"Natural resource legislation</i>  As indigenous peoples have no specific rights, stronger legal tenure over natural resources is one way of securing resources and livelihoods. There was very active legislative drafting related to natural resources and access to and control over land and forests in 2013. The first ever National Land Policy was drafted, with significant input from international civil society organisations. Key recommendations affecting indigenous peoples included: the right of villages to</p>	Country	Specified risk for rights of IPs
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	<p>refuse land concessions based on internal decisions (i.e. consent); the full recognition of communal land and communal titling; the establishment of specific and transparent grievance mechanisms; and formal recognition of customary land tenure rights. The final recommendation is of particular importance as the vast majority of land occupied by indigenous peoples is under communal ownership and is untitled. The National Land Policy is meant to provide direction for a revision of both the Land and Forestry Laws. The Forestry Law has been under revision through a donor-supported consultation process allowing local and international civil society input. This recommended the designation of Community Forests alongside the three other existing main forest categories (Production, Protection and Conservation). The draft law distinguishes between rotational agriculture and shifting cultivation, with the former being acceptable if based on an approved land-use plan. Shifting cultivation is defined as the clearing of new, previously uncut forest areas and is deemed illegal. If the law is passed, it will legitimize the most common agricultural system of indigenous peoples in Laos.</p> <p>In 2013, a Village Forestry and Non-timber Forest Products Unit was established within the Department of Forestry. The Land Law is also under revision and should incorporate the themes addressed in the National Land Policy. The policy has been intensely debated in the National Assembly, with the Politburo leading the National Steering Committee. <b>These pieces of legislation will not give specific rights to indigenous peoples but will address the weak natural resource tenure rights of all rural communities, many of which are indigenous.</b> To meet the changes in the forestry sector (REDD+, FLEGT, etc.), the Forestry Strategy to the Year 2020 was also opened for revision in 2013, after a 2012 review.</p> <p>New guidelines created by the Lao Front for National Construction<sup>9</sup> and supported by the World Bank were completed in 2013. Entitled “<b>Guidelines on Consultation with Ethnic Groups Affected by Public and Private Development Projects</b>”, they are meant to: a) ensure that consultation with ethnic groups follows an effective practice in order to comply with the Environmental Protection Law, the Decree on Environmental Impact Assessments (EIAs), the Decree on Compensation and Resettlement of People Affected by Development Projects and other relevant regulations; b) ensure the right of people affected by development projects to be fairly compensated by those projects; c) prevent or mitigate the potential environmental and social impacts generated by development projects and ensure that the project is properly designed for sustainability. <b>The guidelines are, however, not legally binding, have not been widely distributed and do not include the right to give or withhold consent.</b> Furthermore, EIAs have not been conducted for many investment projects and those that have do not take into account the concerns of the affected indigenous peoples. Previous models of consultation with indigenous peoples include the 2011 – 2012 <b>Free, Prior and Informed Consent (FPIC)</b></p>		
		Country	Specific risk for rights of IPs
		Country	Specific risk for right to FPIC



	<p>model that was piloted in Xayabury Province under a GIZ bilateral REDD+ project (see The Indigenous World 2013). Unfortunately, the FPIC process was not completed in the project area and, to date, has not been followed up anywhere in Laos. If the National Land Policy discussed above includes the right to refuse land concessions (i.e. consent) then it will informally strengthen the FPIC process. (p. 309-310)</p> <p><a href="http://www.iwgia.org/iwgia_files_publications_files/0613_EB-THE_INDIGENOUS_ORLD_2013.pdf">http://www.iwgia.org/iwgia_files_publications_files/0613_EB-THE_INDIGENOUS_ORLD_2013.pdf</a>  <i>The Indigenous World 2013</i>  “Communal land titling  The titling of communal bamboo land in Sangthong district that took place in 2011 has become a famous case; graduate students now often conduct research in the area. Although Sangthong involved ethnic Lao communities, it has become highly relevant as communal land titling was also conducted among the Makong communities of Nakai Plateau, next to the Nam Theun 2 Dam in 2012. Communal titling, however, is not specifically related to indigenous peoples or territories and any community in Laos can be eligible. In June, OXFAM Australia was also involved in mapping rights to water, land and natural resources in Taoi district, Saravane province. This exercise could be a first step towards communal land titling. It is important to note that communal titling is not recognized in the land law currently undergoing legal revision. (p. 281-282)</p>	Country	Specific risk for land rights of IPs
<p>United Nations Special Rapporteur on the rights of indigenous peoples  <a href="http://www.ohchr.org/en/issues/ipeoples/srindigenouspeoples/pages/sripeoplesindex.aspx">http://www.ohchr.org/en/issues/ipeoples/srindigenouspeoples/pages/sripeoplesindex.aspx</a></p>	<p><a href="http://www.ohchr.org/EN/HRBodies/HRC/RegularSessions/Session24/Documents/A-HRC-24-41-Add3_en.pdf">http://www.ohchr.org/EN/HRBodies/HRC/RegularSessions/Session24/Documents/A-HRC-24-41-Add3_en.pdf</a>  <i>Report of the Special Rapporteur on the rights of indigenous peoples, James Anaya Addendum - 31 July 2013</i>  <i>Consultation on the situation of indigenous peoples in Asia*</i>  “7. The groups in Asia that fall within the international rubric of “indigenous peoples” include groups such as those referred to as “tribal peoples”, “hill tribes”, “scheduled tribes” or “adivasis”. The international concern for indigenous peoples, as manifested most prominently by the United Nations Declaration on the Rights of Indigenous Peoples extends to those groups that are indigenous to the countries in which they live and have distinct identities and ways of life, and that face very particularized human rights issues related to histories of various forms of oppression, such as dispossession of their lands and natural resources and denial of cultural expression. Within the Asian region, the distribution and diversity of such groups varies by country, as does the terminology used to identify them and legal recognition accorded to them. These groups, some of which span State borders, include, among others, the:</p>	Country	Presence of IPs

	<p>[...](f) The majority of the Mon-Khmer, Sino-Tibetan and Hmong-Mien grouping in the Lao People's Democratic Republic, officially referred to as ethnic minorities and nonethnic Lao;" (p. 5)</p>		
<p>UN Human Rights Council Universal Periodic Review  <a href="http://www.ohchr.org/EN/HRBodies/UPR/Pages/Documentation.aspx">http://www.ohchr.org/EN/HRBodies/UPR/Pages/Documentation.aspx</a></p>	<p><a href="https://documents-dds-ny.un.org/doc/UNDOC/GEN/G15/061/51/PDF/G1506151.pdf?OpenElement">https://documents-dds-ny.un.org/doc/UNDOC/GEN/G15/061/51/PDF/G1506151.pdf?OpenElement</a>  <i>Report of the Working Group on the Universal Periodic Review - Lao People's Democratic Republic - 23 March 2015</i></p> <p><b>"B. Interactive dialogue and responses by the State under review</b></p> <p>25. During the interactive dialogue, 73 delegations made statements. The recommendations made during the dialogue can be found in section II of the present report. (p. 5) [...]</p> <p>36. Slovenia commended the efforts made in the promotion of gender equality, development and poverty eradication. <b>Slovenia was concerned about reported discrimination against certain ethnic groups</b> and human trafficking into and out of the country. (p. 6) [...]</p> <p>72. <b>Finland stated that more progress was needed with respect to the human rights of the most vulnerable groups such as women, children and ethnic groups.</b> It stressed the instrumental role played by the human rights defenders in society referring to the disappearance of Sombath Somphone. (p. 9) [...]</p> <p>93. <b>Hungary</b> commended the ratification of CAT, and recognized the amendments to Penal Law and Criminal Procedure Law. It <b>expressed concern about reports of discrimination against Christians and certain ethnic groups</b>, while noting processes to amend the Prime Minister's Decree on Management and Protection of Religion. (p. 11) [...]</p> <p><b>"II. Conclusions and/or recommendations"</b></p> <p>121. The following recommendations will be examined by the Lao People's Democratic Republic, which will provide responses in due time, but no later than the twenty-ninth session of the Human Rights Council, from 15 June–3 July 2015: [...] (p. 13)</p> <p>121.84. <b>Ensure that all ethnic groups are treated equally and have equal access to social services, including health and education</b> (Ghana); (p. 18) [...]</p> <p>121.187. Increase efforts to promote and protect the cultural rights of the Lao people to preserve the national culture and the cultures and languages of ethnic groups in the Lao People's Democratic Republic (Cambodia); [...]</p> <p>121.191. <b>Acknowledge and guarantee the indigenous peoples' rights, including by fully engaging indigenous peoples of the country in decision-making in all the matters that affect them</b> (Estonia);" (p. 25)</p> <p><a href="https://documents-dds-ny.un.org/doc/UNDOC/GEN/G15/131/75/PDF/G1513175.pdf?OpenElement">https://documents-dds-ny.un.org/doc/UNDOC/GEN/G15/131/75/PDF/G1513175.pdf?OpenElement</a>  <i>Report of the Working Group on the Universal Periodic Review - Lao People's Democratic Republic - Addendum - 23 June 2015</i></p>	<p>Country</p>	<p>Specific risk for discrimination of IPs</p>

	<p>“The Government of the Lao PDR has carefully examined the 196 recommendations that it received during the twenty-first session of the Working Group on the Universal Periodic Review of the Human Rights Council on 20 January 2015. The Government of the Lao PDR accepts 116 recommendations including those that have already been put into practice and in line with the Lao PDR’s Constitution, laws, policies and practice. The remaining recommendations are noted by the Government of the Lao PDR as they are inconsistent with the reality in the country. The positions on the specific recommendations are as follows: (p. 1) [...] 121.84 Accepted [...] (p. 7) 121.187 Accepted [...] 121.191 Noted</p> <p>The constitution, laws and policies of the Lao PDR ensure the equality and non-discrimination among the 49 ethnic groups in the Lao PDR. No ethnic groups are inferior to the others. Representatives of ethnic groups hold official positions at different levels of Government and State organs. At local levels, people potentially affected by development projects participate in consultation and express their views. <b>No ethnic group in the Lao PDR is considered as indigenous and all the 49 ethnic groups are equal. Therefore, the Lao PDR does not support the part of a recommendation that contains “indigenous people”.</b> (p. 12)</p> <p>10. Joint Submission 4 (JS4) stated that Government opponents, human rights activists and <b>ethnic and religious minorities were often detained without valid legal justifications. Charges of threats to national security were largely used to arrest members of minority communities, in particular Hmong individuals who are commonly stereotyped as untrustworthy anti-government forces.</b><sup>13</sup> [...] 31. JS2 noted that the Government created obstacles to the work of civil society organizations after their official registration. Registered associations were required to acquire separate permissions for all projects and activities as a matter of government policy. <b>Acquiring permits for projects and activities that focus on, among others, LGBT and reproductive and sexual rights and issues relating to the rights of ethnic groups were particularly difficult.</b><sup>43</sup> [...] 9. <b>Minorities and indigenous peoples</b></p> <p>47. Lao People’s Revolutionary Youth Union (LPRYU) recommended that the <b>Government should provide more support for the preservation and expansion of the Lao traditional and cultural heritages</b> that are beneficial and for enhancing the living conditions of the multi-ethnic Lao people.<sup>61</sup></p> <p>48. According to JS4, <b>a major issue faced by indigenous peoples in the country is the allocation of their customary lands to companies for industrial exploitation. The allocation of land often takes place through land-grabbing practices that force indigenous communities to relocate against their will.</b> JS4 also stated that internally displaced indigenous groups ran the risk of further</p>	Country	Specific risk for rights of IPs
		Country	Specific risk for rights of IPs
		Country	Specific risk for rights of IPs

	<p>impoverishment as they became landless and deprived of their means of subsistence.<sup>62</sup></p> <p>49. Congress of World Hmong People (CWHP) stated that the <b>Hmong indigenous people in the Phou Bia region were facing starvation and severely lacked medical support</b>CWHP stated that these people were moved constantly from one place to another from Government aggression.<sup>63</sup></p> <p>50. JS4 noted that in 2013, a surge of political and ethnic violence led to the killing of a number of Hmong civilians by the Laotian security forces. JS4 noted that <b>the Lao People’s Democratic Republic military closely monitored the Hmong indigenous communities. Their daily social life and economic sufficiency were continuously being destroyed</b> resulting in hunger diseases, malnutrition and lack of medication.<sup>64</sup></p> <p>51. JS4 stated that Hmong communities living in remote rural areas were the most affected by food insecurity and did not have access to basic services such as healthcare facilities. Lao’s high rates of child malnutrition and child mortality severely increased in the Northern Highland provinces, where most Hmong communities live.<sup>65</sup> [...]</p> <p>57. ADL stated that <b>lack of popular participation coupled with a suppressed domestic press and media was silencing the people, particularly those with the most critical needs, such as the rural poor and ethnic minorities, out of the development and political-decision making process.</b><sup>74</sup> Lao Front for National Construction recommended increasing funding for development to Lao multi-ethnic people living in remote areas.<sup>75</sup></p>	<p>Phou Bia region</p> <p>Country</p> <p>Country</p>	<p>Specific risk for rights of Hmong people</p> <p>Specific risk for rights of Hmong people</p> <p>Specified risk for participation in decision-making</p>
<p>UN Human Rights Committee  <a href="http://www.ohchr.org/EN/HRBodies/CCPR/Pages/CCPRIndex.aspx">http://www.ohchr.org/EN/HRBodies/CCPR/Pages/CCPRIndex.aspx</a>  search for country  Also check: UN Committee on the Elimination of All Forms of Racial Discrimination  <a href="http://www.ohchr.org/EN/HRBodies/CERD/Pages/CERDIndex.aspx">http://www.ohchr.org/EN/HRBodies/CERD/Pages/CERDIndex.aspx</a></p>	<p><a href="http://tbinternet.ohchr.org/_layouts/TreatyBodyExternal/Countries.aspx?CountryCode=LAO&amp;Lang=EN">http://tbinternet.ohchr.org/_layouts/TreatyBodyExternal/Countries.aspx?CountryCode=LAO&amp;Lang=EN</a>  <b>Laos report to the UN Human Rights Committee was due 25 March 2011 but is not available.</b></p> <p><a href="http://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=CERD%2fC%2fLAO%2fCO%2f16-18&amp;Lang=en">http://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=CERD%2fC%2fLAO%2fCO%2f16-18&amp;Lang=en</a>  <i>Concluding observations of the Committee on the Elimination of Racial Discrimination - Lao People’s Democratic Republic - 13 April 2012</i>  <b>“Positive aspects</b>  The Committee notes the legislative and policy measures taken by the State party which contribute to combating racial discrimination, including:  [...] (c) The scientific study undertaken on the ethnic composition of the State party’s population which has led to the <b>formal recognition of 49 ethnicities classified into 4 ethno-linguistic groups.</b> (p. 1) [...]</p> <p>5. The Committee further notes the <b>improvement in the representation of smaller ethnic groups in elected and public bodies.</b> (p. 2)</p> <p>C. <b>Concerns and recommendations</b></p>	<p>Country</p> <p>Country</p>	<p>-</p> <p>Low risk on rights of IPs</p>

	<p>11. While noting the answer given by the delegation of the State party, notably concerning the investigation conducted on the allegations of killings of young Hmong persons in the Xaisomboune Special Zone in May 2004, the Committee remains concerned that allegations of acts of violence against Hmong people are not properly and impartially investigated (art. 5 (b)). (p. 3) [...] 16. In view of the customs and traditional practices of members of ethnic groups in mountainous areas, the Committee is concerned that the land regime of the State party, whereby land is allotted for housing, farming, gardening and grazing, fails to recognize a link between the cultural identity of ethnic groups and their land (art. 5 (e)). The Committee calls upon the State party to review its land regime with a view to recognizing the cultural aspect of land as an integral part of the identity of some ethnic groups. (p. 4) [...]</p> <p>18. The Committee notes the development objective of the relocation policy which aims to cluster and settle scattered ethnic communities of the mountainous areas in lowland villages with better access to public services and infrastructure. The Committee further notes the affirmation by the State party that communities concerned by relocation projects have been consulted prior to resettlement and that these relocations have been made on a voluntary basis. At the same time, the Committee is seriously concerned that the implementation of the policy has uprooted communities who have also been forced to adopt new lifestyles and livelihoods. Moreover, the Committee regrets that it has not received information as to how alternatives to relocation and consideration of ethnic groups' ties to land have been taken into account in the implementation of the policy (arts. 5 (e) and 1). The Committee reiterates its previous recommendation calling on the State party to consider all possible alternatives to relocation and to pay attention to the cultural ties of certain ethnic groups to their land. Moreover, the Committee recommends that the State party provide opportunities for smaller ethnic groups to define development in their own terms and to contribute to decision-making as to how development is operationalized. The Committee requests the State party to include in its next periodic report information on the number of persons/villages and their ethnic affiliation which have been relocated as well as information on the impact of the relocation policy on the livelihood and the culture of the persons, villages and ethnic groups concerned. (p. 5) [...]</p> <p>The Committee recommends that the State party review judicial and other remedies available to victims to ensure that they are effective. To this end, the Committee calls upon the State party to pay particular attention to the additional challenges faced by ethnic groups in accessing justice, such as their remoteness and language obstacles. The Committee also recommends that the State party continue to raise awareness of the Convention and of the State party's Criminal Code provisions relating to racial discrimination. (p. 6) [...]</p>	Country	Specified risk on rights of Hmong people
		Country	Specified risk for land rights of IPs
		Country	Specified risk for land rights of IPs
		Country	Specified risk for participation in decision-making
		Country	Specified risk for access to justice

	<p><a href="http://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=INT%2fCERD%2fNGO%2fLAO%2f80%2f9469&amp;Lang=en">http://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=INT%2fCERD%2fNGO%2fLAO%2f80%2f9469&amp;Lang=en</a>  <i>Shadow Report Regarding the Periodic Reports of LAOS Under the UN CERD, INDIGENOUS (International Network for Diplomacy Indigenous Governance Engaging in Nonviolence Organizing for Understanding &amp; Self-Determination) - 2012</i></p> <p>“INDIGENOUS found in its research a general state of concern regarding racial discrimination among citizens of Laos. INDIGENOUS received many updates from communities in the country providing information relating to human rights violations. [...]</p> <p>INDIGENOUS noted a trend of discrimination that resulted in domination of specific segments of society with little or no remedy to address these rights violations. (p. 1) [...]</p> <p>Regarding Article 3, INDIGENOUS believes that the racial segregation is taking place at the expense of original people of Laos in the pursuit of profits and control of natural resources. One of the most alarming trends relates to two neighboring powerful states exercising extreme power over the state of Laos.</p> <p>The main concern is the granting of 99 year leases to China in the area of the golden triangle as special economic zones. These towns remove Laos people and repopulate with Chinese even providing law enforcement from China in such cities as Donexao. There is also a continuation of the question of corruption in these cities with no recourse for any Laos removed from their homeland.</p> <p>Another concern is the influence of Vietnam over the land, especially indigenous peoples lands such as forests. Vietnam corporations have come into specific areas harvesting trees with assistance of military forces not respecting the basic rights of the Laos people. This is happening in many areas rich in resources. This issue is important as has been noted by the CERD committee with multinational corporations based in Canada. We wish to raise it here again to focus on this alarming trend in international human rights law along with the inclusion of the military participating in this case. (p. 4) [...]</p> <p>Regarding Article 5 on economic, social and cultural rights. INDIGENOUS is concerned about the land and the lack of opportunity for people of Laos. Our powerful neighbors steadily solidified their control over our country. The illicit depletion of our forests through thousands of hectares land grabs by Vietnam threaten our territory. When we organize an export ban, Vietnam companies with military support threaten our officials and traffick the timber to wood processing factories across the border to benefit Vietnam. China is even more carnivorous with its geo-political contention starting at the Golden Triangle region along with unilateral actions to construct mega dams on the</p>	Country	Specific risk for rights of IPs
		Country	Specific risk for rights of IPs

	<p>Mekong causing security and social challenges for all countries down river in Asia.” (p.5)</p> <p><a href="http://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=INT%2fCERD%2fNGO%2fLAO%2f80%2f9470&amp;Lang=en">http://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=INT%2fCERD%2fNGO%2fLAO%2f80%2f9470&amp;Lang=en</a>  <i>Submission of Hmong ChaoFa States to UN CERD - 31 January 2012</i>  “Chairperson, <b>the Hmong ChaoFa Indigenous human rights violations has been deteriorated alarmed the world, but Lao PDR regime ignored for over three decades 1975 to 2012.</b> More than 200,000 Hmong people escaped the country since the Pathet Lao or Lao PDR’s race policy called “ Serd Leng Meo Dap, means war over and Hmong Chaofa Indigenous finish” wrote by the Khao-San Pathet Lao, the only Pathet Lao’ s newspaper on May 8, 1975 “ We must eradicate the Meo Minority completely” and reiterated as “ Shoot to kill” policy and reward \$600 per head for killing a Hmong Chaofa leader and promote to central Committee position. <b>Government troops in Laos have been ordered to shoot to kill ethnic Hmong insurgents in the country's northern jungle regions, with cash rewards offered for every "enemy" killed</b> ( Radio Free Asia 2008-02-08). [...]</p> <p>In conclude, the Lao PDR regime ( like Egypt and Libya) will not compliance with the CERD and International Community, we urge the CERD to support the Hmong ChaoFa States and People’s RESOLUTION # 125 by Hmong ChaoFa National Congress December 31, 2011 to consider taking the Lao dictator leader Choummaly Sayasone, the brutal regime and including their Lt. General Doua Chay PhitChit to the International Court, in order to solve the overdue crimes they committed for <b>forcing over 100,000 Hmong Indigenous to the jungle Mt. Phoubia areas, after take control most of the country 1975</b> and used international Vietnamese and Soviet mercenaries to help them wipe out the Hmong ChaoFa Indigenous Race in Laos; <b>at least Over 50,000 Hmong ChaoFa Indigenous women and children in the Hmong ChaoFa States, Xaisomboun Special Zone lost their lives in the time span from 1975 to 2012.</b>”</p> <p><a href="http://tbinternet.ohchr.org/Treaties/CERD/Shared%20Documents/LAO/INT_CE RD_NGO_LAO_80_9471_E.pdf">http://tbinternet.ohchr.org/Treaties/CERD/Shared%20Documents/LAO/INT_CE RD_NGO_LAO_80_9471_E.pdf</a>  <i>Alternative Report submitted to the UNCERD by UNPO – January 2012</i>  “<b>This alternative report will focus on the situation of the indigenous peoples and ethnic minorities in Laos, looking specifically at the experiences of the Hmong,</b> and the compliance of the Government of Laos (GoL) with and implementation of the provisions in the International Convention on the Elimination of All Forms of Racial Discrimination (henceforth, “the Convention” or “ICERD”) as it affects this particular group. This report will refer to the Hmong as a distinct indigenous people which confirms their right to specific protection as such. [...]</p> <p><b>The indigenous Hmong ChaoFa people traditionally live in the ChaoFa region of Northern Laos and have a distinctive culture, language and religion.</b> The</p>	Country	Specific risk for rights of Hmong people
		Country	Specific risk for rights of



	<p>Hmong are subject to racial discrimination and negative stereotypes which lead to them disproportionately experience forced repatriation and targeted violence. Due to Hmong opposition of Pathet Lao during the Viet Nam war, their participation in the 'Secret War' and collaboration with American forces, there remain wide misconceptions that all Hmong actively participate in anti-government rebel groups and are inherently destructive of the environment. Such stereotypes have influenced the living conditions for the Hmong community in Laos, where many live in fear of arbitrary arrest and torture while experiencing abject poverty.</p> <p>Many have fled Laos' repressive policies towards them, resulting in large concentrations of Hmong communities in Viet Nam, China and the United States of America. However, Hmong who seek refuge or have successfully established legal residency in neighboring countries continue to face persecution. Governments such as Viet Nam, Thailand, and Cambodia have standing collaboration efforts with the Laotian government to detain and aid in the forceful repatriation of Hmong. Such collaborations also extend to military campaigns within Laos' borders to violently target Hmong communities hiding in jungles.</p> <p>The government of Laos continues to insist that allegations of human rights violations are "groundless and appear to be merely fabrications intended to harm the image of the Laos People's Army"1 while refusing to allow international and independent reporters unhindered access to Laos and conflict zones. (p. 2-3) [...]</p> <p>The Laotian government has prioritized the expansion of rubber plantations at major costs to the indigenous Hmong. Large land concessions for rubber trees essentially taken from indigenous communities for inadequate to no compensation leave Hmong communities with fewer livelihood options.24 Lands traditionally inhabited by the Hmong are rich in natural resources, including timber, precious metals, and minerals. However, Hmong receive no profit or compensation from resources exploited from their resource-rich land. Illegal logging conducted by the Laotian government and in coordination with the Vietnamese government may be a key reason behind the violent targeting of Hmong communities and civilians living in the jungles. Hmong National Development, a non-profit organization based in Washington, D.C., has reported on the direct link between illegal timber cutting conducted by both Vietnamese and Laotian military-owned companies and the persecution of Hmong hiding in jungles. This relationship is made clear when noting massive scale illegal logging taking place alongside the mobilization of significant numbers of coalition troops.25 This has occurred in Xieng Khouang Province, Xaisamboune Closed Military Zone, Vang Veng, Vientiane Province, and in other key areas for the purpose of "killing or capturing some 15,000 Hmong unarmed civilians in Laos." 26 (p. 9)</p>	Country	<p>Hmong people</p> <p>Specific risk for rights of Hmong people</p>
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<p>Intercontinental Cry <a href="http://intercontinentalcry.org/">http://intercontinentalcry.org/</a></p>	<p><a href="http://www.scribd.com/doc/216154458/Indigenous-Struggles-2013">http://www.scribd.com/doc/216154458/Indigenous-Struggles-2013</a>  <i>Indigenous struggles 2013</i>          “Akha Life University (ALU) spoke out against the activities of American missionaries in Thailand, Burma, Laos and southern China. In an interview with Voice of Russia, an ALU spokesperson explained that Akha children are being offered various incentives including free housing and scholarships. In return for the ‘generous offerings’, the children are enlisted in a program designed to make them “give in to the Christian faith. ”The ALU’s findings show that cultural assimilation is actively being practiced, putting even more pressure on the Akha’s already-endangered culture.”</p>	<p>Country</p>	<p>Specified risk for cultural rights of Akha people</p>
<p>Forest Peoples Programme: <a href="http://www.forestpeoples.org">www.forestpeoples.org</a>          FPP’s focus is on Africa, Asia/Pacific and South and Central America.</p>	<p><a href="http://www.forestpeoples.org/sites/fpp/files/news/2015/02/Yangon%20conference%20report%2002.2015_0.pdf">http://www.forestpeoples.org/sites/fpp/files/news/2015/02/Yangon%20conference%20report%2002.2015_0.pdf</a>  <i>YANGON CONFERENCE ON HUMAN RIGHTS AND AGRIBUSINESS IN SOUTHEAST ASIA – November 2014</i>          “Lao PDR - Vorasone Dengkayaphichith, LIWG          The Land Issues Working Group (LIWG) is a network composed mainly of CSOs, which works towards greater management and control by communities over their land, forests and natural resources. [...]          Foreign Direct Investment (FDI) into Lao PDR has increased since the country adopted its new economic policy in 1986, and State-owned enterprises have made way for private companies. [...] Key agricultural investment crops include industrial timber plantations (rubber, teak and eucalyptus), grown mainly by Chinese and Vietnamese investors in Champassack, Saravan, Attapue and LNT, over an area of 140,000 ha as of 2008; [...] It is expected that the Eighth National Social and Economic Development Plan of Lao is to be funded up to 55% by FDI. Massive investments in the extractive industry are expected in the short-term.          With these rapid changes, Lao society, environment and livelihoods are undergoing radical transformations. More and more communities are being affected by the growing pressures on natural resources, and many are seeing their livelihoods altered and sometimes disrupted. Competing interests over land, forests, and water are also in the increase. [...]          The Lao legislative framework protects (at least up to a certain point) local communities and balances the various interests – safeguards are there, but in reality, laws are often ignored and legal enforcement is weak. At the same time, if the safeguards fail, then the risks are high and include loss of access to land and associated services, disadvantaged poor farmers and landless people, insecure jobs and low wages, exposure to competition and risks in commodity markets, adverse environmental impacts of large-scale infrastructure and industrial agriculture, changes in social structures when moving from subsistence farming to wage labour, risk of government revenue not reflecting the real value of land and other resources, and a growing gap between policy and implementation.</p>	<p>Country</p>	<p>Specified risk for rights of IPs</p>

	<p>Problems for communities will also multiply as a result of top-down and ill-informed decision-making, lack of access to information, limited community participation in project implementation, the imbalance of power in negotiations, insecure access to land, water and forests (most land in Laos is untitled), the limited knowledge of Lao laws and regulations by communities, and their limited ability to organize themselves and defend their collective interests. We must recognise that we are here talking about sensitive issues, and sometimes conflicting interests are at play. However, action is necessary to secure better livelihoods and protect the environment. Stakeholders have increasingly expressed concerns over ill-regulated agribusiness expansion in Lao and resulting land conflicts, including the Lao government, the National Assembly, communities, international NGOs, development partners, and investors respecting CSR. Cooperation is needed to avoid and mitigate negative impacts of large scale land-related projects on communities, and to ensure that positive expectations of investment are realized. The right to choose of communities must be respected, and there must be clear principles defined for when and where expropriation of land can be permitted. The recognition of customary land tenure rights is also essential, as is the development of a policy on communal land titling, and efforts to ensure that grievance mechanisms are effective in practice and accountable to their users." (p. 39-40) [...]</p> <p>"Lao PDR (GAPE) - Khampanh Keovilaysak (Presentation title: Experiences on land issues in GAPE's working areas, Southern Lao PDR) GAPE is a grassroots IP organisation of Lao PDR that works primarily in Champassak province, Paksong district and Bachieng district. Agribusiness is expanding in these regions, notably rubber plantations (three active companies – Lao-Viet cooperation, Duckluck and Bing Yeuang in Bachieng) which cover a total area of 18,541 ha, or 23.51% of the total district area. These lands, however are also home to local villagers who actively use it for their subsistence agricultural activities. Most of these peoples are indigenous groups (eg the Ohn, Yahon, Ong, Jeruk). In Paksong, land concessions are a problem together with hydropower facility construction. Rubber has been planted over 5,921 ha of land (or 1.67% of the district's total land area). Conflicts have emerged between four villages and the company (Outspan, who holds 1,300 ha) and no fair compensation has been paid to these communities for the loss of their lands. In another concession in Paksong, 2,500 villagers from 11 villages were resettled by the company HHPC in 1995 and while they were provided with a new settlement area, this was lacking in agricultural land, thus threatening the food security of the communities. The company has provided various facilities to the communities (eg schools, housing, health service centres) but the key concern of the communities is that their traditional land has been lost – what they want is their</p>	Country	Specified risk for participation in decision-making and access to information
		Country	Specified risk for access to justice
		Paksong region	Specified risk for rights of IPs



clustering program, various ethnic minority groups were relocated from their original villages by merging them into priority zones or focal sites as a means of providing basic services to them, among other objectives. When the mines came, these peoples experienced another round of relocation. Altogether, there are fourteen villages directly within the core mine zone that had been resettled. Much relocation took place between 1999 and 2007, and some villages had to move twice. About seventy villages are within the mine concession but not all these had been asked to move as of end of 2012. [...] The villagers' forced relocation to focal sites has alienated them from their territory – the source of identity, subsistence, and the base of their culture. When the mining operations started, the village and its surrounding areas, including the Koh River they depended on, became so polluted that the villagers decided to move again. The pollution of the river severely limited their traditional farming practices and subsistence sources, crucial elements of the ethnic minority group's identity. For this "voluntary" relocation, Bua-Bandid not receives any compensation. As they are injected into a completely new environment, Bua-Ban and other the ethnic minority women nowadays face difficulties to meet food supply and ensure potable water in their homes. [...] The ethnic minority women are now having difficulties to provide for their families as they do not have the necessary skills to compete in the labor market. [...] There are other numerous direct negative impacts of the mining operations on the environment such as water, air and land pollution and forests degradation, causing death to countless animals and endangering biodiversity. Before the arrival of the mines, Vilabouly was a wide and fertile rural district with a plenty of natural resources. Everybody could freely access natural resources without any restriction. When the mining project took over the land, the forests and fields were scraped off the face of the earth. Now that the forests are gone, ethnic minority women who are very dependent on these have lost access to critical food sources. Before, they were able to sell natural products from the forests to earn extra cash for their families. Now, this revenue or the products do not exist any longer." (p. 2-4)

<http://www.forestpeoples.org/topics/african-development-bank-afdb/news/2013/04/experience-asian-indigenous-peoples-finance-lend-0>  
*The experience of Asian indigenous peoples with the finance lending policies of international financial institutions: A select overview – 29 April 2013*  
 “ Laos - Khammouane Province, Vientiane and Xieng Khouang Provinces  
 The government of Laos PDR (GoL) considers hydro energy to be the main thrust of growth and economic development. It aims to transform the country into “the battery of Southeast Asia” by harnessing the power of rivers. To achieve this goal, GoL is receiving financing from major International Finance Institutions (IFIs) including the World Bank and the Asian Development Bank. In its power sector development plan, GoL includes 72 new large dams, 12 of

	<p>which are under construction and nearly 25 more are at advanced stages of planning.[2] In the case of large dams such as Nam Theun 2 (NT2) and Nam Ngum 3 (NN3), indigenous peoples in the affected communities have suffered serious economic and social dislocations in addition to loss of biodiversity. The NT2 dam in Khammouane Province directly affected more than 120,000 people downstream by destroying livelihood options and fisheries, flooding riverbank gardens and affecting water quality. 6,300 Indigenous persons in the Nakai Plateau were resettled to make way for the reservoir. The numerically small Vietic people, the most vulnerable of the indigenous peoples in Laos, were forcibly relocated to resettlement villages in violation of both the WB and ADB operational policies on indigenous peoples. It has been reported that many of them have died as a result of living in a resettled village, for both psychological and physical reasons. As of today, affected indigenous peoples in the resettlement villages have not been provided with land and have not received compensations for the loss of their properties. The commitments for land and compensation described in detail in the project's planning documents remain partly unfulfilled. Due to loss of land and natural resources, food security has remained a concern of the affected indigenous peoples. Although the material needs for housing, electricity, roads, schools, and health centres, are provided at the resettlement villages, there is serious doubt that indigenous peoples' livelihoods will be restored to the pre-resettlement level, will be culturally appropriate and will be sustainable in the future. The poor quality of the land in the resettlement villages continues to pose severe problems for villagers, who are unable to grow sufficient food to feed their families, and to pay for the electric bills. The long-term production of the reservoir fisheries is also in doubt, and, as opposed to arrangements agreed in the project's Indigenous Peoples Development Plan, outsiders are encroaching on the villagers' community forest areas.[3] In the meantime, the Nam Ngum 3 dam (also proposed to be funded by ADB) in Vientiane and Xieng Khouang Provinces, which is expected to be completed by 2016, will submerge an area of 3,769 km<sup>2</sup> affecting Lao-Tai (42%), Khmu (33%), Hmong (25%) and Yao indigenous peoples."</p>	Khammouane Province, Vientiane and Xieng Khouang Provinces	Specified risk for rights of IPs
<p>Society for Threatened Peoples:  <a href="http://www.gfbv.de/index.php?change_lang=english">http://www.gfbv.de/index.php?change_lang=english</a></p>	<p>Only outdated information on indigenous peoples in Laos found</p>	Country	Low risk
<p>Regional human rights courts and commissions:  - Inter-American Court of Human Rights  <a href="http://www.corteidh.or.cr/index.php/en">http://www.corteidh.or.cr/index.php/en</a>  - Inter-American Commission on Human Rights  <a href="http://www.oas.org/en/iachr/">http://www.oas.org/en/iachr/</a>  <a href="http://www.oas.org/en/iachr/indigenous/">http://www.oas.org/en/iachr/indigenous/</a>  - African Commission on Human and Peoples' Rights  - African Court on Human and Peoples' Rights  - European Court of Human Rights</p>	<p><a href="https://en.wikipedia.org/wiki/ASEAN_Intergovernmental_Commission_on_Human_Rights">https://en.wikipedia.org/wiki/ASEAN_Intergovernmental_Commission_on_Human_Rights</a>  <i>ASEAN Intergovernmental Commission on Human Rights</i>  The ASEAN Intergovernmental Commission on Human Rights (AICHR) was inaugurated in October 2009 as a consultative body of the Association of Southeast Asian Nations (ASEAN). The human rights commission exists to promote and protect human rights, and regional co-operation on human rights in the member states of (Brunei Darussalam, Cambodia, Indonesia, Lao PDR,</p>		

	<p>Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam).[1] The AICHR meets at least twice per year.[1]  Human rights are referenced in the ASEAN Charter (Articles 1.7, 2.2.i and 14) and other key ASEAN documents. The commission operates through consultation and consensus—each of the 10 member states has veto power. The commission makes no provision for independent observers.[2]  The commission has been described as "toothless" by observers including the Wall Street Journal.[2] The ASEAN chair at the time of AICHR's founding, Abhisit Vejjajiva, said that "...the commission's 'teeth' would be strengthened down the road",[7] but six years after AICHR's founding, critics charge that "...since it was launched,...[AICHR] has yet to take any action to safeguard the most basic freedoms of citizens it supposedly represents."[7]</p>	Asean region	Specified risk for rights of IPs.
<p>Data provided by National Indigenous Peoples', Traditional Peoples organizations;</p>	<p><a href="http://www.iwgia.org/publications/search-pubs?publication_id=740">http://www.iwgia.org/publications/search-pubs?publication_id=740</a>  <i>The Indigenous world 2016</i>  "The Lao government, however, severely restricts fundamental rights, including freedom of speech (media), association, assembly and religion, and civil society is closely controlled. Organisations openly focused on indigenous peoples or using related terms in the Lao language are not allowed and open discussions about indigenous peoples with the government can be sensitive, especially as the issue is seen as pertaining to special (human) rights."</p> <p><b>Global Association for People and the Environment (GAPE)</b>  <a href="http://www.gapeinternational.org/">http://www.gapeinternational.org/</a>  Global Association for People and the Environment (GAPE) is a social and environmental purpose, Canadian non-profit organization. Established in 1999, it works primarily in southern Laos.  <a href="http://www.forestpeoples.org/sites/fpp/files/news/2015/02/Yangon%20conference%20report%2002.2015_0.pdf">http://www.forestpeoples.org/sites/fpp/files/news/2015/02/Yangon%20conference%20report%2002.2015_0.pdf</a>  YANGON CONFERENCE ON HUMAN RIGHTS AND AGRIBUSINESS IN SOUTHEAST ASIA – November 2014  GAPE is a grassroots IP organisation of Lao PDR that works primarily in Champassak province, Paksong district and Bachieng district. GAPE's activities include carrying out impact surveys, scaling up community access to complaints mechanisms, training village legal volunteers, provided village legal training, organising village exchange visits, facilitating villagers' access to justice, as well as policy advocacy. [see further above for the contribution of GAPE to this FPP publication, LV]</p> <p><a href="http://www.gapeinternational.org/wp-content/uploads/2011/08/asia-ip-overview-final.pdf">http://www.gapeinternational.org/wp-content/uploads/2011/08/asia-ip-overview-final.pdf</a>  <i>Overview of the State of Indigenous Peoples in Asia – May 2014</i>  In some countries the term indigenous peoples is not used or recognised, making selfidentification and self-determination a major problem. The</p>		



	<p>government in Laos does not use the terminology, and under its Constitution Laos is defined as a multi-ethnic society where all " ethnic groups " have the right to protect, preserve and promote the fine customs and cultures of their own tribes and of the nation (Article 8). (p. 5) [...]</p> <p>In the Mekong region, construction of two of 11 long planned hydroelectric power projects in the Lower Mekong River, nine in Laos and two in Cambodia, has started to displace indigenous and local communities. Many of these development projects and the resources to build them are in indigenous territories. (p. 8) [...]</p> <p>Indigenous women, by virtue of their gender and ethnicity, bear particular impacts and increased vulnerability from the consequent loss of traditional livelihoods, displacement, conflict and increasing poverty. In Laos, they have been forced to become migrant workers and daily wage earners in cash crop plantations. [...]</p> <p>In the Greater Mekong region, home to 95 ethnic groups in Myanmar, Cambodia, Laos, Vietnam and Thailand where a lot of resettlement is occurring due to development projects or government policy, health education is also often not conducted in native languages." (p. 15)</p>	<p>Country</p> <p>Lower Mekong River</p> <p>Country</p> <p>Country</p>	<p>Specified risk for rights of IPs</p> <p>Specified risk for rights of IPs</p> <p>Specified risk for rights of indigenous women</p> <p>Specified risk for rights of IPs</p>
<p>Data provided by Governmental institutions in charge of Indigenous Peoples affairs;</p>	<p><b>Department of Ethnic and Religious Affairs (DOERA)</b>  <a href="http://www.iwgia.org/publications/search-pubs?publication_id=740">http://www.iwgia.org/publications/search-pubs?publication_id=740</a>  <i>The Indigenous world 2016</i>          "The Lao government currently recognises 160 ethnic sub-groups within 49 ethnic groups. Officially all ethnic groups have equal status in Laos, and the concept of indigenous peoples is not recognised by the government [...]. (p. 299) [...]</p> <p>In 2015, the Department of Ethnic and Religious Affairs (DOERA), which is the organ in charge of ethnic policy under the Ministry of Home Affairs (MOHA), secured funding to draft a decree on Ethnic Minority Work based on the model elaborated by the Committee for Ethnic Minority Affairs (CEMA) in Vietnam. This body promulgated a decree on ethnic minority affairs in 2011. The decree in Vietnam aims to ensure and promote equality and solidarity, preserve the language, scripts and identity and promote the customs, habits, traditions and culture of each ethnic minority group. It also envisages that ethnic minority people should hold key posts in ethnic minority areas.11" (p.302)</p>	<p>Country</p>	<p>Specified risk for rights of IPs</p>
<p>Data provided by National NGOs; NGO documentation of cases of IP and TP conflicts (historic or ongoing);</p>	<p><a href="http://www.fao.org/gender-landrights-database/country-profiles/countries-list/civil-society-organizations/civil-society-and-indigenous-peoples-organizations-advocating-for-equality-of-land-rights/en/?country_iso3=LAO">http://www.fao.org/gender-landrights-database/country-profiles/countries-list/civil-society-organizations/civil-society-and-indigenous-peoples-organizations-advocating-for-equality-of-land-rights/en/?country_iso3=LAO</a>          Laos  <i>Civil society and indigenous people's organizations advocating for equality of land rights</i>          "Except for the Lao Red Cross, the country does not have domestic non-governmental organizations (NGOs). Civil society is represented by mass state</p>	<p>Country</p>	

	<p>organizations, such as the Lao Women's Union (LWU). In addition to supporting formal government activities, these mass organizations carry out participatory planning activities using their networks throughout the country (19)."</p> <p><b>Land Issues Working Group (LIWG)</b>  <a href="http://www.laolandissues.org/about-us-2/who-we-are-2/">http://www.laolandissues.org/about-us-2/who-we-are-2/</a>  "The Land Issues Working Group (LIWG) promotes awareness and understanding of the social, economic and environmental impacts of land-related projects, by gathering and disseminating information, facilitating dialogue and carrying out studies. <b>The LIWG consists mostly of international and local civil society organization staff and other individuals working on land issues in Lao PDR. Nearly 40 different organisations are represented</b> in the core group.[...]</p> <p>Over the last 5-10 years foreign investment, supported by local actors, in industries such as mining, hydropower and plantation sectors, has increased rapidly making use of Lao PDR's natural resources. <b>There is a growing competing interest over land, water and forests between large-scale investors and rural, often poor, communities</b> relying on the same natural resources for their subsistence.</p> <p>Opening up of rural areas as a result of private investment is creating two possible paths for rural communities. In one direction is improved access to services, expansion of local employment opportunities, spread of environmentally sound practices, and more equitable participation in the development process. In the other direction is <b>reduced access to land by smallholders who are pushed aside by concessionaires, a rapid outflow of young people, wildlife and forest products, and a consequent erosion of natural capital, human resources and cultural identity, creating a path towards an unsustainable extractive economy.</b> The LIWG considers that action is urgently needed by all development partners to prevent this process.</p> <p>While industrial development sounds good in theory, in practice <b>the absence of a comprehensive regulatory framework around investments in land concessions has led to land grabbing by largely foreign companies around the country. Many rural people experience negative effects of this land grab, such as loss of agriculture, grazing and resource rich forest lands with no compensation, contaminated rivers and streams, and very little benefit to rural communities.</b>"</p> <p><a href="http://www.laolandissues.org/">http://www.laolandissues.org/</a>  <i>Policy makers call for recognition of inherited lands - August 25, 2016</i>  "Vientiane Times, August 25, 2016  <a href="http://www.vientianetimes.org.la/FreeContent/FreeContent_Policy.htm">http://www.vientianetimes.org.la/FreeContent/FreeContent_Policy.htm</a></p>	Country	<p>Specified risk for rights of IPs</p> <p>Specified risk for rights of IPs</p>
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	<p>Policy makers have called for recognition of lands which local people have inherited from their parents, despite land titles having not been issued for those lands. They made the calls as policy makers from various organisations shared opinions to improve and finalise the Draft National Land Policy at a meeting on Tuesday in Vientiane.</p> <p>The draft is planned to be submitted for debate at the government monthly meeting tomorrow. The draft is then set for submission to the ordinary session of the National Assembly in October this year. According to the draft policy presented for discussion at Tuesday's meeting, the state acknowledges and protects the land use rights of people who have inherited land from their parents or relatives. In this regard, the lands are required to be developed or made use of for some production or development activities and must not be located in protected or conservation forest areas.</p> <p>Deputy Director General of the Land Administration Department, Ministry of Natural Resources and Environment Mr. Anothai Chanthasay said yesterday that the participants recommended that more details needed to be worked out toward recognition.</p> <p>The participants have suggested that once the draft is approved, the policy is required to be translated into law and regulations, he told Vientiane Times, adding the current Law on Land would be amended in line with the policy.</p> <p>The law and regulations are supposed to provide details such as for how many years after the lands are occupied that land rights would be recognised and also if it has been used over consecutive periods. [...]</p> <p>The draft indicates that 16.9 million hectares of land representing 70 percent of the nation's total area will be dedicated for forest coverage. Some 4.5 million hectares representing 19 percent is assigned for agricultural production, while the remaining 2.28 million hectares or 11 percent is allocated to be used for other purposes."</p> <p>[see also LIWG contribution in FPP publication, above, LV]</p> <p><b>Mekong Region Land Governance Project</b>  <a href="http://mrlg.org/">http://mrlg.org/</a>  "Land governance is at the center of development challenges in Cambodia, Laos, Myanmar and Vietnam. Governments are revising land policies and practices in order to face these challenges. The project aims to (i) assist the emergence of more favorable policies and practices for securing the rights and access of family farmers to land and natural resources; and (ii) to strengthen the effectiveness of concerned stakeholders through learning, alliance building and regional cooperation.  The MLRG project is based in Laos, with local offices in three other countries: Cambodia, Myanmar, and Vietnam. It supports a wide range of activities</p>	Country	Low risk for rights of IPs
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	<p><b>Turning Land Into Capital</b> – The Turning Land Into Capital policy in the current draft states that the state may turn state land into capital. If communal land remains categorised as State land it must be exempted from the Turning Land Into Capital policy to ensure land tenure security of communities. Generally, the same measures should apply for any changes to communal land rights that apply to private or collective land rights.</p> <p><b>Land Requisition by the State</b> – In its current form the NLP suggests that expropriation may be possible for private/business purposes. We strongly suggest that the state shall only regain the land use rights of land right holders for public purposes in the interest of the nation, but not for private purposes. The state may take the role of facilitator between land right holders and potential investors to ensure a fair and transparent transaction to protect the Lao people.</p> <p>The Drafting Committee collected all comments and immediately began a process of considering these to update the final draft to be presented at the government’s meeting on Friday August 26. After this meeting, the final National Land Policy is expected to be tabled during the next meeting of the National Assembly in October. Once the National Land Policy has been approved, the Government of Laos will continue with the revision of the Land Law of 2003 to reflect changes in the National Land Policy to provide more regulation for its implementation.”</p>	Country	Specified risk for rights of IPs
National land bureau tenure records, maps, titles and registration (Google)	<p>An official governmental overview or map of land tenures or titles was not found and likely does not exist as land tenure and land titles are currently not recognised by the government</p> <p><a href="https://www.ifad.org/documents/10180/ad1dbf3c-fa88-477c-901e-1116b221b53d">https://www.ifad.org/documents/10180/ad1dbf3c-fa88-477c-901e-1116b221b53d</a>  <i>Country Technical Note on Indigenous Peoples’ Issues - Lao People’s Democratic Republic, IFAD – 2012</i>  <b>Figure 2: Composition of villages by ethno-linguistic families</b> (p. 7)  <b>Figure 5: Map of ethnic groups in Laos</b> (p. 11)</p> <p><a href="http://www.city-data.com/forum/asia/1972420-ethnicity-average-look-lao-thai.html">http://www.city-data.com/forum/asia/1972420-ethnicity-average-look-lao-thai.html</a>  This website presents and ethnic map of Laos</p> <p><a href="http://legacy.joshuaproject.net/people-profile.php">http://legacy.joshuaproject.net/people-profile.php</a>  On this website it is possible to search a large number of ethnic groups in Laos.</p>	Country	Specified risk for rights of IPs
Relevant census data	<p><a href="http://www.lsb.gov.la/en/%E0%BA%81%E0%BA%B2%E0%BA%99%E0%BA%AA%E0%BA%B3%E0%BA%AB%E0%BA%BC%E0%BA%A7%E0%BA%94%E0%BB%83%E0%BA%AB%E0%BA%8D%E0%BB%88%E0%BA%81%E0%BA%B2%E0%BA%99%E0%BA%AA%E0%BA%B3%E0%BA%AB%E0%BA">http://www.lsb.gov.la/en/%E0%BA%81%E0%BA%B2%E0%BA%99%E0%BA%AA%E0%BA%B3%E0%BA%AB%E0%BA%BC%E0%BA%A7%E0%BA%94%E0%BB%83%E0%BA%AB%E0%BA%8D%E0%BB%88%E0%BA%81%E0%BA%B2%E0%BA%99%E0%BA%AA%E0%BA%B3%E0%BA%AB%E0%BA</a></p>		

	<p><a href="#">%BC%E0%BA%A7%E0%BA%94%E0%BA%9E%E0%BA%BB%E0%BA%99%E0%BA%A5%E0%BA%B0%E0%BB%80%E0%BA%A1%E0%BA%B7%E0%BA%AD%E0%BA%87%E0%BA%9B%E0%BA%B5%202005/update%20Population%20%202005.pdf</a>  <i>Results from the Population and Housing Census 2005.</i>  “1.9. Ethnic Groups  <b>In the Census, Lao citizens were asked about their ethnicity. The Census identified 49 different ethnic groups.</b> The distribution of population with respect to ethnicity is given in table 1.6. Table 1.6 shows that almost 55 percent were Lao, 11 percent Khmou and 8 percent Hmong. In most provinces a few ethnic groups make most of the population – Lao in Vientiane Capital, Vientiane Province, Xayaboury, Khammuane, Savannakhet, Saravane and Champasack, Akha, Khmou and Singsily in Phongsaly, Akha and Khmou in Luangnamtha, Khmou in Oudomxay, Khmou, Lue, Lao, Hmong and Lamed in Bokeo, Khmou, Lao and Hmong in Luangprabang, Tai, Lao and Hmong in Huaphanh, Lao and Hmong in Xiengkhuang, Tai and Lao in Borikhamxay, Katu, Triang and Harak in Sekong, Lao, Oy and Brao in Attapeu and Hmong, Lao and Khmou in Xaysomboon SR. (p. 8) [...]”</p> <p><b>Table 1.6 Population, Distribution by Sex and Ethnic Group Lao Population and Housing Census 2005”</b> (p. 15)</p> <p><a href="http://www.lsb.gov.la/en/reportCensus.php">http://www.lsb.gov.la/en/reportCensus.php</a>  No report available on 2015 population census.</p> <p><a href="https://www.ifad.org/documents/10180/ad1dbf3c-fa88-477c-901e-1116b221b53d">https://www.ifad.org/documents/10180/ad1dbf3c-fa88-477c-901e-1116b221b53d</a>  <i>Country Technical Note on Indigenous Peoples’ Issues - Lao People’s Democratic Republic, IFAD – 2012</i>  “The <b>2005 census identified 49 ethnic groups with at least 240 subgroups.</b> The Ministry of Information and Culture of Laos currently promotes the use of an ethno-linguistic classification system to distinguish among various ethnic groups in the country. The major ethno-linguistic groups in Lao are as follows: Lao Tai, Mon-Khmer, Chinese Tibetan and Hmong Mien.”</p>	Country	Presence of ethnic groups (no indication of risk)
<ul style="list-style-type: none"> <li>- Evidence of participation in decision making;</li> <li>- Evidence of IPs refusing to participate (e.g. on the basis of an unfair process, etc.);</li> </ul>	See sources above.	Country	-
National/regional records of claims on lands, negotiations in progress or concluded etc.	<p><a href="https://landportal.info/library/resources/systematic-land-registration-rural-areas-lao-pdr-concept-document-countrywide">https://landportal.info/library/resources/systematic-land-registration-rural-areas-lao-pdr-concept-document-countrywide</a>  <i>Systematic Land Registration in Rural Areas of Lao PDR - Concept Document for countrywide application – September 2015</i>  <b>“In principle, all land in the Lao People’s Democratic Republic (Lao PDR) belongs to the National Community, although citizens and legal entities have</b></p>		

	<p>the right to receive permanent land use rights. These land use rights are certified in the form of land titles, which currently can be issued to individuals (persons, couples, joint ownership or legal entities), collectives and state land. The mandate to survey and adjudicate land parcels and to issue the land titles rests with the Department of Land Administration (DoLA) under the Ministry of Natural Resources and Environment (MoNRE) and their decentralized offices at Provincial (PONRE) and District level (DONRE).</p> <p>Land reform in Lao PDR is currently in a phase of review and renewal. A draft National Land Policy has been prepared and could be endorsed during 2015, pending some constitutional amendments. Based on the outcome of the discussions surrounding the new land policy, a revised Land Law and a revised Forest Law will be finalised. The 7th National Socio-Economic Development Plan (NSEDPP) 2010-2015 states a target of a total of 1 million land titles to be issued by 2015. Systematic land registration and titling in Lao PDR started in 2001 with first pilot activities and has reached a total of 806,000 land titles (November 2014). Land titles are issued under systematic and sporadic registration schemes. The vast majority of the land titles have been issued in urban and peri-urban areas, while rural areas have only been reached in the case of donor-funded project support.</p> <p>Yet, 85% of the Lao population lives in the rural areas and derives its main income from crop production, livestock and the use of natural resources. Access to sufficient and sustainably usable land is a crucial requirement for food security and livelihood improvement for the rural population. It is specifically in the rural areas that large tracts of land have been allocated over the last two decades as land concessions e.g. for rubber, sugarcane or pulpwood production. Mining concessions and large hydropower schemes form an important pillar of the national economy and cover important stretches of land in rural areas of Lao PDR. The absence of approved zoning and land use planning, the unregulated access to land resources and the lack of legal tenure security are major causes of poverty and conflict and hamper economic development in Lao PDR. The Government of Lao PDR has identified this as a central problem. The imminent approval of the National Land Policy and the revision of the Land Law are seen as important steps towards an approach of “accelerated land titling” which is now proposed by the Government. [...] (p. 1)</p> <p>Article 17 of the Constitution states: “The State protects the property rights (such as the rights of possession, use, usufruct and disposition) and the inheritance rights of organisations and individuals. Land is a national heritage, and the State ensures the rights to use, transfer and inherit it in accordance with the laws”. In the Land Law (2003) in Article 3 on Land Ownership the central role of Government in land administration is highlighted: “Land of the Lao PDR is under the ownership of the national community as prescribed in the Constitution in which the State is charged with the centralized and uniform</p>	Country	Specified risk for land rights of IPs
		Country	Specified risk for land rights of IPs



	<p>management [of land] throughout the country and with the allocation [of land] to individuals, families and economic organisations for use, lease or concession, ...." In Article 5 of the Land Law the specific rights of land holders are listed: "The State protects the legal interests of the holder of land use rights by allowing effective, peaceful, regular and long term use of land and by ensuring the [person's] protection right, use right, usufruct right, transfer right and inheritance right".</p> <p>According to the new Ministerial Directive on Land Registration and Titling (No. 6036, 2014) land titles can be issued to individuals, juridical entities, collectives, communities and state organizations. Land registration in general is considered as an attestation of the legal rights of individuals or organizations to use the land and the Directive differentiates between systematic and sporadic registration. In terms of individuals or juridical entities five rights with regards to the use of land are defined, namely: the right to protect the land, the land utilization right, the right to benefit from the land (usufruct), the right to transfer the land use right and the land inheritance right. The Ministerial Directive also defines and recognizes customary rights to use land which have been integrated into the draft revised Land Law: "the right of a community as a whole to use the land, which the community has managed, protected, developed and made use in a peaceful and continuous manner for a long time". However, the land that is being occupied and used must not be located in reserves and protected areas of the State. Accordingly, the Directive makes reference to a total of 4 different title documents to be used: land titles for individuals and juridical entities, collectives, communities and the State. [...]Once the National Land Policy has been officially approved, one of the major challenges for the land sector in Lao PDR will be to revise and adapt the Land Law without further delays. After the Land Law is approved, the Implementation Decree to the Land Law will have to be adapted accordingly. Another requirement in order to complete the legal framework will be to draft a complete guideline on the registration of communal and state land parcels, based on the revised Land Law, the Implementation Decree and this concept document." (p. 6-7)</p> <p><a href="http://www.ilo.org/wcmsp5/groups/public/---dgreports/---gender/documents/publication/wcms_438853.pdf">http://www.ilo.org/wcmsp5/groups/public/---dgreports/---gender/documents/publication/wcms_438853.pdf</a></p> <p><i>Indigenous Peoples in the World of Work in Asia and the Pacific - A Status Report – ILO, 2015</i></p> <p>"[...] extensive legislation was drafted in 2013 on matters of natural resources and access to and control over land and forests. The draft National Land Policy is believed to provide direction for a revision of the existing land and forest laws. Although the revisions under discussion will not give specific rights to indigenous peoples, they will nevertheless strongly affect them. The National Land Policy includes recommendations relating to: the right of villages to</p>	Country	Specified risk for land rights of IPs
		Country	Specified risk for land rights of IPs
		Country	

	<p>refuse land concessions based on internal decisions; the full recognition of communal land and communal titling; and customary recognition of land tenure rights.<sup>10</sup></p> <p><a href="http://mrlg.org/resources/progress-on-the-draft-national-land-policy-for-laos/">http://mrlg.org/resources/progress-on-the-draft-national-land-policy-for-laos/</a>  <i>Progress on the draft National Land Policy for Laos - August 2016</i>      “On Tuesday August 23rd the Ministry of Natural Resources and Environment (MONRE) invited around 140 participants for a presentation of the revised draft of the National Land Policy (NLP). [...] The draft NLP saw significant progress in recent weeks, with comments from previous recommendations by development partners and civil society, particularly GIZ, FAO and LIWG taken up in the recent draft. Some open questions remained and were again raised to the Secretariat for the National Review Committee of the National Land Policy. [The Mekong Regional Land Governance project, LV] MRLG supported the consolidation of comments of the development community and provided the following key recommendations to the drafting Committee:</p> <p>    <b>Recognition of Customary Tenure</b> – The present draft does not allow the recognition and protection of customary land rights in state reserved or conservation areas. [...]</p> <p>    <b>Communal Land</b> – In the present draft communal land is categorised as state land. We recommend to not categorise communal land as state land but make it a separate land use right category.</p> <p>    <b>Turning Land Into Capital</b> – The Turning Land Into Capital policy in the current draft states that the state may turn state land into capital. If communal land remains categorised as State land it must be exempted from the Turning Land Into Capital policy to ensure land tenure security of communities. [...]</p> <p>    <b>Land Requisition by the State</b> – In its current form the NLP suggests that expropriation may be possible for private/business purposes. [...]</p> <p>Once the National Land Policy has been approved, the Government of Laos will continue with the revision of the Land Law of 2003 to reflect changes in the National Land Policy to provide more regulation for its implementation.”</p>	Country	Specified risk for land rights of IPs
Cases of IP and TP conflicts (historic or ongoing). ) Data about land use conflicts, and disputes (historical / outstanding grievances and legal disputes)	See sources above.	Country	-
Social Responsibility Contracts ( <i>Cahier des Charges</i> ) established according to FPIC (Free Prior Informed Consent) principles where available	Not applicable.		
Google the terms '[country]' and one of following terms 'indigenous peoples organizations', 'traditional peoples organizations', 'land registration office', 'land office', 'indigenous peoples', 'traditional peoples', '[name of IPs]', 'indigenous peoples+conflict', 'indigenous peoples+land rights'	<p><a href="http://www.ilo.org/wcmsp5/groups/public/---dgreports/---gender/documents/publication/wcms_438853.pdf">http://www.ilo.org/wcmsp5/groups/public/---dgreports/---gender/documents/publication/wcms_438853.pdf</a>  <i>Indigenous Peoples in the World of Work in Asia and the Pacific - A Status Report – ILO, 2015</i>      “Lao People’s Democratic Republic</p>		

<p>The Lao People’s Democratic Republic is home to numerous ethnic groups that, over the course of generations, have maintained separate cultures and languages because of the limited contact between them.<sup>1</sup> The <b>2005 census identified 49 ethnic groups with at least 240 subgroups in the country</b>. An ethno-linguistic classification is used by the country’s Ministry of Information and Culture to distinguish various groups, according to which the major ethno-linguistic groups include the Lao-Tai, Mon-Khmer, Chinese-Tibetan and Hmong-Mien. Among these, <b>the Lao-Tai dominate the country politically, economically and culturally, and predominantly inhabit the river plains along the Mekong river</b>. The majority of the <b>other ethnic groups are spread across the mountain territory that covers about 79 per cent of the country and would be considered to be indigenous peoples</b>, as customarily defined by international organizations.<sup>2</sup></p> <p>While about one third of the population of the Lao People’s Democratic Republic could be considered to be indigenous, with pockets in the country where their numbers exceed that of the Lao, the concept of “indigenous peoples” is not officially recognized. While official policies consider all ethnic groups on the same footing, the indigenous peoples are considered to be unequivocally the most vulnerable group, constituting 93 per cent of the country’s poor.<sup>3</sup> It has been stressed that <b>poverty is concentrated among ethnic minority groups in the country, largely stemming from unequal access to resources</b>.<sup>4</sup></p> <p>It has further been observed that <b>policies and programmes in the Lao People’s Democratic Republic, in particular in the areas of education, forest land and resettlement, have sought to homogenize different ethnic groups</b> by associating progress with such attributes as the ability to speak the Lao language, farming paddy rice on irrigated fields and living in sedentary villages with institutions following models from lowland areas of the country.<sup>5</sup></p> <p>Indigenous livelihood practices, in particular <b>shifting cultivation, have been viewed as causing deforestation and erosion, due to which the government has followed a policy of resettling highland people to the lowlands</b>.<sup>6</sup> The indigenous peoples of the Lao People’s Democratic Republic have thus been facing territorial, economic, cultural and political pressures, while at the same time experiencing severe hardships with regard to their livelihood. At the same time, there is <b>no specific legislation or policy designed to address the issues of the country’s indigenous peoples</b>. Use of the term “indigenous peoples”, in either the Lao or the English language, is not allowed in published documents.<sup>7</sup></p> <p>Constitutional and legislative provisions  <b>The 1991 Constitution of the Lao People’s Democratic Republic does not specifically recognize indigenous peoples</b>. The Constitution defined the Lao People’s Democratic Republic as <b>a multi-ethnic State</b>, however, and <b>Article 8 provides for equality among all ethnic groups; prohibits all acts creating division</b></p>	Country	Presence of ethnic groups (no indication of risk)
	Country	Presence of IPs (no indication of risk)
	Country	Specified risk for rights of IPs
	Country	Specified risk for rights of IPs
Country	Specified risk for rights of IPs	

	<p>and discrimination among ethnic groups; and guarantees the right to protect, preserve and promote their customs and cultures. Article 8 also obliges the State to implement every measure necessary for the gradual development and socioeconomic upgrading of all ethnic groups. While ethnic minorities or indigenous peoples are not identified in the Constitution, the country's multi-ethnic nature is repeatedly acknowledged in numerous articles. Thus, Article 1 states that the Lao People's Democratic Republic is a unified country belonging to all multi-ethnic people; Article 2 reads, "All powers belong to the people, by the people and for the interests of the multi-ethnic people of all social strata with the workers, farmers and intelligentsia as key components"; and Article 3 guarantees the rights of the multi-ethnic people to be the masters of the country.<sup>8</sup></p> <p>There are no specific laws for the ethnic minorities or indigenous peoples of the Lao People's Democratic Republic. [...] In 1992, the Party Central Committee issued a resolution on ethnic affairs in what is termed the country's "New Era". It evaluated the 1981 policy and noted that the problems of ethnic groups had not been given sufficient attention. The resolution set out principles for the broader social and economic development of ethnic groups, particularly with regard to livelihood, education, training of civil servants, political awareness, research and coordination among different government agencies. A key policy integral to this process was directed at halting the practice of shifting cultivation and permanently settling the affected communities.<sup>9</sup> Furthermore, extensive legislation was drafted in 2013 on matters of natural resources and access to and control over land and forests. The draft National Land Policy is believed to provide direction for a revision of the existing land and forest laws. Although the revisions under discussion will not give specific rights to indigenous peoples, they will nevertheless strongly affect them. The National Land Policy includes recommendations relating to: the right of villages to refuse land concessions based on internal decisions; the full recognition of communal land and communal titling; and customary recognition of land tenure rights.<sup>10</sup> [...]</p> <p>Challenges</p> <p>The indigenous peoples have received scant attention from those shaping and administering the country's policy and legal frameworks. They remain among the poorest and most marginalized sections of society. Moreover, unresolved problems relating to the lack of employment, resettlement and the furthering of productivity serve to maintain the country's different ethnic groups in their vulnerable situation. The loss of traditional lands among indigenous peoples, particularly due to the government's policy of resettlement, designed to curb swidden agriculture, has had a profound impact on their livelihoods.<sup>21</sup> Many have been encouraged to move from the highlands and settle in the lowlands or their peripheries. While resettlement is perceived as a strategy that would secure livelihoods, the above-cited report on employment and livelihoods<sup>22</sup></p>	Country	Specified risk for rights of IPs
	<p>Country</p>	Country	Low risk for rights of IPs
	<p>Country</p>	Country	Specified risk for rights of IPs

	<p>issued by the Ministry of Planning and Investment and UNDP specifically points out that relocation disempowers rural people, as they are moved into unfamiliar working and living environments. In particular, it is noted that relocation entails problems such as shifts in livelihood activity, increased deforestation and the transition from a subsistence to a market economy, all of which can have a strong impact on labour and time allocation patterns. The full impact on livelihoods caused by relocation has yet to be properly addressed, in terms both of protecting traditional lands and the livelihoods associated with those lands, and of generating livelihoods for relocated populations. Reduced access to land and natural resources has had a severe impact on the livelihoods of indigenous communities in the Lao People's Democratic Republic. In addition to the government's policy to limit shifting agriculture, their access to land and resources is also increasingly affected by the granting of land concessions for hydropower, mining, forestry and plantations. This process is playing an important role in the involuntary resettlement of people affected by such projects. The consequent loss of livelihoods among the ethnic minorities in the upland areas is particularly severe, as they have fewer opportunities to adapt to the demands of the modern market economy.<sup>23</sup> In the broader context of land, livelihoods and resettlement, mechanisms of consultation and participation are of particular importance, but have not yet received commensurate attention from the country's authorities. Access to forests is crucial for the livelihoods of many indigenous peoples, especially in upland areas. The over-exploitation of forests, however, together with their gradual degradation, is creating severe threats for the livelihoods of many.<sup>24</sup> This also has a pronounced effect in the form of the loss of resources to development projects and environmental conservation. Non-timber forest products, which many ethnic groups rely on for cash incomes, have also received limited attention, while mechanisms for sustainable production, processing and marketing remain weak.<sup>25</sup> In this context, participation in the management of forests and the development of mechanisms for their sustainable use pose a crucial challenge. (p 67-75)</p> <p><a href="http://unpo.org/article/18798">http://unpo.org/article/18798</a>  UPDATE: ALARMING DEVELOPMENTS FOR HMONG COMMUNITY IN LAOS – 15 December 2015  According to our sources in the Xaysomboun region in Laos, the Hmong community is currently facing a new threat: the Laotian and Vietnamese armies. Sources on the ground reported on 13 December 2015 that the ongoing military siege aimed at "wiping out the Hmong in the region" has left the surrounded community without access to food or water. Acts of aggression have included a wave of arbitrary arrests and detention of villagers, forcing many to flee into the nearby forests."</p>	Country	Specified risk for rights of IPs
		Country	Specified risk for participation in decision-making
		Country	Specified risk for rights of IPs
		Country	Specified risk for rights of Hmong people

Additional general sources for 2.3	Additional specific sources	scale of risk assessment	risk indication
From national CW RA	Not available	Country	-
<p><b>Conclusion on Indicator 2.3:</b></p> <ul style="list-style-type: none"> <li>The 2005 census of Laos identified 49 ethnic groups with at least 240 subgroups in the country. An ethno-linguistic classification is used by the country's Ministry of Information and Culture to distinguish various groups, according to which the major ethno-linguistic groups include the Lao-Tai, Mon-Khmer, Chinese-Tibetan and Hmong-Mien. The ethnic Lao, comprising around a third of the population, dominate the country economically and culturally. There are, however, pockets where the number of ethnic groups exceeds that of the Lao and where their culture is prominent. Another third of the country consists of members of other Tai language-speaking groups. The remaining third have first languages belonging to the Mon-Khmer, Sino-Tibetan and Hmong-lu Mien families. The majority of the other, non-Lao, ethnic groups are spread across the mountain territory that covers about 79 per cent of the country and would be considered to be indigenous peoples.</li> <li>The 1991 Constitution of the Lao People's Democratic Republic does not specifically recognize indigenous peoples, there is no specific legislation or policy designed to address the issues of the country's indigenous peoples and the use of the term "indigenous peoples", in either the Lao or the English language, is not allowed in published documents. The Constitution defined the Lao People's Democratic Republic as a multi-ethnic State, however, and Article 8 provides for equality among all ethnic groups; prohibits all acts creating division and discrimination among ethnic groups; and guarantees the right to protect, preserve and promote their customs and cultures. Lao law is relatively strong on paper when it comes to human rights. Article 17 of the Constitution, for instance, states that 'land is national heritage' and that the State must 'ensure rights to use, transfer and inherit [land]'. Article 27 notes that the State must 'protect rights and fair benefit of workers'. Decree 192 describes compensation principles that the State should abide by (Article 6). In the Land Law (2003) in Article 3 on Land Ownership the central role of Government in land administration is highlighted: "Land of the Lao PDR is under the ownership of the national community as prescribed in the Constitution in which the State is charged with the centralized and uniform management [of land] throughout the country and with the allocation [of land] to individuals, families and economic organisations for use, lease or concession, ..." According to the new Ministerial Directive on Land Registration and Titling (No. 6036, 2014) land titles can be issued to individuals, juridical entities, collectives, communities and state organizations. The Ministerial Directive also defines and recognizes customary rights to use land which have been integrated into the draft revised Land Law: "the right of a community as a whole to use the land, which the community has managed, protected, developed and made use in a peaceful and continuous manner for a long time". However, the land that is being occupied and used must not be located in reserves and protected areas of the State. The government of Laos did not ratify ILO Convention 169 but voted in favour of the adoption of the UN Declaration on the Rights of Indigenous Peoples, even though it does not recognise any indigenous peoples in Laos.</li> <li>It is widely reported that the Constitution is not being put into practice by government authorities as in reality, laws are often ignored and legal enforcement is weak. There is significant evidence of violations of legal and customary rights of IPs. The vast majority of the land titles have been issued in urban and peri-urban areas, while rural areas have only been reached in the case of donor-funded project support. A major issue faced by indigenous peoples in the country is the allocation of their customary lands to companies for industrial exploitation. The allocation of land often takes place through land-grabbing practices that force indigenous communities to relocate against their will. Many rural people experience negative effects of this land grab, such as loss of agriculture, grazing and resource rich</li> </ul>		Country	Specified risk

<p>forest lands with no compensation, contaminated rivers and streams, and very little benefit to rural communities. Indigenous women, by virtue of their gender and ethnicity, bear particular impacts and increased vulnerability from the consequent loss of traditional livelihoods, displacement, conflict and increasing poverty. A positive development is the drafting of the first National Land Policy in consultation with national and international stakeholders, which could potentially strengthen the protection of customary land tenure rights of ethnic communities through full recognition of communal land and communal titling. However, this National Land Policy still needs to be officially approved, after which the Land Law needs to be adapted and revised. After the Land Law is approved, the Implementation Decree to the Land Law will have to be adapted accordingly and another requirement in order to complete the legal framework will be to draft a complete guideline on the registration of communal and state land parcels. Some interesting projects produced a draft Guidelines for Registration and Communal Land Titling of Village Use Forests in Production Forest Areas (PFA) and piloted inventories of customary land use through Participatory Land Use Planning (PLUP) inside PFAs in Northern Laos.</p> <ul style="list-style-type: none"> <li>• There are conflicts of substantial magnitude<sup>3</sup> pertaining to the rights of Indigenous Peoples; Besides many forced relocations of indigenous communities, it is reported that Vietnam corporations have come into specific areas harvesting trees with assistance of military forces not respecting the basic rights of the Laos people. Ethnic and religious minorities were often detained without valid legal justifications. Charges of threats to national security were largely used to arrest members of minority communities, in particular Hmong individuals who are subject to racial discrimination and negative stereotypes which lead to them disproportionately experience forced repatriation and targeted violence - many have fled Laos' repressive policies. A direct link has been reported between illegal timber cutting conducted by both Vietnamese and Laotian military-owned companies and the persecution of Hmong hiding in jungles.</li> <li>• There are recognized laws and/or regulations and/or processes in place to resolve conflicts of substantial magnitude pertaining to TP or IP rights and/or communities with traditional rights, but these are not recognized by affected stakeholders as being fair and equitable; Article 41 of the constitution states the 'right to lodge complaints and petitions' of citizens. But justice is difficult to achieve for communities given the powerful interests of influential individuals behind the land deals. Local authorities lack commitment to provide remedy to communities. Villagers lack knowledge on existing grievance mechanisms and how to activate or access them and face challenges in accessing justice, such as their remoteness and language obstacles. CSO movements are highly controlled and restricted, while organizations openly focused on indigenous peoples or using related terms in the Lao language are not allowed. Concerns have been raised that allegations of acts of violence against Hmong people are not properly and impartially investigated. A positive recently recorded development is the establishment of Provincial Assembly (PA) branches which will allow indigenous and local communities to raise their concerns, grievances and seek access to justice, but its effective implementation is yet to be proven.</li> </ul>		
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<sup>3</sup> For the purpose of the Indicator 2.3, a conflict of substantial magnitude is a conflict which involves one or more of the following:

- a) Gross violation of the legal or customary rights of indigenous or traditional peoples;
- b) Significant negative impact that is irreversible or that cannot be mitigated;
- c) A significant number of instances of physical violence against indigenous or traditional peoples;
- d) A significant number of instances of destruction of property;
- e) Presence of military bodies;
- f) Systematic acts of intimidation against indigenous or traditional peoples.

Guidance:

In the identification of conflicts of substantial magnitude one must also be aware of possible parallel activities of other sectors than the forest sector that also impact the rights of indigenous/traditional peoples and that there can be a cumulative impact. This cumulative impact can lead to a 'gross violation of indigenous peoples' rights' or 'irreversible consequences' but the extent of the contribution of forest management operations needs to be assessed. The substance and magnitude of conflicts shall be determined through NRA development process according to national/regional conditions. NRA shall provide definition of such conflicts.



<p><b>The following specified risk thresholds apply, based on the evidence:</b></p> <p>(23) The presence of IP and/or TP is confirmed or likely within the area. The applicable legislation for the area under assessment contradicts indicator requirement(s) (refer to 2.2.6); AND</p> <p>(24) Substantial evidence of widespread violation of IP/TP rights exists; AND</p> <p>(26) There is evidence of conflict(s) of substantial magnitude pertaining to the rights of IP and/or TP. Laws and regulations and/or other legally established processes do not exist that serve to resolve conflicts in the area concerned, or, such processes exist but are not recognized by affected stakeholders as being fair and equitable. Note under threshold No 20 applies.</p>		
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## Controlled wood category 3: Wood from forests in which high conservation values are threatened by management activities

### Overview

#### Lexicon

Department of Forests	DOF
Department of Forest Resource Management	DFRM
Forest Management and Conservation Program	FOMACOP
National Agriculture and Forestry Research Institute	NAFRI
National Protected Areas	NPA
Non timber forest products	NTFP
Protection Forests	PF
Production Forest Areas	PFA
Provincial Agriculture and Forestry Office	PAFO
Participatory Sustainable Forest Management	PSFM
Rare Threatened Endangered	RTE

#### General information on forest types and forestry in Laos

The total land area of Laos is 236,800 km<sup>2</sup> of which approximately 80% is mountainous or upland (1; 2; 3) while the alluvial plains and terraces of the Mekong and its tributaries covers the remaining 20% (4). The country is divided into four eco-regions: 1) Annamite Range Moist Forests, 2) Indochina Dry Forests 3) Mekong River, 4) Northern Indochina Subtropical Moist Forests (5). Tong (2009) identifies nine distinct forest types (6): Dry evergreen and Subtropical montane forest in the northern area; Tropical montane evergreen forest along highland areas of the Annamite Mountains and Bolovens Plateau; Lowland semi-evergreen dipterocarp forest at the Mekong River Plain; Tropical montane deciduous forest scattered in the Northern area; Dry dipterocarp and mixed deciduous forests in the southern area; Limestone forest and pine forest in the Annamite Mountains.

Despite a high rate of forest loss, Laos remains one of Asia's countries with the highest proportion of forest area (1). Forest cover in Laos has decreased from 70% in 1940 to approximately 40% in 2010 (1; 6; 7). It should be noted, however, that Laos' *Forestry Strategy 2020* (8) aims to bring forest cover back to the historic levels of 70% by 2020. Besides changes in current forest cover, forest quality has also deteriorated and continues to deteriorate according to SUFORD's study on forest degradation (Makkonen M., personal communication, June 13, 2016). According to DoF (2005), dense forest (>70% canopy cover) area decreased from 29.1% in 1992 to 8.3% in 2005 and open forest (<40% canopy cover) increased from 16.3% to 28.9% of the total forest area in the same period (1; 6). Best available data on the changes in growing stock in the forest indicate that the mean growing stock has declined at a rate of 2-3% per year between 1990 and 2010 (9). Over the past decades, forest fragmentation has also increased with small forest compartments (less than 10 ha) rising from

0.9% to 6.7% of the total forest area between 1992 and 2005 and large forest compartments (larger than 1,000 ha) decreased in proportion from 88% to 54% (6).

Forestry generates income one way or another for the majority of the population in the Lao society (3). In 2000, forestry accounted for about 6% of the GDP (3). All natural forestlands belong to the national community and are managed by the state (1; 10). The Forestry Strategy 2020 adopted in 2005 is the key policy guiding the forestry sector in Laos while the main legal framework for conservation, protection, commercial exploitation, and use of forest resources is the 2007 Forestry Law (11). Resource access by individuals and organizations is controlled through land-use rights (10). There are, however, currently two communal titling pilot projects. In Sangthong district, Vientiane province, villages received temporary land use certificates in 2011 as part of a bamboo value chain project. In Nakai district, Khammuane province, villages resettled because of hydropower projects received permanent titles to forestland (1).

At the time this document is prepared, the forest governance structure can be summarized as follow: 1) The former National Land Management Authority (NLMA) had the responsibility for land use planning and allocation. Since the Ministry of Natural Resources and Environment (MoNRE) was established in 2011, NLMA had been restructured as one department of MoNRE, which is called “Department of Land Management”. This department works with the different sectors and ministries (especially the Ministry of Agriculture and Forestry) for land use planning and allocation of land; 2) The management of the production forest areas and un-categorized forests (forests outside of the three forest categories) are under the responsibility of the Department of Forestry (DOF) of the Ministry of Agriculture and Forestry (MAF); 3) Forest enforcement responsibility in all forest categories is under the responsibility of the Department of Forest Inspection (DOFI) within MAF; 4) The Department of Forest Resource Management (DFRM) of the Ministry of Natural Resources and Environment (MONRE) has management responsibility of NPAs and PFs; and 5) the wood processing industry including traceability outside the forest area is under the responsibility of Industry and Commerce (MOIC). The DOFI, DOF and DFRM have line agencies that focus on provincial and district level forest issues (1).

The Forestry law (11) defines three categories of forests (conservation, protection and production) and in practice there are also un-categorized forests that are currently under the management of Department of Forestry, Ministry of Agriculture and Forestry. These are defined as follows:

Conservation forest: Conservation forests are forests classified for the purpose of conserving nature, preserving plant and animal species, forest ecosystems and other valuable sites of natural, historical, cultural, tourism, environmental, educational and scientific research experiments. Conservation Forest consists of National Conservation Forest areas and Conservation Forest areas at the Provincial, District and Village levels which are described in the regulation. They are divided into total protection zones, controlled use zones, corridor zones and buffer zones (11).

Protection Forests (PF): Are designed to preserve water resources, prevent soil erosion and maintain soil quality, safeguard strategic areas for national defense, to prevent natural disasters (including fire) and to protect the natural environment and so on. Protection Forest areas are divided into total protection zones and controlled use zones (11).

Production Forests (PFA): Natural and planted forests classified as areas for production of forest products to satisfy the requirements of national socio-economic development and people’s living (11).

Un-categorized forests: Mostly patchy, degraded forests which have been heavily impacted by shifting cultivations. However there remain a few well stocked stands in some of them and those are likely to be included in PFAs in the next few years as forest classification boundaries will be adjusted.

It should be noted that the limits of PF, NPA and un-categorized forests are not well marked on the ground. Neither the local population nor forest authorities are aware of where one forest class begins and the other ends (Dr. Thoumthone Vongvissouk, personal communication, July 25, 2016).

The most recent available data indicates that there are 51 Production Forest Areas (PFA) in Laos covering an estimated 3.09 million ha (1; 12). Plantations are for the most part established in un-categorized forests but can be found in areas of PFAs which have been degraded in the past or where delineation of boundaries is not clear (Bonita M., personal communication, June 30, 2016). Plantations represent only a small portion of the land (0.5%) and are composed mostly of young rubber (about 0.5 million ha dedicated to rubber since 2010) and eucalyptus, teak and acacia (only around 50,000 ha) (1; Bonita M., personal communication, February 3, 2016).

Non-overlapping conservation forests and protection forests are identified by National, Provincial, District and village jurisdictions. In addition, two wetlands have been recognized as Ramsar sites while the Nam Ha National Protected Area has been recognized as an ASEAN Natural Heritage Park. The Hin Nam Nor protected area (NPA) is candidate at the UNESCO for consideration as a World Heritage Site. When considering all forms of protection areas, we find approximately 13 million hectares or 50% of the country's total land area is under some form of protection (1; Bonita M., personal communication, May 18, 2016). The bulk of protection areas are at the National level (11.3 million ha) while the provincial and district protection areas accounts for 2.55 million ha (1). There is no data on the areas covered by village-designated conservation and protection forests. These areas cover a wide range of forest ecosystems and consequently are thought to protect HCV's. While the area protected at all three levels of jurisdiction is significant, NPAs are currently in the lowest of the IUCN category (Category VI) and are in fact multiple use areas (3). Provincial, district and village Protected Areas have no national legal status and there is no central compilation of their condition. A World Bank project is under way, with the objective of supporting Laos in the compilation of available data and setting standard procedures for NPA management.

A logging ban in all PFAs is in place since 2010 and logging is also not allowed in protected areas, in protection forests and un-categorized forests. There is no legal wood coming from these areas since the early 2010's. Theoretically, wood may be harvested legally from plantations; however, some plantations are illegally established in PFAs and other forest classes under the pretext that the boundaries are not clear, therefore, there is a specified risk of illegality with plantation wood (Smirnov, email communication, July 12, 2016).

While salvage logging in infrastructure areas - new hydropower projects, roads, and highways have been authorized in some areas, those salvage loggings are non-sustainable conversions of forests to non-forest uses. Furthermore, illegal 'salvage' logging has occurred in all categories of forests for infrastructure projects that were never realized, and many legitimate salvage permits have been used to illegally harvest beyond the salvage area (Smirnov, 2015).

The Government of Laos lacks reliable information on issued logging licenses (quotas), the officially registered volume of timber harvested, and exports of wooden products (13). In 2013 the official export value was only 8% of the total value of Lao timber imported as reported by destination countries (China and

Vietnam). According to the data from those importing countries, the export value of Lao wood products has been growing exponentially from the end of 2000s. From 2009 to 2014 it increased more than 8 times (by 70% between 2013 and 2014) and reached US\$1.7 billion (13). This shows the logging ban in effect since 2010 is not respected. In a report on the scope of illegal logging in Laos commissioned by WWF, Smirnov (2015) reports "... the timing of these huge volumes of undocumented timber to be following a dramatic increase in Chinese and Vietnamese investments in mining, agriculture, forestry and hydropower in Laos". According to Smirnov (2015), the use of permits for harvesting "conversion" timber during realization of development projects de-facto became a way to legitimate large-scale high grading in all types of forests (including conservation and protection forests).

"The situation with timber harvesting in Laos is evolving under a worst-case scenario exactly opposite to what was envisaged by Forest Strategy to the Year 2020 of Laos (endorsed by Decree No. 229/PM on 9 of August 2005): transition to sourcing timber from plantations and production forests on the basis of scientifically estimated annual allowable cut, processing of almost all harvested timber at Lao factories to final and semi-final products. Contrary to the government's good intentions developments under the actual scenario will undoubtedly lead to the sheer depletion of commercial timber stocks in its natural forests - on the same path that Thailand, Vietnam and Cambodia have already taken." (13). A June 14 2016 article in the Vientiane Times says "Minister of Agriculture and Forestry Dr Lien Thikeyo has described forestry management in Laos over the past 10 years as a failure, further deteriorating the country's forestry resources." (19). Several similar public statements on the severity and scope of illegal logging in Laos have been made by government officials at the highest level in June 2016.

In this context of widespread illegality in the wood sector, the authors find that there is no acceptable source of wood coming from Laos. With no acceptable material source of wood coming out of Laos, formally there is no need to further assess the risk to HCVs. Nevertheless, this assessment does identify occurrences, risks and mitigation measures in case acceptable sources do come in line in the future. The DOF, supported by the project SUFORD-SU, is developing participatory sustainable forest management (PSFM) plans for PFAs. Once those are adopted, it can be expected that it will become a source of legal wood. PSFM incorporates the concept of HCVs, and includes measures to protect and monitor them. It is expected that wood coming out of PSFM areas will be low risk for HCV.

Furthermore, the forest sector is being reorganized at the moment of writing this report. The Department of Forest Resource Management is to be moved back from the Ministry of Environment and Natural Resources (MONRE) to the Ministry of Agriculture and Forestry (MAF). This puts the management of the entire forest estate in Laos back to one ministry. MAF may also reorganize the responsibilities between DOF, the Department of Forest Inspection (DOFI) and DFRM. Last but not least, the new Prime Minister had put a temporary halt to all timber transports and exports in July 2016, with the aim to put into place a more rigorous system for controlling the timber trade. These developments may result in better governance in the forest sector which could change the game.

## **Overview of threats to HCVs in Laos**

Because threats to HCVs, such as logging and deforestation, are relatively uniform country-wide and are relevant for multiple categories of HCVs, they are described in detail once in this section, and only referred to succinctly further below in the HCV categories where they are relevant.

## Logging:

According to Dr. Bonita, the current ban is more of a moratorium than a total ban. It has been lifted on numerous occasions on specific areas: While the SFMPs are not finalized, the governors of provinces authorize logging in PFAs in order to fund economic development in their region (Bonita, personal communication, June 2, 2016). According to M. Phomma Pathoummavong of the DOF, logging authorized by provincial authorities or lower-ranking authorities are considered illegal by the Laos government. To be legal, these forestry operations would have to follow the Dec 24 2007 Forest Act, which simply requires PAFO to do an inventory and identify trees to be harvested (treemarking). In theory, once that is done, logging permits would then be issued by the governors and contracts would be passed with loggers. However, while in Laos, the authors of this risk analysis have found that these basic legal requirements are not respected, and interviews indicate that logging operations usually consist of selective logging which does not follow best practices and in turn threatens HCVs (Smirnov D., personal communication, May 25, 2016). The threat from logging includes fragmentation, through the expansion of the logging road network.

The true scale of illegal logging is unknown but it is widely recognized and acknowledged as an important problem (9; 19). SUFORD conducted a survey of selective logging via remote sensing and ground proofing and found extensive illegal logging in southern PFAs (20). Logging as defined here excludes salvage logging for Infrastructure development but includes logging (selective or other) outside salvage logging boundaries: An unpublished but leaked WWF report (13) explains that permits used to log, transport and sell salvaged wood from areas converted for dams, hydroelectric power lines and agriculture projects are used beyond the boundaries of the salvage operations. This situation has recently been officially recognized by the highest authorities in the country and reported in the media (14). An example given by Dr. Manuel Bonita (personal communication, 2 June 2016) speaks of the Dong Sithouane PFA where FOMACOP piloted a project in the mid-1990s, where the military had been granted permission by the Prime Minister to develop a rice producing area for their families inside the forest for about 50 ha. This permission was used to log beyond the boundaries allocated and only after FOMACOP put pressure on the ministry were the loggers monitored closely to prevent going further out of their allocated 50 ha. Logging outside salvage area boundaries happens in PFA and into Protection Forests and Protected Areas (21; Smirnov D., personal communication, May 25, 2016). Illegal logging within several NPAs has been reported in the past. Since NPAs contain significant resources of timber, the issue of illegal logging and legitimised logging within NPAs is very serious for the integrity of the NPA system (22). NPAs are experiencing a net loss in biodiversity resources as a result of external commercial interest in illegally extracting natural resources to supply distant markets for short-term benefit (23).

Whether legal or illegal, logging as it has been conducted and continues to be conducted in Laos has very significant negative impacts on HCV categories 1 to 6. RTE timber species which would normally require protection or special licenses are being harvested indiscriminately (19), habitat quality diminishes (24; Bonita M., personal communication, June 2, 2016), water quality is impacted because best practices in terms of logging and hauling are not implemented and core forest areas are being fragmented by logging and logging road networks (24).

## Deforestation:

There has been much attention to deforestation and its causes in Laos. Deforestation has been measured by JICA for the 2000 to 2010 period and by SUFORD for 2010-2015 for 41 of the 51 PFAs in the country. SUFORD's study included a 2.5km buffer around each of the PFAs, mostly composed of PFs and NPAs. SUFORD results show deforestation rates of around 0.3%/year, which represents a total of 313 km<sup>2</sup> for those 41 PFAs and their

buffers for that five year period. However this 0.3% is an average, with a PFA like Phou Gney losing 1.55% of its total area to deforestation each year (a total of 43 km<sup>2</sup> in the last 5 years). Other PFA also have high deforestation rates like Namkong (lost 29 km<sup>2</sup> in 5 years) and Phak Beuak (lost 36 km<sup>2</sup> in 5 years) (25). The SUFORD study measured deforestation in a 2.5 km buffer around every PFA. Those buffers mostly are PF and NPA. The results show deforestation in PFs and NPAs, which are reservoirs of HCV, is similar to that of what is found in PFAs. Results also show encroachment for permanent agriculture (in the South and Central parts of Laos) is the driver for 50% of the deforestation. Shifting (slash and burn) cultivation by villagers (in the North) represents 39% and the establishment of plantations (rubber and eucalyptus in the Central and South parts of the country) represents 10% (25). In all regions, deforestation for agriculture happens inside PFA, NPA and PF (21; 25). Around 40% of villages still practice slash and burn agriculture, and some are also involved in pioneer slash and burn activities which destroy natural forest (24). Encroachment for the expanding energy and transport infrastructure in Laos is also responsible for deforestation, although this is not quantified.

Russel et. al (2015) reports that many if not all of commercial tree plantations (Teak, rubber, eucalyptus and acacia) are executed in the form of concessions (26). These concessions are usually fallow land or dry forest land which the government is taking away from villagers. There are huge land conflicts due to plantations, for example surrounding Eucalyptus plantation by one company in Savannakhet. However another company does a much better job, carefully delineating land together with villagers and creating shareholder options. Plantations which are not so well planned can take away up to more than half of the traditional village forest land where people used to graze their cattle. After the plantations occur, people often lose their cattle, which in many case was their main form of savings. Conversion of natural forests to tree plantations may take place on forest land used by RTE species. Plantations are unlikely to be suitable habitat for RTE species. Conversion may also take place on land taken away from communities, which causes conflicts and impacts the economy of the affected villages by decreasing the availability of NTFPs and negatively impacting water quality. All this has a direct impact on villagers' livelihoods. In summary, concessions for tree plantations present the risk of having very negative impacts on the family health and economy of surrounding villages (26). Deforestation indiscriminately affects NPA, PF and PFA and their HCVs.

Deforestation in Laos causes very significant damage to HCV categories 1, 2, 3, 4 and 5. Forest is considered the dominant habitat for approximately 40% of threatened mammals, birds and amphibians (3). Deforestation for land uses such as tree plantations and agriculture reduces core forest areas through fragmentation, destroys habitat for fauna and flora and eliminates individuals from RTE flora species and displaces fauna, reduces water quality and availability and drastically reduces forest services such as erosion control (3).

### **Forest fires:**

The authors did not find reliable statistics on the extent of fires in Laos. Consulted experts report that the number of fires has been increasing and fire is thought to mostly originate from slash and burn activities. While some forest ecosystems in the country (like dry dipterocarps) are fire dependent, an abundance of anthropogenic fires beyond the range of natural occurrence contributes to fragmentation and degradation of HCVs.



## Experts consulted

	Name	Organization	Area of expertise (category/sub-category)
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2.	Markus Kukkonen E-mail: <a href="mailto:markus.kukkonen@gmail.com">markus.kukkonen@gmail.com</a>	GIS consultant, SUFORD	Forest remote sensing, satellite imagery analysis and interpretation
3.	Denis Smirnov E-mail: <a href="mailto:dsmirnov13@yahoo.com">dsmirnov13@yahoo.com</a>	Timber Trade Manager, CarBi Project, WWF-Greater Mekong	Timber legality and trade
4.	Joost Foppes Tel. +8562055508760 E-mail: <a href="mailto:jfoppes@gmail.com">jfoppes@gmail.com</a>	IP Consult, Teamleader IP consultant team to the GIZ Project on Integrated Management and Sustainable Use of Natural Resources around the Hin Nam No National Protected Area	Protected Area Management Community-based Forest Management Non-Timber Forest Products
5.	Dr. Thoumthone Vongvisouk E-mail: <a href="mailto:thvongvisouk@gmail.com">thvongvisouk@gmail.com</a>	Faculty of Forestry, National University of Laos	Socioeconomic aspects of forestry in Laos
6.	Phomma Pathoummavong Ministry of Agriculture and Forestry. Vientiane Capital, Laos. P.O.Box : 2932 Mobile: (856) 20 55601729 E-mail: <a href="mailto:p.pathoummavong@yahoo.com">p.pathoummavong@yahoo.com</a>	Acting Head of Forest Certification Focal Point Laos Department of Forestry (DOF)	Forestry in Laos. Forest legislation.

## Risk assessment

Indicator	Sources of Information	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
3.0 Data available are	References in the text.	<b>Availability of data on HCV presence:</b> In Laos, there is no formal assessment of HCV categories 1 to 6 except in previously FSC certified forests (now expired), and in other PFAs not yet covered by the DOF FSC certification program. To complete this	Country	Low risk. Thresholds (1) and (2) are met: Data

<p>sufficient for:  a) Determination of HCV presence for each HCV, AND  b) The assessment of the threats to HCVs from forest management activities.</p>	<p>assessment, data from the literature was used. Interviews with experts were used to corroborate the information and to obtain recent updates.</p> <p>HCV 1: Wildlife surveys have been conducted in natural forests of Laos (15). Most have been centred on existing or proposed NBCAs now called NPAs (15). Surveys have predominately focussed on the assessment of habitat cover and condition of threatened species of birds and large mammals (15). It is likely that HCV1 occur in most natural forests (15). To our knowledge there is no data on the presence of HCV1 within plantations however due to the small size of plantations and to their anthropogenic nature, they likely do not support HCV1.</p> <p>HCV 2: The project SUFORD-SU conducted a country-wide GIS analysis to identify intact forests in Laos. Allowing a certain level of disturbance and with a threshold of 50,000 ha, the project identified 150,000 ha of relatively intact forest area in the Dong Sithouan PFA in the Savannakhet region in Southern Laos (Bonita M., personal communication, 18 May, 2016). Intactforest.org provides interactive maps which identify intact forests globally, including in Laos (16). The data is from 2013 and so it can be expected that because of the intensity of logging in Laos (13), some of the intact forests identified may no longer qualify as such. Plantations are mostly created in degraded forests and it is unlikely that HCV2 occurs in plantations.</p> <p>HCV3: No formal survey of RTE ecosystems and habitats was found for Laos. However it is generally agreed that Karsts qualify as such (Bonita M., personal communication, June 2, 2016). The Birdlife International website (17) identifies the presence of Karsts in two provinces of Central Laos. Plantations are mostly created in unforested areas or in degraded forests. Consequently, HCV3 should not occur in plantations.</p> <p>HCV 4: Forests designated for water supply and protection against erosion in Laos are called Protection Forests. Those forests are not designated specifically for protection from flooding or as forest fire barriers, but they probably do serve for these purposes as well. The only data available on Protection Forests is their location. There is no data on their specific content, functions or on their effectiveness in the purpose that led to their designation. There exists only data on the access to safe water supply for Lao people including from anthropogenic and natural systems (3). Most rural communities depend solely on natural water sources from neighbouring forests. There is little data that looks at the hydrological functioning of key watersheds and water availability for the country's growing agriculture (3) and no national monitoring program on ecosystem services such as water supply in Laos.</p> <p>There is no data on the presence of HCV4 in plantations but this is unlikely to occur because villagers are protective of the natural resources that they use.</p> <p>HCV 5: Many documents are available on the subject of NTFP in Laos. Some are available on the National Agriculture and Forestry Research Institute of Laos (NAFRI) website. This website however is not well</p>	<p>available are sufficient for determining HCV presence within the area under assessment; AND  Data available are sufficient for assessing threats to HCVs caused by forest management activities.</p>
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		<p>maintained and some links are dead. Many others are available on the Web and easily found using search engines. HCV5 occurs in most natural forests. There is no data on HCV5 in plantations. However, due to their small size, it is unlikely that they include NTFPs. For fisheries, information is locally available on capture and culture fisheries (18). There is, however, in our knowledge, no data on spawning sites in Laos. It is difficult to assess exactly which water courses and lakes that would qualify as HCV, but reports generally underscore the value of wild fisheries for food in Laos. In that sense, it is possible most water courses and lakes qualify as HCVs.</p> <p>HCV 6: Most Laotian villages have identified spirit forests, cremation (burial) grounds and cultural forests. This is generally well documented and known by forestry practitioners and villagers (45). HCV6 are in natural forests only and are not found in plantations.</p> <p><b>Availability of data on Threats:</b> A number of sources describe potential impacts of forestry but there is still no reliable data on the extent of logging activities in natural forests of Laos (Bonita M., personal communication, June 2, 2016). The threats to HCVs under the current logging ban in PFAs (in effect in Laos since 2010), are mainly caused by the ban not being fully implemented by authorities and by illegal activities. Through literature review and interviews the authors identified that the main threats to HCVs in natural forests are: logging under special authorization, illegal logging, deforestation, infrastructure development, collection/hunting, encroachment and forest fires. On the opposite, we have not identified any serious threats to HCVs within plantations, partly because HCVs are rarely found there. This does not mean plantations are an acceptable source, as they present conversion and legality issues, which are covered in other categories of this report.</p>		
3.1 HCV 1		<p><i>HCV1: Species diversity. Concentrations of biological diversity including endemic species, and rare, threatened or endangered species that are significant at global, regional or national levels.</i></p> <p><b>HCV OCCURRENCE in Natural forests - Conservation, Protection, Production and un-categorized forests:</b> In Laos, when excluding extinct, data deficient and least concern species, there are 289 species identified as Critically Endangered, Endangered, Vulnerable and Near Threatened (32).</p> <p>None of Laos's share of the globally threatened species is endemic to Laos and therefore Laos alone is not solely responsible for its 1.6% share of globally threatened species. However, for 8 of the threatened species, Laos and one of its GMS neighbors (mainly Vietnam) share the total responsibility (3). According to Foppes (personal communication, July 24 2016), for these species, the Lao NPAs may have more intact forest where viable populations of these species can be expected to survive than in the adjacent Vietnamese national parks.</p>	Natural forests	Specified risk threshold (8) is met: HCV 1 is identified and/or its occurrence is likely in the area under assessment and it is threatened by management activities

	<p>The protected area system is intended to place representative areas of all significant and natural habitat (forest and wetland) types occurring within the country under protected area management. These areas are though to protect the habitat of species at risk.</p> <p>However, while the NPAs should include habitat of populations for most wildlife species, the protected area network is likely not suitable for the protection of species (3) with very large and/or wide ranging species because viable populations are unlikely to be contained within individual protected areas e.g. Tiger, Asian Elephant (33); threatened species of which the Lao population is of very high global importance and thus all populations merit protection (e.g. Saola); species with very restricted distributions in Laos (e.g. Black-cheeked Crested Gibbon and Pileated Gibbon, whose limited known ranges are not included within any declared NBCA); and species with very narrow habitat requirements (e.g. a species occurring only in level lowland evergreen forest below 500 m in Laos north of Vientiane; such habitat has been almost entirely cleared and no large tracts are included within declared NBCAs) (3). Indeed, protection of species at risk is difficult anywhere in the world. Luckily some of the Lao NPA such as Hin Nam No NPA are difficult to access due to the Karst limestone cliffs. Inaccessible areas such as Hin Nam No are good places for rare primate species to survive. The Lao NPA system is weak at the moment because the Lao Government does not give it any real political and financial support. While political support is better in surrounding countries, the Lao NPA system itself is not to be dismissed as a conservation tool, as occurrence of biodiversity including species at risk is likely to be higher than in surrounding countries (Foppes J., personal communication, July 24, 2016).</p> <p>A new national wildlife law, ratified by the National Assembly on 24 December 2007 mandates full protection for sensitive species. However, wildlife managers still lack basic information on the status and distribution of many species and lack the means to adequately control hunting and collection of species within production forest and protected areas. Without this it is impossible to know if protected populations are being maintained or if harvests of hunted species are sustainable within conservation, protection and production forests (34).</p> <p>The DOF, with support from SUFORD, is working on identification of HCVs and HCVFs inside 41 of the 51 PFA. This is done through participatory inventory with villagers (Bonita M., personal communication, June 2, 2016). HCV1 are likely to occur in PFA's.</p> <p><b>HCV OCCURRENCE in plantations</b> There is no evidence of occurrence of HCV 1 in plantations. Most species at risk and other HVC 1 attributes likely do not occur in these habitats.</p> <p><b>THREATS SUMMARY</b> The threats to RTE species in Laos come from <b>logging, deforestation and forest fires</b>. Impacts of these threats are loss of habitat, habitat fragmentation and diminishing stocks (31). Regardless of where HCV1 are located (NPA, PF or PFA), the full suite of threats are occurring in all forest classes, and this despite the fact that Laos</p>	Plantations	Low risk threshold (5) is met: There is no HCV 1 identified in the area under assessment and its occurrence is unlikely
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	<p>is a signatory of the Convention on Biological Diversity since 1996 (43). There are no threats to species at risk related to plantations because the species likely don't occur in plantations.</p> <p><b>THREATS DETAILS</b></p> <p>Whether legal or illegal, logging as it has been conducted and continues to be conducted in Laos has very significant negative impacts on HCV1. RTE timber species which would normally require protection or special licenses are being harvested indiscriminately (19), habitat quality diminishes (24; Bonita M., personal communication, June 2, 2016) and core forest areas are being fragmented by logging and logging road networks (24).</p> <p>Deforestation for permanent agriculture (in the South and Central parts of Laos), for shifting cultivation (in the north) and for the establishment of tree plantations (rubber and eucalyptus in the Central and South parts of the country) causes very significant damage to HCV 1. Forest is considered the dominant habitat for approximately 40% of threatened mammals, birds and amphibians (3). Deforestation for permanent agriculture (in the South and Central parts of Laos), for shifting cultivation (in the north) and for the establishment of tree plantations (rubber and eucalyptus in the Central and South parts of the country) causes very significant damage to HCV1. Deforestation for land uses destroys habitat for fauna and flora and eliminates individuals from RTE flora species and displaces fauna (3).</p> <p>The authors did not find reliable statistics on the extent of fires in Laos. Consulted experts report that the number of fires has been increasing and fire is thought to mostly originate from slash and burn activities taking place at the edge of the forest. While some forest ecosystems in the country (like dry dipterocarps) are fire dependent, an abundance of anthropogenic fires beyond the range of natural occurrence contributes to fragmentation and degradation of habitat for HCV1.</p>		
3.2 HCV 2	<p><i>HCV 2 - Landscape-level ecosystems and mosaics. Intact forest landscapes and large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.</i></p> <p><b>HCV OCCURRENCE in Natural forests - Conservation, Protection, Production and un-categorized forests:</b></p> <p>Landscape level ecosystems and intact forest landscapes are indeed rare in Laos. They are completely absent in the North of Laos because of a long history of slash and burn agriculture, which has fragmented and degraded the forest landscape (Bonita M., personal communication, June 2, 2016). In more southern provinces, where the population historically practiced permanent agriculture, SUFORD-SU has identified a 150,000 ha of relatively intact forest inside the Dong Sithouane PFA. Intactforests.org identifies 6 intact forests in Laos in the 2013 assessment, including SUFORD's finding. The Intactforest.org assessment from the year 2000 identified several</p>	<p>Natural forests</p> <p>Plantations</p>	<p>Natural forests: Specified risk threshold (12) is met: HCV 2 is identified and/or its occurrence is likely in the area under assessment, and it is threatened by management activities.</p> <p>Plantations:</p>

	<p>more intact forests than the one from 2013, which demonstrates they are disappearing rapidly. This is to be expected due to the very large quantity of wood harvested these last few years in Laos (13), where remaining intact forests represent an obvious source of quality timber.</p> <p>Other categories of HCV2, such as forest ecosystems forming a landscape-level mosaic with other vegetation types used by a diversity of species, may exist in Laos. Despite the fact that there is no documented evidence of the presence of this other HCV2 category, we have to assume they are present, as this category is broad and warrants a precautionary approach and designation of specified risk due to logging.</p> <p><b>HCV OCCURRENCE in plantations</b></p> <p>There is no HCV2 occurrence within plantations due to their small size.</p> <p><b>THREATS SUMMARY</b></p> <p>Under the current regime, HCV2 have no particular protection, apart from the logging ban which as we have seen is not effective. <b>Logging</b>, which causes fragmentation and forest degradation, is a threat to the landscape level intact forest in the Dong Sithouane PFA, and to other categories of HCV2 throughout the country, such as forest ecosystems forming a landscape-level mosaic with other vegetation types used by a diversity of species.</p> <p><b>THREATS DETAILS</b></p> <p>Whether legal or illegal, logging as it has been conducted and continues to be conducted in Laos has a very significant negative impact on HCV 2 as large intact forest areas are being fragmented by logging and logging road networks (24), and the forest is being degraded by poor logging practices.</p>		<p>Low risk threshold (9) is met: There is no HCV 2 identified and its occurrence is unlikely in the area under assessment.</p>
<p>3.3 HCV 3</p>	<p><i>HCV 3 - Ecosystems and habitats. Rare, threatened, or endangered ecosystems, habitats or refugia.</i></p> <p><i>a) Existing forests in forest landscapes where these ecotypes are rare;</i>  <i>b) Areas of important genes or genetically distinct populations;</i>  <i>c) Ecosystems that are depleted or poorly reserved at the regional or national scale;</i>  <i>d) Old growth forests, outside of forest biomes where the concept is redundant;</i>  <i>e) Remnant natural forest vegetation in heavily cleared landscapes.</i></p> <p><b>HCV OCCURRENCE in Natural forests - Conservation, Protection, Production and un-categorized forests:</b></p> <p>Karsts are the only HCV3 in Laos. Karsts correspond to the description of HCV3 in that they represent a rare ecotype, contain a distinct biodiversity not found on other landscapes, are poorly protected at the national scale and contain remnants of natural forest vegetation in heavily cleared landscapes. Forest Management Adviser,</p>	<p>Natural forests</p>	<p>Natural forests: Specified risk threshold (17) is met: HCV 3 is identified and/or its occurrence is likely in the area under assessment and it is threatened by forest management activities</p>

	<p>MAF-DOF SUFORD-SU Dr. Manuel Bonita says HCV3 in Laos are karsts located mostly in the two adjacent provinces of Khammouane and Bolikhamxay (Bonita M., personal communication, June 2, 2016). Birdlife International (17) identifies karsts in Khammouane. Karsts provide habitats for a distinct diversity of species which are not present elsewhere. Where karsts are concentrated in those two provinces, they can be declared protected areas (like the Khammouane Limestone (Phou Hinboun National Protected Area), but not necessarily (17). There can be scattered karsts and those are not protected currently. However, when PSFM plans will be adopted for PFAs, individual karsts among them will be subject to protection.</p> <p>While there is an abundance of heavily cleared landscapes in the North of Laos, because there is no published assessment of HCV in Laos, there is no available data on the occurrence of old growth and remnant natural forest vegetation among those northern areas.</p> <p><b>HCV OCCURRENCE in plantations</b></p> <p>There is no HCV3 in plantations.</p> <p><b>THREATS SUMMARY</b></p> <p>Most karst forests are not suitable for forest harvesting and agriculture. Most of these areas are already declared NPAs (Phou Hinboun, Hin Nam No). Foppes (personal communication, July 24 2016) says on-going efforts to set up co-management systems involving local communities in patrolling and doing other park management work is being piloted in Hin Nam No NPA and seems to provide a good basis for protecting the remaining viable populations of primates in the NPA. However not all karsts are in NPAs. Karsts in PFAs currently have little formal protection since there often is no FMP and because exceptions to the logging ban allow local governments to log in PFA for economic development. While karsts topography makes them difficult to log or convert, Birdlife International (2016) identifies hunting, <b>logging</b> and <b>deforestation</b> for agriculture as threats for karsts, particularly for those outside of protected areas (17). A 2016 report by CBD and FERI (44) identifies progress in achieving AICHI targets 5 and 15 to be low.</p> <p><b>THREATS DETAILS</b></p> <p>Logging in all Karst areas throughout the country, as well as deforestation for permanent agriculture and for the establishment of tree plantations in the Central and South parts of the country causes damage to HCV category 3 (Bonita M., personal communication, June 2, 2016). Logging causes fragmentation of karst ecosystems, and the replacement of forests by other land uses such as tree plantations and agriculture reduces forest cover in karst areas.</p> <p><b>SAFEGUARDS</b></p> <p>Some of the larger karst conglomerates like Hin Nam No NPA are protected by default due to their very un-hospitable landscape. Almost vertical limestone cliffs and the absence of water make karsts very difficult to</p>	Plantations	Plantations: Low risk threshold (13) is met: There is no HCV 3 identified and its occurrence is unlikely in the area under assessment;
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		<p>access. According to Foppes, (personal communication, July 24 2016), viable populations of primates survive in narrow valleys deep inside the Hin Nam No NPA. They will be relatively well protected, especially if the co-management system promoted by GIZ (which includes local communities in regular patrolling and other protection work) is maintained by the authorities.</p> <p>When PSFM plans will be adopted for PFAs, individual karsts among them will be subject to protection.</p>		
3.4 HCV 4		<p><i>HCV 4 - Critical ecosystem services. Basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes.</i></p> <p><i>a) protection from flooding;</i>  <i>b) protection from erosion;</i>  <i>c) barriers from destructive fire;</i>  <i>d) clean water catchments.</i></p> <p><b>HCV OCCURRENCE in Natural forests - Conservation, Protection, Production and un-categorized forests:</b></p> <p>By definition, PFs are designed to provide critical ecosystem services such as to preserve water resources, prevent soil erosion and maintain soil quality, to prevent natural disasters including fire and to protect the natural environment (11, 46). NPAs and PFs are strongly connected with the role of clean water catchment protection because they tend to be forested and are, in the main, located in upper catchments. Water supply is closely linked to forest area. Maintaining these NPAs and PFs for water supply is therefore essential (6).</p> <p><b>HCV OCCURRENCE in plantations</b></p> <p>Once established, a tree plantation may still present some attributes that can qualify it as containing HCV4. This includes protection from flooding or erosion, and forest fire (46). Therefore HCV4 are likely to occur in plantations. Because plantations are typically not managed for the provision of ecosystem services, management activities (for example they are likely to be clear-cut at maturity) pose a specified risk to HCV4 in plantations.</p> <p><b>THREATS SUMMARY</b></p> <p>The forestry law includes provisions for the protection of watercourses and soil (11) where needed, but those best practices are not effectively put into practice under the current logging regime.</p> <p>The main threats to HCV4 are <b>logging</b> and <b>deforestation</b>. Impacts of these threats are a reduction of water quality and quantity, with negative impacts on human health (22, 31, 35). Regardless of where HCV4 are located (NPA, PF or PFA), the full suite of threats are occurring in all forest classes.</p>	Country	Specified risk threshold 22 is met: HCV 4 is identified and/or its occurrence is likely in the area under assessment and it is threatened by management activities.

	<p><b>THREATS DETAILS</b></p> <p>Whether legal or illegal, logging as it has been conducted and continues to be conducted in Laos has very significant negative impacts on HCV category 4. Water quality is impacted because best practices in terms of logging and hauling are not implemented, with consequences for human health.</p> <p>Deforestation for permanent agriculture (in the South and Central parts of Laos), for shifting cultivation (in the north) and for the establishment of tree plantations (rubber and eucalyptus in the Central and South parts of the country) causes very significant damage to HCV category 4. The replacement of forests by other land uses such as tree plantations and agriculture reduces water quality and availability and drastically reduces forest services such as erosion control (3).</p>		
3.5 HCV 5	<p><i>HCV 5 - Community needs. Sites and resources fundamental for satisfying the basic necessities of local communities or indigenous peoples (e.g., for livelihoods, health, nutrition, water, etc.), identified through engagement with these communities or indigenous peoples.</i></p> <p>a) <i>Unique/main sources of water for drinking and other daily uses;</i>  b) <i>Unique/main sources of water for the irrigation of food crops;</i>  c) <i>Food, medicines or fuel etc. for local consumption.</i></p> <p><b>HCV OCCURRENCE in Natural forests - Conservation, Protection, Production and un-categorized forests:</b></p> <p>Forests provide crucial resources for villages in Laos. Forests often are the unique source of drinking water of villages (36). Forests also provide water for other household and agriculture use. Aquatic resources are a very important source of animal protein and food security for Lao people, especially in the countryside (3). 62% of the fish consumed are derived from rivers, streams and wetlands, and fish is the key source of protein in the diet, surpassing meat considerably (35). The value of fish as aquatic species consumed is \$150 million per year. With 892 species recorded, the Mekong river system has a higher diversity of species per square km than the Amazon. In that sense, it is possible most water courses and lakes qualify as HCVs.</p> <p>Laotians are very important users of NTFPs for food, medicine, and other uses such as construction and furniture. NTFPs are an essential part of the Lao diet indeed, with Laotians referring to many NTFPs as 'forest food'. NTFPs are used by villagers both domestically and commercially to generate income. Bigger volumes of a few species are collected in accessible areas for income generation while limited volume of more diverse species is collected in remote areas for food security (30).</p> <p>For example, Foppes and Phongxiong (2014) report that at least 50% of families in the Xiengkhouang province collect NTFP regularly (28). Subsistence use of NTFP may amount up to a value of 2-3.5 million kip or \$200-350 per family per year (28). Cash income from selling NTFP may be worth 360.000 kip (\$36) per family per</p>	<p>Natural forests</p> <p>Plantations</p>	<p>Natural forests: Secified risk threshold (26) is met: HCV 5 are identified and/or its occurrence is likely in the area under assessment and it is threatened by management activities.</p> <p>Plantations: Low risk threshold (23) is met: There is no HCV 5 identified and its occurrence is unlikely in the area under assessment</p>

	<p>year, which contributes around 30% of the total family cash income. In remote districts, NTFP may provide up to 80% of family income. The total value of trade in NTFP exported from the province second only to corn. Other sources mention that on average, annual income from NTFPs accounts for about 40% of total household income in Laos, but 24% in the 'richest' group (where off-farm activities and livestock provide the bulk of income) and 90% of the total income for the poorest group. The use of NTFPs for local subsistence may account approximately 20 to 30% of the Gross National Product (29).</p> <p>According to Foppes &amp; Phongxiong, (2014) and Tong (2009), typical NTFP products include:</p> <p>Food products:</p> <ul style="list-style-type: none"> <li>- Game, fish, honey, mak tao (fruit of palm), bamboo shoots, chestnuts, wild tea, passion fruits;</li> </ul> <p>Medicinal plants:</p> <ul style="list-style-type: none"> <li>- Malva nuts, orchid stems, cardamom, berberine, fern roots, Lao ginseng, mushrooms, 'hom sam meuang';</li> </ul> <p>Tree exudates sold as inputs for chemical and perfume industries:</p> <ul style="list-style-type: none"> <li>- <i>Peuakmeuak</i>, agarwood, <i>lamxay</i>, boehmeria glue bark, pine rosin, benzion and 'kisi' dipterocarp dammar resin, yang oil.</li> </ul> <p>Fiber products:</p> <ul style="list-style-type: none"> <li>- Khem (broom grass), big and small rattan canes, paper mulberry bark;</li> </ul> <p>While in some regions all NTFP are harvested from the forest (28), in other regions where the forest is degraded, some commercial species (e.g. posaa, khem, peuakmeuak) are gradually domesticated as forest and old fallow patches get smaller, fragmented and scarce in the landscape (30).</p> <p>The forest regulation includes provision that maintains the right to harvest NTFPs for customary use (3). In production forests, the forestry law (11) includes provision for local people participation and for preserving trees, NTFP species as well as water sources of villages. In PF and NPA, harvesting of NTFP is prohibited but still practiced covertly.</p> <p>There is a lack of knowledge and a lack of management systems for NTFPs (6).</p> <p><b>HCV OCCURRENCE in plantations</b></p> <p>HCV 5 no longer occurs in plantations. It should be noted that many plantations have been established by authorities and companies by converting forests which were rich in HCV 5 and were used by villagers.</p>		
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	<p><b>THREATS SUMMARY</b></p> <p>As explained above, local communities have the right to be consulted on forest management and have rights over NTFPs. However, laws are not implemented and rights are not respected. Illegal <b>logging</b> and <b>deforestation</b> are threats to HCV5. Village water quality is impacted by poor forest operations. While some of the illegal logging happens with the support of local villagers, who for example will steer loggers towards timber-rich areas, it does not guarantee respect for the legal consultation requirements nor the integrity of HCV5. These activities (threats to HCV5) still result in the compromising (impacting) of fundamental needs of indigenous peoples and local communities.</p> <p>The government still claims ownership of 99.9 percent of forest land, maintaining a highly centralized system of forest governance with inadequate recognition of customary tenure rights, and leaving millions of forest-dependent communities vulnerable to land expropriation (38).</p> <p><b>THREATS DETAILS</b></p> <p>Whether legal or illegal, logging as it has been conducted and continues to be conducted in Laos has very significant negative impacts on HCV category 5. Water quality is impacted because best practices in terms of logging and hauling are not implemented (24).</p> <p>Deforestation in Laos causes very significant damage to HCV category 5. Deforestation for land uses such as tree plantations and agriculture destroys habitat for forest fauna and flora species which are important for communities and reduces water quality and availability (3).</p>		
3.6 HCV 6	<p><i>HCV 6 - Cultural values. Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or indigenous peoples, identified through engagement with these local communities or indigenous peoples.</i></p> <p>a) <i>Aesthetic values;</i>  b) <i>Historic values;</i>  c) <i>Scientific values;</i>  d) <i>Social (including economic) values;</i>  e) <i>Spiritual values</i></p> <p><b>HCV OCCURRENCE in Natural forests - Conservation, Protection, Production and Un-categorized forests:</b></p> <p>HCV6 are very common in Laos and are extremely important in the lives of Laotians. Most Laotian villages have identified spirit forests, cremation (burial) grounds and cultural forests. This is generally well documented</p>	Natural forests	Low risk threshold (28) is met: There is low/negligible threat to HCV 6 caused by management activities in the area under assessment.

	<p>and known by forestry practitioners and villagers. For instance, in the Nongkan SFMA HCV report, sacred forest (spirit forest, burial ground) and cultural forest (annual celebration and prayed for luck) were identified by villagers (36). There are legal requirements for consultation of villagers in forest management planning, but there is no specific process to insure the identification of cultural sites neither in Protected areas nor in production forests (3). In some provinces HCV 6 areas were not inventoried and not mentioned in the forest management plans (45).</p> <p><b>HCV OCCURRENCE in plantations</b> Plantations currently cover limited areas and once established, do not have attributes typical of HCV6. There are no occurrences of HCV 6 in plantations (36, 40, 45).</p> <p><b>THREATS SUMMARY</b> Based on the author's experience in the field in Laos, as well as according to Manuel Bonita (personal communication, June 2, 2016), forest sites containing cultural values such as sacred forests (also called spirit forests), burial grounds etc. are commonly found in forests around villages and are less threatened than other, regular forests around the community. Sacred forest sites are extremely important to Laotians; they are very well known and respected. The importance of these sites is very widely acknowledged by authorities, villagers, foresters, etc. While many communities have experienced land grabs, forest degradation and diminishing supplies of NTFPs due to logging and other threats to their regular forests, forests with cultural and spiritual importance for communities (sacred or spirit forests) have experienced better protection in Laos. "The concept of "sacred forests" serves as a powerful sanction against cutting and burning forests of high conservation value. This notion refers to forest areas which are believed to be inhabited by powerful spirits and, therefore, not cleared, burned or cultivated by the local population" (45). Because sacred forests that qualify as HCV 6 are so important for villagers (it is considered bad luck to intervene in these forests), loggers usually keep out (Bonita M., personal communication, June 2, 2016). (45). For these reasons, while there remains a risk to HCV 6, it can be considered low.</p>	Plantations	Low risk threshold (27) is met: There is no HCV 6 identified and its occurrence is unlikely in plantations
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### Recommended control measures

Indicator	Recommended control measures
3.0	<p>The situation with forestry could evolve rapidly in Laos. The depletion of forest resources through illegal logging is now officially recognized at the highest levels of the government. At the time this report is being written, legislative and regulatory actions were being designed to counter this issue. Purchasers of wood from Laos should keep abreast of developments with regards to the bans on login and export of wood, and should look for announcements from the Lao government on the success of these efforts.</p> <p>Purchasers of wood should also look for PSFM plans as they are likely to be rolled out soon. Those could be be a game changer with regards to HCV protection and curbing of illegal logging.</p>

3.1 HCV 1	Forest managers obviously have a tremendous level of responsibility when it comes to the protection of habitat and poaching by their workers. The control of poaching by communities in and around the forest is a shared responsibility between forest managers and local authorities. Purchasers of wood from Laos should require their purchasers to demonstrate : - A management plan that contains a list (and ideally a map) of RTE species, a description of their habitat, how they are affected by forest management, and mitigation measure or adapted forest management practices for when operating in those habitats; - Procedures and systems in place to prevent and control poaching. This will likely include a working relationship with authorities; - An awareness program about RTE, poaching and related legislation targeting local communities.
3.2 HCV 2	Purchasers of wood from Laos should consult web based resources such as intactforest.org and ask their supplier to demonstrate their wood does not come from the intact forests identified on the maps provided by that or similar organizations.
3.3 HCV 3	Purchasers of wood from Laos should require their suppliers to demonstrate their wood does not come from karsts. Unfortunately not all karsts are mapped but some can be found at <a href="http://www.birdlife.org/datazone/sitefactsheet.php?id=16650">http://www.birdlife.org/datazone/sitefactsheet.php?id=16650</a> and <a href="http://www.birdlife.org/datazone/sitefactsheet.php?id=16642">http://www.birdlife.org/datazone/sitefactsheet.php?id=16642</a> .
3.4 HCV 4	Purchasers of wood from Laos should require their suppliers to demonstrate their wood does not come from officially designated Protection forests (PF), and that best practices are implemented when operating in the forest with regards to operational guidelines (water crossings, erosion/rutting control and buffer zones along water bodies).
3.5 HCV 5	Purchasers of wood from Laos should avoid plantation wood from suppliers which do not require their wood to come from plantations that have been established with the explicit and continued consent of local villagers. Purchasers of eucalyptus, acacia, rubber and teak from Laos should consult local villagers to verify the impact the plantation has had on their livelihoods and access to HCV 5.
3.6 HCV 6	No control measure needed.

### Information sources

No.	Source of information	Relevant HCV category and indicator
1	Chokkalingam U. and K. Phanvilay. 2015. Forest governance assessment for REDD+ implementation in Laos through application of the PROFOR forest governance tool. Vientiane: World Bank FCPF and GIZ CiIPAD.	HCV 1, HCV 4, HCV 5, HCV 6
2	Keep Asia Green Volume I. Southeast Asia. 2007. Don Koo Lee (Editor) IUFRO. World Series Volume 20-I. Vienna, 241 p.	Overview
3	STEA & UNEP. 2006. National Environmental Performance Assessment (EPA) Report. Vientiane: Science, Technology and Environment Agency and United Nations Environment Programme.	3.0, HCV 4, HCV 5
4	Souvanthong P. 1995. Shifting Cultivation in Laos: An overview of land use and policy initiatives. IIED Forestry and Land Use Series No. 5. London: International Institute for Environment and Development. [ONLINE] Available at: <a href="http://pubs.iied.org/pdfs/7515IIED.pdf?">http://pubs.iied.org/pdfs/7515IIED.pdf?</a>	Overview

5	World Wide Fund For Nature. 2016. Ecoregion by country. [ONLINE] Available at: <a href="http://wwf.panda.org/about_our_earth/ecoregions/ecoregion_list/ecoregions_country/ecoregions_country_l.cfm">http://wwf.panda.org/about_our_earth/ecoregions/ecoregion_list/ecoregions_country/ecoregions_country_l.cfm</a> . [Accessed 17 July 2016].	Overview
6	Tong P. S. 2009. Asia-Pacific Forestry Sector Outlook Study II. Lao People's Democratic Republic Forestry Outlook Study. Food And Agriculture Organization Of The United Nations Regional Office For Asia And The Pacific. Bangkok, 62 p.	Overview
7	<i>Khampheuang K.</i> 1998 Summary of the country outlook: LAOS. - Bangkok, Thailand: FAO Regional Office for Asia and the Pacific, 15p. (Working Paper No. APFSOS /WP/38).	Overview
8	Laos. 2005. Forestry Strategy to the Year 2020 of the Laos. [ONLINE] Available at: <a href="http://theredddesk.org/sites/default/files/fs_2020.pdf">http://theredddesk.org/sites/default/files/fs_2020.pdf</a> [Accessed 18 July 2016].	Overview
9	Forest Carbon Partnership Facility (FCPF). 2010. Readiness Preparation Proposal (R-PP), Laos. [ONLINE] Available at: <a href="http://www.forestcarbonpartnership.org/sites/forestcarbonpartnership.org/files/Documents/PDF/Oct2010/Lao_R-PP_Final_draft_revised_11_OCT_2010_Clean.pdf">http://www.forestcarbonpartnership.org/sites/forestcarbonpartnership.org/files/Documents/PDF/Oct2010/Lao_R-PP_Final_draft_revised_11_OCT_2010_Clean.pdf</a> . [Accessed July 14, 2016].	Overview
10	<i>Land Law</i> of the Lao People's Democratic Republic. 2003. [ONLINE] Available at: <a href="http://landwise.resourceequity.org/record/766">http://landwise.resourceequity.org/record/766</a> [Accessed June 29, 2016].	Overview
11	Forestry Law No. 06/NA of the Lao People's Democratic Republic. 2007. [ONLINE] Available at: <a href="http://www.laotradeportal.net/index.php?r=site/display&amp;id=68">http://www.laotradeportal.net/index.php?r=site/display&amp;id=68</a> [Accessed June 29, 2016].	HCV 4, HCV 5
12	DOF, 2016. Group Certification Manual. Laos. Unpublished. Not available online.	Overview
13	Smirnov, D. 2015. Assessment of scope of illegal logging in Laos and associated trans-boundary timber trade (A baseline for international leakage estimation). WWF. [ONLINE] Available at: <a href="http://mylaff.org/document/download/3161">http://mylaff.org/document/download/3161</a> . [Accessed June 13, 2016].	3.0, HCV 2
14	Pongkhao S., June 14 2016. Nation losing more forests than it gains, minister says. Vientiane Times. [ONLINE] Available at: <a href="http://www.vientianetimes.org.la/FreeContent/FreeContent_Nation.htm">http://www.vientianetimes.org.la/FreeContent/FreeContent_Nation.htm</a> . [Accessed July 14, 2016].	3.0
15	Duckworth J. W., Salter R. E., and Khounbolin K. (compilers). 1999. Wildlife in Laos: 1999 Status Report, IUCN-The World Conservation Union/Wildlife Conservation Society/Centre for Protected Areas and Watershed Management, Vientiane.	3.0
16	Potapov P., Yaroshenko A., Turubanova S., Dubinin M., Laestadius L., Thies C., Aksenov D., Egorov A., Yesipova Y., Glushkov I., Karpachevskiy M., Kostikova A., Manisha A., Tsybikova E., Zhuravleva I. 2008. Mapping the World's Intact Forest Landscapes by Remote Sensing. Ecology and Society, 13 (2). [ONLINE] Available at: <a href="http://intactforests.org/data.ifl.html">http://intactforests.org/data.ifl.html</a> . [Accessed July 8, 2016].	3.0
17	"Sites - Important Bird and Biodiversity Areas (IBAs)". Birdlife International website. [ONLINE] Available at: <a href="http://www.birdlife.org/datazone/sitefactsheet.php?id=16642">http://www.birdlife.org/datazone/sitefactsheet.php?id=16642</a> and <a href="http://www.birdlife.org/datazone/sitefactsheet.php?id=16650">http://www.birdlife.org/datazone/sitefactsheet.php?id=16650</a> . [Accessed 17 July 2016].	3.0, HCV 3
18	David C. 2011. Inland capture fishery statistics of Southeast Asia: current status and information needs. Asia-Pacific Fishery Commission Food and Agriculture Organisation of the United Nations Regional Office for Asia and the Pacific Bangkok,	3.0



	Thailand. RAP publication 2002/11. [ONLINE] Available at: <a href="ftp://ftp.fao.org/docrep/fao/005/AC487E/AC487E00.pdf">ftp://ftp.fao.org/docrep/fao/005/AC487E/AC487E00.pdf</a> . [Accessed July 28, 2016].	
19	Souksakhone, 2016. Ministry to set up logging units. Vientiane Times. Published June 16, 2016.	3.0
20	SUFORD-SU. 2016b. Logging and Shifting Cultivation Assessment and Methodology Development. Slideshow presented 23 May 2016.	Overview
21	Zenkevich J.E., Aksenov D.E., Loshkareva A.R., Glushkov I.V.,; Tikhomirova O.M., Sementsova M.V., 2015. Developing of remote sensing monitoring system for logging activities in CarBi monitoring area. WWF, Transparent World.	Overview
22	ICEM. 2003. <i>Laos National Report on Protected Areas and Development</i> . Review of Protected Areas and Development in the Lower Mekong River Region, Indooroopilly, Queensland, Australia. 101 pp.	3.0, HCV 4
23	Corbett J., 2008. Paper Parks and Paper Partnerships: Lessons for protected areas and biodiversity corridors in the Greater Mekong Sub-region. The World Conservation Union. Geneva. [ONLINE] Available at: <a href="http://lad.nafri.org.la/fulltext/2142-0.pdf">http://lad.nafri.org.la/fulltext/2142-0.pdf</a> [Accessed July 14, 2016].	3.0
24	World Bank. 2007. <i>Laos - Environment Monitor</i> . Washington, DC: World Bank. [ONLINE] Available at: <a href="http://documents.worldbank.org/curated/en/2007/05/7735590/lao-pdr-environment-monitor">http://documents.worldbank.org/curated/en/2007/05/7735590/lao-pdr-environment-monitor</a> [Accessed July 14, 2016].	3.0, HCV2
25	SUFORD-SU, 2016a. PFA forest changes 2000-2005-2010-2015. Unpublished data.	3.0
26	Russell A.J.M., Foppes J., Behr D.C., Ketphanh S., Rafanoharana S. 2015. How Forests Enhance Resilience to Climate Change: The Case of Smallholder Agriculture in Laos. Washington DC: Program on Forests (PROFOR). [ONLINE] Available at: <a href="http://www.profor.info/sites/profor.info/files/docs/Using%20Forests%20to%20Enhance%20Resilience%20to%20Climate%20Change%20The%20Case%20of%20Smallholder%20Agriculture%20in%20Savannakhet%20Province%20in%20LAO%20PDR.pdf">http://www.profor.info/sites/profor.info/files/docs/Using%20Forests%20to%20Enhance%20Resilience%20to%20Climate%20Change%20The%20Case%20of%20Smallholder%20Agriculture%20in%20Savannakhet%20Province%20in%20LAO%20PDR.pdf</a> . [Accessed July 24, 2016].	3.0
27	Vongvisouk T., Broegaard R.B., Mertz O., Thongmanivong S. 2016. Rush for cash crops and forest protection: Neither land sparing nor land sharing. <i>Land Use Policy</i> 55, 182–192. [ONLINE] Available at: <a href="http://www.sciencedirect.com/science/article/pii/S0264837716303088">http://www.sciencedirect.com/science/article/pii/S0264837716303088</a> . [Accessed July 14, 2016].	3.0
28	Foppes J., Phongxiong W., 2014. Proceedings of international workshop on sustainable natural resources management of mountainous regions in Laos. [ONLINE] Available at: <a href="http://lad.nafri.org.la/show_record.php?mfid=3629">http://lad.nafri.org.la/show_record.php?mfid=3629</a> . [Accessed July 1st 2016].	3.0, HCV 5
29	Foppes J., S. Ketphanh. Forest extraction or cultivation? Local solutions from Laos. Paper presented at the workshop on the evolution and sustainability of “intermediate systems” of forest management, FOREASIA, 28 June- 1 July 2000, Lofoten Norway.	3.0, HCV 5
30	Nanthavong C. M., ຄຳວິໄລ ອ. and Castella J. 2011. The Lao Journal of Agriculture and Forestry, No. 23. Pages 109-125. [ONLINE] Available at: <a href="http://lad.nafri.org.la/download_file.php?id=1068">http://lad.nafri.org.la/download_file.php?id=1068</a> . [Accessed July 1 <sup>st</sup> , 2016].	3.0, HCV 5

31	Vientiane Time. 20 March 2016 Illegal wildlife trade thriving in Laos. [ONLINE] Available at: <a href="http://www.asianews.network/content/illegal-wildlife-trade-thriving-laos-12115">http://www.asianews.network/content/illegal-wildlife-trade-thriving-laos-12115</a> . [Accessed July 29, 2016].	3.0, HCV 1, HCV 4
32	IUCN 2015. <i>The IUCN Red List of Threatened Species. Version 2015-4</i> . [ONLINE] Available at: < <a href="http://www.iucnredlist.org">http://www.iucnredlist.org</a> >. [Accessed July 18, 2016]. The following filter were used: Assessment status - CR, EN, VU, NT or LR/nt and Habitat - Forest, Shrubland, Grassland, Wetland (inlands), Rocky areas, Caves and Subterranean habitat, Artificial/Terrestrial)	HCV 1
33	Duckworth J.W. & Hedges S. (1998) Tracking Tigers: A Review of the Status of Tiger, Asian Elephant, Gaur and Banteng in Viet Nam, Lao, Cambodia and Yunnan (China) with Recommendations for Future Conservation Action. World Wildlife Fund Indochina Programme, Hanoi.	3.0
34	Johnson A., C. Vongkhamheng and T. Saithongdam. 2009. The diversity, status and conservation of small carnivores in a montane tropical forest in Northern Laos. <i>Oryx</i> 43:626–633	HCV 1, HCV 5
35	Phonvisay S. 2013. An introduction to the Fisheries of Laos. Mekong Development Series No. 6, 62 pages. Mekong River Commission, Phnom Penh, Cambodia. ISSN 1680-4023 Editors: Kent G. Hortle, Virginia Addison, Ngor Peng Bun, Peter Degen and So Nam.	HCV 4
36	Dof. 2013. Brief Report of Field Monitoring check to the HCVF management in Nongkan SFMA, DongSitnouan PFA, Thapangthong District, Savannakhet Province.	HCV 5, HCV 6
37	Lao People's Democratic Republic: Peace Independence Democracy Unity Prosperity. Decree of the President of the Lao People's Democratic Republic. Lao People's Democratic Republic: Poverty Reduction Strategy Paper (2004) IMF Country Report No. 04/393.	Overview
38	Forest Trends. 2014. Forest Conversion in Laos: Implications and Impacts of Expanding Land Investments [ONLINE] Available at: <a href="http://www.forest-trends.org/publication_details.php?publicationID=4677">http://www.forest-trends.org/publication_details.php?publicationID=4677</a> . [Accessed May 1st, 2016].	HVC 5
39	Nooren H., and G. Claridge. 2001. Wildlife Trade in Laos: The End of the Game. Amsterdam: Netherlands Committee of the IUCN.	HCV 5
40	Asian Development Bank. 2012. Public Sector Capacity For Management Of Investments in Land And Private Sector Participation Through Public–Private Partnerships – A Background Note For The Proposed ADB Capacity Development Support. [ONLINE] Available at: <a href="http://www.adb.org/sites/default/files/linked-documents/46059-001-lao-oth-02.pdf">http://www.adb.org/sites/default/files/linked-documents/46059-001-lao-oth-02.pdf</a> [Accessed 18 July 2016].	HCV 5 and 6
41	Foppes J. and Samontry D. 2010. Technical Report: Assessment of the values of NonTimber Forest Products (NTFP) in Laos. Technical Report for the Sustainable Forestry for Rural Development Project (SUFORD), Ministry of Agriculture and Forests, Department of Forestry.	HCV 5
42	Vaenkeo S. June 13 2016. Provinces instructed to inspect log movements to address illegal trade. Vientiane Times. [ONLINE] Available at: <a href="http://d2ouvy59p0dg6k.cloudfront.net/downloads/news_clippings_of_illegal_logging__timber_1.pdf">http://d2ouvy59p0dg6k.cloudfront.net/downloads/news_clippings_of_illegal_logging__timber_1.pdf</a> . [Accessed June 14, 2016].	Overview
43	Ministry of Natural Resources and the Environment (MoNRE), 2016. National Biodiversity Strategy and Action Plan for Lao PDR 2016-2025. Vientiane Lao PDR. Available at <a href="https://www.cbd.int/doc/world/la/la-nbsap-v2-en.pdf">https://www.cbd.int/doc/world/la/la-nbsap-v2-en.pdf</a>	HVC 1

44	CBD, FERI, 2016. Nationally-specific assessment of information provided with regards to Aichi Targets 5 and 15. Available at <a href="https://chm.cbd.int/api/v2013/documents/2592B148-D84D-C99A-11BC-476B54A7D40F/attachments/Country%20dossier%20EN%20-%20Laos.pdf">https://chm.cbd.int/api/v2013/documents/2592B148-D84D-C99A-11BC-476B54A7D40F/attachments/Country%20dossier%20EN%20-%20Laos.pdf</a>	HCV 3
45	MINISTRY OF AGRICULTURE AND FORESTRY, SUPSFM, 2012. Environment and Social Impact Assessment (ESIA). DRAFT 3	HCV 6
46	Inoue, M., Hyakumura, K., note dated. FOREST POLICY OF LAOS IN TERMS OF LOCAL PARTICIPATION. Available at <a href="https://pub.iges.or.jp/pub_file/ir98-3-24pdf/download">https://pub.iges.or.jp/pub_file/ir98-3-24pdf/download</a> . Consulted on April 24, 2017.	HCV 4

## Controlled wood category 4: Wood from forests being converted to plantations or non-forest use

### Risk assessment

Indicator	Source of information	Functional scale	Risk designation and determination
4.1	<p><b>Applicable legislation</b></p> <ul style="list-style-type: none"> <li>• Law No. 04/2003 NA on Land, 21 October 2003, Article 10 on rights and duties of land management authorities, Article 10 on land survey, Articles 21 and 22 on allocation of land certificates <a href="http://www.forestcarbonasia.org/other-publications/land-law-no-04-na-lao-pdr/">http://www.forestcarbonasia.org/other-publications/land-law-no-04-na-lao-pdr/</a></li> <li>• Law No. 06/2007 NA on Forestry, 24 December 2007, Articles 3 with definition of degraded forest, degraded forest land and barren forest land, Article 33 on demarcation of forest regeneration areas and forest plantations, Article 69 on limiting business operations to degraded forest land and barren forest land, Article 74 requiring environmental impact assessment before granting concession <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a>; <a href="http://www.laotradeportal.net/index.php?r=site/display&amp;id=68">http://www.laotradeportal.net/index.php?r=site/display&amp;id=68</a></li> <li>• Law No. 36/PO on Mining, 31 May 1997, Article 16 prohibiting mining concessions in “protected forest areas”, Article 46 on restoration of mining area before relinquishing it to the government, Article 47 on setting aside compensation fund for restoration and rehabilitation of mining area <a href="http://www.ilo.org/dyn/natlex/docs/ELECTRONIC/81056/87936/F-2117548536/LAO81056.pdf">http://www.ilo.org/dyn/natlex/docs/ELECTRONIC/81056/87936/F-2117548536/LAO81056.pdf</a></li> <li>• Decree No. 229/PM on Endorsement and Declaration of the Forestry Strategy to the Year 2020 of the Lao</li> </ul>	-	<p><b>Content of law</b></p> <p><i>Legislative requirement</i></p> <p>The Government of Laos has long sought to curb deforestation, and has set target to increase forest cover from the current 40.3% to 70% by 2020 through limiting forest conversion and encouraging afforestation activities. The latter includes naturally regenerating up to 6 million ha and planting trees on up to 0.5 million ha of unstocked forest area (Decree No. 229/PM, 2005).</p> <p>The Lao Forestry Law (2007) does not define “forest”, but its forest cover assessments generally define “current forest” as an area which has (Forestry Sector Performance Indicators, 2014):</p> <ul style="list-style-type: none"> <li>• 20% canopy density or greater</li> <li>• A mean height for the top level of 5m or higher</li> <li>• An average DBH (diameter at breast height) of 15cm or greater for the trees composing the top layer , and</li> <li>• An area if 0.5 ha or larger.</li> </ul> <p>Forest land includes “degraded forest land” and “barren forest land” which are allowed to be converted for the establishment of commercial plantations.</p> <p>Forest land can be converted to another category (type) if the following conditions are met (Land Law, 2003, Article 14; Forestry Law, 2007, Article 70):</p> <ul style="list-style-type: none"> <li>• It is considered to be necessary to use the land for another purpose</li> <li>• It brings a high level of benefit to the nation and to the livelihoods of the people</li> <li>• There is no negative impact on the natural or social environment</li> <li>• It is included in the national socio-economic development plan, and able to be undertaken only in the designated areas, and</li> <li>• It has received the prior approval of the concerned management authorities.</li> </ul>

	<p>PDR, 9 August 2005; Forestry Strategy to the Year 2020 of the Lao PDR, July, 2005. Ministry of Agriculture and Forestry. Lao PDR. <a href="http://theredddesk.org/sites/default/files/fs_2020.pdf">http://theredddesk.org/sites/default/files/fs_2020.pdf</a></p> <ul style="list-style-type: none"> <li>• Decree No. 88/PM on the Implementation of the Land Law, 03 June 2008 Article 7 prohibiting local authorities to grant land use rights for certain categories of land <a href="http://theredddesk.org/countries/laws/decree-implementation-land-law-no-88pm">http://theredddesk.org/countries/laws/decree-implementation-land-law-no-88pm</a></li> <li>• Decree No. 134/G on Protected Areas 13 May 2015, Article 14 on conversion of protected areas, Article 32 on afforestation fees <a href="http://www.laogov.gov.la/legaldoc/pages/document.aspx?ItemID=344">http://www.laogov.gov.la/legaldoc/pages/document.aspx?ItemID=344</a> (in Lao)</li> <li>• Decree No. 333/PM on Protection Forests 19 July 2010, Article 19 on conversion of protection forests, Article 33 obliging projects to provide funds for forest restoration <a href="http://www.laotradeportal.gov.la/index.php?r=site/display&amp;id=110">http://www.laotradeportal.gov.la/index.php?r=site/display&amp;id=110</a></li> <li>• Decree No. 135/2009 PM on State Land Lease or Concession, 25 May 2009, Article 6 on general principles for granting lease or concession of state land, Article 26 limiting concession for agriculture and industrial tree plantation to degraded forest land, Article 27 on requirements for environmental impact assessment, Article 28 and 29 on authorisation of conversion of degraded and barren forest land, Article 31 on authorisation the concession of state land for mining business <a href="http://www.forestcarbonasia.org/other-publications/decree-on-state-land-lease-or-concession-no-135pm-lao-pdr/">http://www.forestcarbonasia.org/other-publications/decree-on-state-land-lease-or-concession-no-135pm-lao-pdr/</a></li> </ul>	<p>There can be approval for temporary and permanent conversion of forest land. Former regulations envisage re-conversion (forest restoration and replanting) of land back to the original forest type after certain activities had been completed (for instance, conversion of forest land into industry land for mining exploitation). Permanent conversion is for long-term use (for instance the conversion of forest land into transportation land for road and dam construction) and does not stipulate a return to original forest land (Forestry Law, 2007, Article 71).</p> <p>Concessions for agriculture business and tree plantation are restricted to degraded and barren forest lands outside three forest categories (Forestry Law, 2007 Articles 33 and 69; Decree 135/PM Article 26). Legislation does not provide for possible conversion of natural forests to agriculture and tree plantations, even by government, Natural forest can be converted for development projects namely: clearance for road construction, transmission lines, mining, reservoirs, settlements etc, but with some limitations. Degraded forest lands are forest land areas where forests have been heavily and continually damaged and degraded <u>which may not be able to regenerate naturally or become a rich forest again</u>. Barren forest lands are defined as forest land areas <u>completely lacking trees</u> due to natural or human destruction (Forestry Law, 2007, Article 3).</p> <p>The nation-wide land-use planning system is aimed, at least in part, at addressing issues related to concessions and agriculture expansion; for example, instruments define forest conservation areas, land identified as available for industrial development, or introduce communal land registration as a tool to prevent large-scale land seizures (Lestrelin et al., 2013). Lands allocated for plantation forest purposes within village forests are also limited to degraded forest lands (Article 2, Regulation No. 535/2001 MAF).</p> <p>Furthermore, restrictions on mining concessions in “protected forest areas” are imposed by the Law on Mining, 1997 Article 17.</p> <p><i>Authorisation and permissions required by law</i>  Before determining the area to be leased or conceded, land management authorities must undertake a land survey, prepare a land map, and a land-use plan (Decree No. 135/2009 PM, Article 6 and Land Law, 2003, Article 10). An environmental impact assessment must be conducted and approved before a lease or concession is granted (Forestry Law, 2007, Article 74; Decree No. 135/2009 PM Article 27). At this stage, productive forests and lands with potential for natural regeneration are to be excluded from further consideration for plantation development. This is important in relation to conversion, as these lands cannot be converted. .</p>
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<ul style="list-style-type: none"> <li>• Strategy for Agriculture Development 2011-2020. Ministry of Agriculture and Forestry of Lao PDR. 2010 <a href="http://www.forestcarbonasia.org/other-publications/strategy-for-agricultural-development-2011-to-2020/">http://www.forestcarbonasia.org/other-publications/strategy-for-agricultural-development-2011-to-2020/</a></li> <li>• Regulation No. 535/2001 MAF on Management of Village Forests, 18 June 2001, Article 2 limiting tree plantations in village forests to degraded forests <a href="http://flegtlaos.com/resources/forestry-legality-compendium/">http://flegtlaos.com/resources/forestry-legality-compendium/</a></li> <li>• Order 13/2012 PM on Halting Investment Projects Related to Mining, Rubber, Eucalyptus, 11 June 2012. <a href="http://www.laolandissues.org/wp-content/uploads/2012/03/Prime-Minister-Order-No13NA-on-halting-concessions-June-2012.pdf">http://www.laolandissues.org/wp-content/uploads/2012/03/Prime-Minister-Order-No13NA-on-halting-concessions-June-2012.pdf</a> (in Lao)</li> </ul> <p><b>Government sources</b></p> <ul style="list-style-type: none"> <li>• CRILNR (NLMA) (2009). Findings of the State Land Concession and Lease Inventory Project in the Pilot Province of Vientiane Province, Lao PDR, Phase II. Vientiane.</li> <li>• Forestry cover increases but fails to meet plan / Vientiane Times, 25 December 2015: <a href="http://www.vientianetimes.org.la/FreeContent/FreeContent_Forestry_cover.htm">http://www.vientianetimes.org.la/FreeContent/FreeContent_Forestry_cover.htm</a></li> <li>• Govt reopens for new mining investment / Vientiane Times, 25 December 2015: <a href="http://www.vientianetimes.org.la/FreeContent/FreeContent_Govt_reopens.htm">http://www.vientianetimes.org.la/FreeContent/FreeContent_Govt_reopens.htm</a></li> <li>• Govt seeks funding to accelerate reforestation / Vientiane Times, 28 May 2015: <a href="http://www.laolandissues.org/2015/05/22/govt-seeks-funding-to-accelerate-reforestation/">http://www.laolandissues.org/2015/05/22/govt-seeks-funding-to-accelerate-reforestation/</a></li> </ul>	<p>The Ministry of Natural Resources and Environment, formerly the National Land Management Authority, is technically in charge of approving all land concessions, except mining concessions. The consent of involved line agencies (the Ministry of Planning and Investment, the Ministry of Agriculture and Forestry, the Ministry of Industry and Commerce, the Ministry of Energy and Mines etc.), as well as of the administrative authorities at the corresponding level, is required in all cases. The right to authorise state land concessions for mining business lies with the government alone (Decree No. 135/2009 PM, Article 31).</p> <p>Converting the use of conservation and protection forests at the national and provincial levels to another purpose must first be approved by the Standing Committee of the National Assembly in response to a request made by the government. The conversion of conservation and protection forests at district and municipal level shall be approved by the government in response to a proposal from the Ministry of Natural Resources and Environment (Decree No. 134/G 2015, Article 14; Decree No. 333/PM on Protection Forests 19 July 2010, Article 19)</p> <p>Local authorities are not allowed to issue any certificate granting land use rights or land utilisation rights in three state categories of forests, nor in land protected by the state for its environmental value (Decree 88/PM 2008 Article 7).</p> <p>The power to decide upon the approval of the conversion of degraded and barren forest lands for agriculture and tree plantations is divided between the national and provincial levels of land management authorities depending on the type of land (degraded forest land or barren forest land), the size of the concession, and the duration of the concession agreement (Decree 135/PM 2009 Article 28 and 29; and Forestry Law, 2007 Articles 75 and 76).</p> <p>Provincial authorities have the power to approve a maximum area of 500 ha, in case of concessions on barren forest land; national authorities can approve a maximum area of 30.000 ha in the same case.</p> <p>A decision has to be based on the consent of the Ministry of Agriculture and Forestry, or of the Provincial/City Office of Agriculture and Forestry, and agreement of the government or provincial/city administrative authority. Additional authorisation by the National Assembly is required for conversion of degraded forest and barren land larger than 15,000 and 30,000 ha respectively.</p>
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	<ul style="list-style-type: none"> <li>Govt to halt protected area encroachment / Vientiane Times, 05 April 2013</li> <li>Increasing forest cover to 70 percent a great challenge: minister / Vientiane Times, 31 May 2016: <a href="http://www.vientianetimes.org.la/FreeContent/FreeContent/Increasing123.htm">http://www.vientianetimes.org.la/FreeContent/FreeContent/Increasing123.htm</a></li> <li>Lao PM mulls forestry protection for sustainable hydropower / Vientiane Times, 13 July 2016: <a href="http://www.nationmultimedia.com/aec/Lao-PM-mulls-forestry-protection-for-sustainable-h-30290494.html">http://www.nationmultimedia.com/aec/Lao-PM-mulls-forestry-protection-for-sustainable-h-30290494.html</a></li> <li>Minister vows to speed up forest surveys, rehabilitation efforts / Vientiane Times, 5 May 2014: <a href="http://www.laolandissues.org/2014/05/05/minister-vows-to-speed-up-forest-surveys-rehabilitation-efforts/">http://www.laolandissues.org/2014/05/05/minister-vows-to-speed-up-forest-surveys-rehabilitation-efforts/</a></li> <li>Nation losing more forests than it gains, minister says / Vientiane Times, 14 June 2016: <a href="http://www.vientianetimes.org.la/FreeContent/FreeContent/Nation.htm">http://www.vientianetimes.org.la/FreeContent/FreeContent/Nation.htm</a></li> </ul> <p><b>Non-Government sources</b></p> <ul style="list-style-type: none"> <li>Baird, I. (2010). Quotas, powers, patronage, and illegal rent-seeking. The political economy and the timber trade in southern Laos. Forest Trends, Washington D.C., U.S.A.: <a href="http://www.forest-trends.org/documents/files/doc_2421.pdf">http://www.forest-trends.org/documents/files/doc_2421.pdf</a></li> <li>Baird, I. (2014). Degraded forest, degraded land and the development of industrial tree plantations in Laos. Singapore Journal of Tropical Geography. Volume 35, Issue 3, November 2014: <a href="http://onlinelibrary.wiley.com/doi/10.1111/sjtg.12076/full">http://onlinelibrary.wiley.com/doi/10.1111/sjtg.12076/full</a></li> <li>EU FLEGT Facility (2012). Study for Understanding Timber Flows and Control in Lao PDR: <a href="http://www.euflegt.efi.int/documents/10180/23308/St">http://www.euflegt.efi.int/documents/10180/23308/St</a></li> </ul>	<p>District authorities have no power to grant any lease or concession, but are mandated to issue three-year temporary land use certificates for tree planting <u>on degraded forest land</u> (three ha per labourer in a household) to villagers in coordination with the Village Administrative Authority. If managed properly during the initial term, then the lessee may request the land management authorities at the provincial or city level to issue a land title for long-term use (Land Law, 2003, Articles 21 and 22).</p> <p>Establishing of both forest and mining concessions can lead to conversion of forest areas. May 2007, the Prime Minister of the Lao PDR announced a <u>moratorium on granting of new land concessions greater than 100 ha</u> to give the Government of Laos an opportunity to review its policy on granting large-scale concessions, and to address the shortcomings of its previous land management strategy.</p> <p>In an attempt to properly regulate the existing mining and tree plantation investment projects, Order No 13/PM <u>ceased consideration and approval for new investment of mining exploration and survey, and rubber and eucalyptus plantations throughout the country</u>. This moratorium has been in place since 11 June 2012, and was extended in December 2015 by the PM's cabinet decision on a further <u>moratorium on consideration and approval of proposed new rubber and eucalyptus plantation projects</u>, while the Government has reopened consideration of new mining projects (Vientiane Times, 25 December 2015).</p> <p><i>Compensations for conversion</i></p> <p>To help sustain current forest cover, a number of regulations stipulate measures for the restoration of temporarily converted forest land, and assistance for forest regeneration in general.</p> <p>Mining concessionaires should set aside a compensation fund for the restoration and replanting of mining areas as part of rehabilitation before relinquishing the mining area to the government (Law No. 36/PO on Mining, 1997, Article 46 and 47; Decree No. 333/PM, 2010, Article 31).</p> <p>Developers of hydropower, mining, road construction, electricity grid networks and other projects whose activities have converted <u>conservation forest</u> for other purposes are legally obliged to contribute funds for reforestation to compensate for the forest areas degraded or destroyed by their projects. The developers are required to contribute US\$800 per hectare, and in addition, hydropower projects must fund US\$2 per ha/year for the management and protection of protected watershed areas watershed (Decree No. 134/G</p>
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	<p><a href="#">udy%20for%20understanding%20timber%20flows%20and%20control%20in%20Lao%20PDR</a></p> <ul style="list-style-type: none"> <li>• FAO (2014). Country Report, Lao People's Democratic Republic: <a href="http://www.fao.org/3/a-az255e.pdf">http://www.fao.org/3/a-az255e.pdf</a></li> <li>• FAO (2015). Global Forest Resources Assessment 2015 – Desk reference: <a href="http://www.fao.org/3/a-i4808e.pdf">http://www.fao.org/3/a-i4808e.pdf</a></li> <li>• Forest Trends (2010). Timber Markets and Trade between Laos and Vietnam: A Commodity Chain Analysis of Vietnamese-Driven Timber Flows: <a href="http://www.forest-trends.org/documents/files/doc_2365.pdf">http://www.forest-trends.org/documents/files/doc_2365.pdf</a></li> <li>• Forest Trends (2014). Forest Conversion in Lao PDR: Implications and Impacts of Expanding Land Investments: <a href="http://www.forest-trends.org/publication_details.php?publicationID=4677">http://www.forest-trends.org/publication_details.php?publicationID=4677</a></li> <li>• Forestry Sector Performance Indicators 2014, Review report. Part III. September 2014:</li> <li>• Global Forest Watch <a href="http://www.globalforestwatch.org/country/LAO">http://www.globalforestwatch.org/country/LAO</a></li> <li>• Hunt, G. (2014). An Analysis of FSC Certification of Oji LPFL. Plantation Watch: <a href="http://plantation-watch.org/wp-content/uploads/2015/06/Analysis-of-FSC-Certification-of-Oji-LPFL-2014.pdf">http://plantation-watch.org/wp-content/uploads/2015/06/Analysis-of-FSC-Certification-of-Oji-LPFL-2014.pdf</a></li> <li>• Kenney-Lazar, M. (2010). Land Concessions, Land Tenure, and Livelihood Change: Plantation Development in Attapeu Province, Southern Laos. Vientiane: Faculty of Forestry, National University of Laos: <a href="http://rightslinklaos.org/wp-content/uploads/downloads/2014/05/3-Land-Concessions-Land-Tenure-and-Livelihood-Change-Plantation-Development-in-Attapeu-Province-Southern-Laos.pdf">http://rightslinklaos.org/wp-content/uploads/downloads/2014/05/3-Land-Concessions-Land-Tenure-and-Livelihood-Change-Plantation-Development-in-Attapeu-Province-Southern-Laos.pdf</a></li> </ul>	<p>2015, Article 32). Decree No. 134/G 2015 provides for requirements to conversion in protected areas (conservation forests). Decree No. 333/PM, 2010 stipulates requirements to conversion in protected forests. There are no references in regulations which would require contribution of specific funds to compensate for conversion in production or unclassified forests.</p> <p>Project developers of road construction, utility grids, and other deployment projects that convert <u>protection forests</u> permanently must contribute to the forest and forestry resources development fund for restoration and re-plantation as stated in the agreement on the project development based on the area actually directly impacted. Hydropower project operators are also required to allocate 1% of their annual revenue (of the total value of the annual sale of electricity) for forest management and forest protection (Decree No. 333/PM, 2010, Article 31).</p> <p>The government has also instigated collection of reforestation fees, charged for sale of both timber and non-timber forest products, to finance re-afforestation activities. The wood processing companies who have been allocated logs from the government have to pay the reforestation fee at different rates fixed for each species category (protected timber species categories I and II; controlled timber species category I, II and III).</p> <p>However, there are no clear guidelines on fund allocation.</p> <p><b>Is the law enforced?</b>  Relevant legislation aimed at increasing forest cover through limiting conversion to special cases and requiring compensation measures, e.g. afforestation, is not effectively enforced. See category 1.4 of this risk assessment.</p> <p><i>Changes in forest cover within the last 5 years</i>  Forest cover in Laos has continuously declined: from 47.2% of the country's land area in 1992, to 41.5% in 2002, and 40.3% (9.5 million ha) in 2010, according to the forest cover assessment undertaken by the Department of Forestry of the Ministry of Agriculture and Forestry. Accordingly, the rate of deforestation was 0.4% annually between 1982 and 1992, 1.3% – between 1992 and 2002, and 0.4% – between 2002 and 2010.</p> <p>Results of research by the University of Maryland group on global forest coverage based on time-series analysis of Landsat 7 ETM+ images show an even faster rate of deforestation in Laos – 0.5%/year between 2000 and 2010 (for forest with &gt;20% canopy density) (Global Forest Watch web-site).</p>
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	<ul style="list-style-type: none"> <li>• Kenney-Lazar, M. (2015). Authoritarian Resource Governance and Emerging Peasant Resistance in the Context of Sino-Vietnamese Tree Plantations, Southeastern Laos. BRICS Initiative for Critical Agrarian Studies Working Paper, No. 1. The Hague: The International Institute for Social Studies.</li> <li>• Lestrelin G. et al. (2013). The context of REDD+ in the Lao People's Democratic Republic: Drivers. Agents and institutions. Occasional Paper 92. Bogor, Indonesia: CIFOR: <a href="http://www.cifor.org/online-library/browse/view-publication/publication/4227.html">http://www.cifor.org/online-library/browse/view-publication/publication/4227.html</a></li> <li>• Schönweger, O., Heinemann, A., Epprecht, M., Lu, J., Thalongsechanh, P. (2012). Concessions and Leases in the Lao PDR – Taking Stock of Land Investments. Geographica Bernensia: <a href="http://www.cde.unibe.ch/v1/CDE/pdf/Concessions-Leases-LaoPDR_2012.pdf">www.cde.unibe.ch/v1/CDE/pdf/Concessions-Leases-LaoPDR_2012.pdf</a></li> <li>• Sithanonxay Suvannaphakdy (2013). Promoting Manufacturing Investment in Lao PDR. 15 April 2013: <a href="http://aienetwork.org/blog/32/promoting_manufacturing_investment_in_lao_pdr">http://aienetwork.org/blog/32/promoting_manufacturing_investment_in_lao_pdr</a></li> <li>• Smirnov D. (2015). Assessment of Scope of Illegal Logging in Laos and Associated Trans-boundary Timber Trade: As Baseline for International Leakage Estimation. WWF. Vientiane.</li> <li>• Stenhouse R. and Bojö J. (2011). An environmental perspective on hydropower and mining development in the Lao PDR. Background Paper for Lao PDR Development Report 2010: Natural Resource Management for Sustainable Development. Washington, D.C.: World Bank.</li> <li>• Vongvisouk T., Broegaard R.B., Mertz O., Thongmanivong S. (2016): Rush for cash crops and forest protection: Neither land sparing nor land</li> </ul>		<p>In spite of the government's policy being aimed at curbing deforestation and increasing forest cover, the latest available information shows no indication that the forestry sector is successfully reversing the trend of declining forest cover. Experts believe it to be unlikely that the target of 70% forest cover set by the government in 2005 will be achieved by 2020 (Forestry Sector Performance Indicators, 2014).</p> <p>At the end of 2015, the Department of Forestry reported an increase of forest cover to 47% (Vientiane Times, 25 December 2015). However, this increase is doubtful, as such a leap implies a 1.1-1.3% annual reforestation rate (ca. 317,000 ha/year on average), which is a U-turn against the deforestation trend of at least the last 30 years. Moreover, according to an assessment by the University of Maryland group cited above, the annual rate of deforestation in Laos almost doubled in the period from 2010 to 2014 compared to 2000-2010, reaching 0.9%/year (for forest with &gt;20% canopy density) (Global Forest Watch web-site).</p> <p>Minister of Agriculture and Forestry Dr Lien Thikeyo has admitted that increasing forest cover to meet the 2020 target of 70 percent land coverage is proving to be a great challenge (Vientiane Times, 31 May 2016).</p> <p>However, there is a possibility that the government can simply turn from the current national definition of "forest" (with 20% canopy density as the minimum threshold) to the FAO standard, which requires only 10% canopy density. Such a reshuffle would allow the government to proclaim success in its efforts to increase forest cover in the country. The Deputy Minister of Agriculture and Forestry said to the mass media that the tough requirements of the national definition of "forest" were one of the reasons why Laos was failing to meet the forest cover target as of 2015 (Vientiane Times, 31 May 2016). He added that if the FAO standard were applied, forest cover in Laos has already reached 69.9%, which exceeds the 2015 target.</p> <p><i>Extent and impact of activities responsible for endangering forest area.</i> The general expert opinion is that cash crop expansion (by both individual farmers and large-scale agribusiness), the development of industrial tree plantations and large hydropower, mining and infrastructure projects are the main direct drivers of deforestation. Authorities in the Ministry of Agriculture and Forestry have also admitted that these activities are partially responsible for deforestation (Vientiane Times, 31 May 2016; 14 June 2016).</p>
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	<p>sharing. Land Use Policy, 55:182–192: <a href="http://www.laolandissues.org/wp-content/uploads/2016/07/Rush-for-cash-crops-and-forest-protection-Neither-land-sparing-nor-land-sharing-1-s2.0-S0264837716303088-main.pdf">http://www.laolandissues.org/wp-content/uploads/2016/07/Rush-for-cash-crops-and-forest-protection-Neither-land-sparing-nor-land-sharing-1-s2.0-S0264837716303088-main.pdf</a></p> <ul style="list-style-type: none"> <li>Wellmann, D. (2012). The legal framework of state land leases and concessions in the Lao PDR. Discussion paper developed under the GIZ NU-IRDP contribution to the NUDP as product of the land management component: <a href="http://www.forestcarbonasia.org/other-publications/the-legal-framework-of-state-land-leases-and-concessions-in-the-lao-pdr/">http://www.forestcarbonasia.org/other-publications/the-legal-framework-of-state-land-leases-and-concessions-in-the-lao-pdr/</a></li> </ul>	<p>The granting of concessions and leases in the Lao PDR has increased at an alarming rate since the beginning of the 2000s. According to Wellmann (2014), screening of the concession inventory data suggests that currently about 5 million hectares of the Lao PDR are leased or conceded to either domestic or foreign parties. Most of the investment is concentrated in the mining (29% of total foreign direct investment stock), energy (23%), and agriculture (15%) sectors (Lestrelin et al., 2013; Sithanonxay, 2013).</p> <p>Analysis of distribution of land deals (only those with known location) across land classes revealed that more than 80% of areas have been granted within land classified as “forest” and “unstocked forest and forest involved in swidden cultivation”, and that 29% of these areas overlap with one of the tree categories of forests (Schönweger et al., 2012).</p> <p>According to estimates made by Stenhouse and Bojö (2011), up to 5% of the national protected areas is under some kind of mining concession, and up to 8% of the national protection areas may become hydropower reservoirs or exploitation areas for mining. Granting mining concessions in conservation and protection forests is in apparent contradiction to Law on Mining (1997) Article 16, which prohibits mining (prospecting, exploration, extraction) in “protected forest areas”.</p> <p>The inventory of state land leases and concessions in Laos (Schönweger et al., 2012) has found that around 80,000 ha of mineral extraction concessions within conservation and protection forests.</p> <p>Laos’ REDD Readiness Preparation Proposals estimate the area affected by land clearance under business-as-usual scenario from 2010 to 2015 to be 67,000 ha/year (i.e. 0.7% of forest cover). This figure is broken down into commercial concessions (32,200 ha), smallholder cash crops (14,700 ha), hydropower projects (13,100 ha), mining projects (5,100 ha), and infrastructure developments (2,000 ha). Another study estimated forest clearance of 14,100 ha/year for mining between 2010 and 2020, and 1,000 ha/year for infrastructure development (cited by Lestrelin et al., 2013).</p> <p>Mining and hydropower development will remain significant drivers of deforestation in Laos in future given the government’s plan to lift the ban on granting new mining concessions, and its eagerness to promote further growth in the production capacity of the energy sector. A total of 40 hydropower projects have so far been completed in Laos, which have a combined installed capacity of 6,304 MW, and, according to the Ministry of Energy and Mines’ strategic plan, Laos has the potential to produce about 10,000MW of electricity by 2020, and 20,000MW by 2030 (mainly through increases in hydropower generation)</p>
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(Vientiane Times, 13 July 2016). Hydropower projects indirectly lead to deforestation in areas far beyond construction sites as the resettlements that usually accompany hydropower projects intensify pressure on forests at the resettlement sites.

*Factors contributing to deforestation*

The following key factors contributing to deforestation through in Laos were identified (cited by Lestrelin et al., 2013 ):

- There are significant economic drivers for conversion, and an absence of economic incentives that could help make the management and protection of forests competitive (economically attractive) compared with other land uses;
- Weak governance and poor enforcement of laws, regulations and concession agreements by local authorities because of low human and technical capacity and limited financial resources; and
- Inappropriate or non-existent land-use planning, ambiguities and uncertainties in rules and processes in land allocation, insecure land tenure, and minimal awareness among resource users of their rights to use land and forest resources.

The country's focus on economic growth and associated encouragement of both domestic and foreign investments in agriculture, tree plantations, and energy and infrastructure construction conflicts with its policy on increasing forest cover and efforts to address the drivers of deforestation.

Authorities at all levels strongly encourage cultivation of commercial cash crops as a means of poverty reduction, which gives legitimacy to the expansion of cultivation areas into natural forests and fallow areas that could otherwise be destined for regeneration.

Multiple, often conflicting, legal orders are interpreted in a such way as to justify forest conversion.

Although the concept of degraded forests is the corner stone of the policy framework related to plantation development in Laos, there is little indisputable evidence regarding the extent and process of land degradation in the country.

Current definitions of degraded forest and degraded forest land do not provide clear indicators and benchmarks. This creates an atmosphere that is permissive of free interpretation of the law in order to allocate healthy forests and forest lands with the potential of natural regeneration for plantation development.

Many “degraded” forests are actually land cleared by villagers for swidden agriculture and regenerating swidden fields (fallow forests), which would then presumably enter the category of “potential forest” (“fallow forests” are officially defined by Forestry Law 2007 as areas which “have a possibility of becoming rich natural forests in the future again”). In spite of this, authorities and plantation developers usually classify these areas as “degraded” – forests “which may not be able to regenerate naturally or become a rich forest again” (Forestry Law 2007, Article 3).

Productive dry dipterocarp forests in central Laos, regardless of their condition, have also often been defined as degraded and granted for planting eucalyptus and acacia by the Department of Forestry (Baird, 2014) in disregard of their high value to local people as a source of non-timber forest products and as important grazing areas for village livestock (this value is recognised in the definition of dry dipterocarp forests given in Forestry Law 2007, Article 3).

Apparently, real “degraded forests and barren land” (treeless areas with unsuitable conditions for natural regeneration as defined by law) are inarable for viable tree plantations. For instance, Baird (2014) mentions the case of a failure to cultivate eucalyptus plantation on previous treeless grasslands in the Khong district of Champassak province.

Although land-use planning and land allocation had been implemented in the villages in order to allocate land for agriculture and spare land for forest conservation, there is much evidence that the traditional land-sharing landscapes, with forest, fallows, and fields are being transformed, creating landscapes that are increasingly dominated by agriculture. This can occur at village level, when locals interpret village utilisation forests as land which can be used for whatever the villagers would obtain benefits (products) from, including conversion for cash crop cultivation (Vongvisouk et al., 2016). Frequently, village lands have also been improperly zoned as degraded in order to justify the development of commercial tree plantations (cited by Baird, 2014).

Government officials continue to rely on the same vague, unclear and inconsistent definitions of “degraded forest”. Researchers suggest that “inconsistent policies and institutional discrepancies” should not be understood as gaps, but rather as reflections of the existing power structure, and the government uses this legal plurality as a means to achieve its development goals, focused on high economic growth (Vongvisouk et al.,

2016). Designating areas as “degraded forests” helps the government to justify the allocation of lands to concessionaries for plantation development (Baird, 2014).

*How is the law enforced? What kind of monitoring bodies are in place?*

As policy encouraging investment in cash crops and tree plantations prevails over policy aimed at increasing forest cover, the responsible authorities (mainly, the Ministries of Natural Resources and Environment, and Agriculture and Forestry, and their provincial and district offices) usually choose not to monitor the contradiction between this income-generating activity and forest conservation (Vongvisouk et al., 2016).

In 2005, the Forestry Strategy to the Year 2020 of the Lao PDR acknowledged the infeasibility, at this stage, of monitoring forest use and forest changes, including deforestation and afforestation, because of the lack of detailed maps with borders of different categories of forests, the high rate of population increase, and rapid changes in land use. Seven years later, the problem was still unsolved. The Study for Understanding Timber Flows and Control in Lao PDR (2012) revealed that the areas mapped as protection forest were often used for agricultural production, and even included major town areas. In one case, an entire district was mapped as protection and production forest, but in reality contained the district capital, and large areas of lowland agricultural and coal mining concession.

Authorities lack documentation of most of the granted land concessions, and maps for concessions are either inaccurate or do not exist, making it impossible to assess and monitor the actual expansion of tree and cash crop plantations into forest areas.

According to Wellmann (2014), screening of the concession inventory data suggests that currently about 5 million hectares of the Lao PDR are leased or conceded to either domestic or foreign parties. The UNDP estimates that 3.5 million ha or 14.7% of the county’s land is under agribusiness concession agreements or contracts (cited by Lestrelin et al., 2013). However, the government-supported State Land Leases and Concessions Inventory (Schönweger et al., 2013), considered to be the most comprehensive source on land-based investment in the Lao PDR, was able to compile documents on concessions and leases of a total area of only 1.1 million hectares. The latter piece of research found that no line agencies, either at the national or provincial levels, had full or sufficiently detailed information on land leases and concessions granted up to that point. Moreover, where data was available, it was often inaccurate, and the size and location of investment projects – both allocated areas and actual developments – were frequently unknown.



As was shown by the concession inventory conducted in Vientiane Province in 2008-9, unavailability of maps and even simple schemes with the concession borders has been a systematic violation (CRILNR (NLMA), 2009). According to this inventory, only 5% of the total number of active land lease and concession projects were able to provide proper maps with boundaries of lease/concession areas (12 of 237), including 3.5% of agriculture projects (4 of 114), and 10.9% of mining projects (6 of 55). In 21.9% of cases, representatives' rough hand-drawn maps were available, including 27.2% of agriculture projects (31), and 21.8% of mining projects (12). But it has been noted that these maps often "did not reflect reality".

Several examples of low quality concession maps were shown in case studies by Schönweger et al. (2012). In one case, in 2006 a company was granted authorisation for a rubber plantation of 214 ha. At the same time, borders on the map attached to the contract covered an area of 3,411 ha. By the time the inventory was made, the developer had already cleared 345 ha of forest. In another case, the map for the clearance area of 1,172 ha was mistakenly attached to the contract, which many times exceeded the size of the area of 150 ha granted for a coffee plantation clearance. In this case, the company also made use of this "mistake" and cleared an area much larger than had been approved.

The WWF CarBi project's report provides two cases in which activities under mining and road construction concessions were run without appropriate maps (Smirnov, 2015).

Large concessions for agriculture businesses and tree plantations are approved at the national level without knowledge of the ground-level reality because the land is not surveyed before the concession is granted.

Numerous researchers provide evidence that companies either conduct required environmental impact assessments post-factum, long after acquiring land concessions, or do not conduct them at all.

For instance, according to Kenney-Lazar (2015), a Vietnamese company had cleared land in Savannakhet province for the establishment of a eucalyptus plantation before detailed surveys of what land was available had been conducted. Usually, surveys are only conducted at all if there is a conflict with villages concerning the land cleared. In another case, in Attapeu province, the required environmental impact assessments for the establishment of a rubber plantation were made after the project had been operating for two years (Kenney-Lazar, 2010).



		<p>The inventory of state land leases and concessions in Laos (Schönweger et al., 2012) contains case studies in which no proper survey of the forest conditions (whether these areas include current and potential forests) had been conducted, and in which companies had begun activities on land even before receiving (and sometimes before even requesting) authorisation from the relevant government authority.</p> <p><u>As a result, in numerous cases tree concessions have been issued or extended into areas with productive forests or lands with high potential for natural regeneration.</u></p> <p>For example, in one case 300 ha granted to plant rubber trees was predominantly covered by healthy secondary and “primary” forest. However, the land survey report by the District Agriculture and Forestry Office stated that the land consisted solely of fallow forest (left after shifting cultivation, 2-7 years old), that no trees with economic value existed within this area (Schönweger et al., 2012).</p> <p>Evidence was collected showing that land for a eucalyptus plantation in Khammouane Province was comprised of land that had high potential for regrowth into natural forest (Baird, 2014).</p> <p>Hunt (2014) highlights numerous examples of large scale clearance of dense and rich natural forests for establishment of pulp wood plantations being conducted by the government immediately prior to preparing the cleared land for plantation operations.</p> <p>A study on the impact of the recent boom in cash crops on land use and forest conservation in the Hua Meuang District of Huaphan Province in north-eastern Laos revealed a dramatic decrease in primary forest and secondary forest (fallows) in the study areas during 2010-12 due to conversion into maize-cultivation areas (Vongvisouk et al., 2016). Along with forest conversion for cash crops, a network of agricultural feeder roads had been constructed in order to facilitate access to the fields and ease the transport of products. Although most feeder roads have not been officially approved by, or even reported to, the District Public Works and Transportation Office, no fines had been levied for any of the roads constructed without permission (Vongvisouk et al., 2016).</p> <p>The concession inventory conducted in Vientiane Province in 2008-9 revealed cases in which plantations were allocated in primary or healthy secondary forests, and even in conservation and protection areas (CRILNR (NLMA), 2009).</p>
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		<p>According to Schönweger et al. (2012), a considerable share of known tree plantation projects (59,517 ha, or 19%) occur within forests of one of the three state forest categories, including conservation and protection forests. For example, concession areas allocated to several rubber plantations were found to fall inside the Dong Hua Sao National Protected Area in Champasak Province (Schönweger et al., 2012). The government revealed that allocation of rubber plantations contributed to encroachment of 39,000 ha in Phou Phanang and Phou Khao Khoay National Protected Areas in Vientiane and Borikhamxay provinces, and ordered a halt to encroachment on protected areas. The government intended to confiscate illegally planted lands and incorporate them into protected areas as national property (Vientiane Times, 05 April 2013).</p> <p>Due to a <u>lack of management units</u> in some national protected areas, especially at ground level, and insufficient coordination among concerned sectors, deforestation in conservation forests may go unnoticed.</p> <p>The Official Forestry Strategy to the Year 2020 of the Lao PDR (2005) also acknowledged that it is impossible and unfeasible to strictly enforce prohibition on expansion of rice fields, and shifting cultivation in conservation forests.</p> <p><u>Demarcation of concession borders is not carried out, and relevant agencies (Provincial and District Offices of Natural Resources and Environment, Agriculture and Forestry) do not control compliance of the location of clearing areas with the designated borders of concessions</u> (Smirnov, 2015).</p> <p>Although the law restricts forest conversion to only the most necessary cases (which “brings a high level of benefit to the nation and to the livelihoods of the people”), much evidence has been collected recently to prove that <u>some development projects in forested areas are used as justification for obtaining legal access to valuable timber resources</u> (Baird, 2010).</p> <p>Commercial grade timber harvested in preparation for conversion activities has become a critical source of timber in Laos, and potential revenue from conversion timber is a strong enticement for local authorities to facilitate the development of large land concessions in forested areas (Forest Trends, 2014; Smirnov, 2015).</p> <p>Forest Trends research (2010) provides the example of a Vietnamese company applying for land in Attapeu province to establish a rubber plantation of which the real intention was getting “legal” access to timber harvesting in natural forest. As a result, the company was</p>
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		<p>granted 20,000 ha of forest land, half of which had standing trees with marketable value. Some companies discontinue their projects or transfer their concessions to other companies after extracting all conversion timber, which is extremely profitable but legally questionable (Forest Trends, 2010; 2014).</p> <p>For instance, the concession for the construction of the Xekong 4 hydropower dam, which has been the biggest source of conversion timber in Sekong province for many years, was revoked by a government decision in December 2013, more than five years after its approval, due to the lack of progress, and conflicts with mining activities in the flooding area. In spite of this decision, logging under the pretext of clearance of the reservoir area was continuing even in 2014 (Smirnov, 2015).</p> <p>There are indications of corruption in the state agencies responsible for management of land resources, which can be one of the key reasons for the government's failure to prevent the extension of commercial cash crop and tree plantations into primary or healthy secondary forests, areas where the establishment of these plantations is not legally allowed. According to Forest Trends research (2010), Vietnamese companies usually pay significant "invisible costs" to provincial and national authorities to obtain land for the establishment of rubber plantations. Kenney-Lazar (2010) presented cases in which Vietnamese rubber corporations provided material incentives to government officials to ensure the successful acquisition of land for establishment of plantations. There were many cases reported of provincial and district authorities abusing or "misinterpreting" their power, approving concessions beyond their mandate (Schönweger et al., 2012).</p> <p>The lack of a monitoring mechanism and on-the-ground regulatory enforcement for land concessions, has created an environment in which companies feel free to go ahead with development plans, with or without written permission or approval.</p> <p>The Forest Strategy 2020 has set a target of 500,000 ha of tree plantation by 2020, and Laos' Agriculture Development Strategy 2020 has limited the area designated for company-based rubber plantations nation-wide to 300,000 ha. But both of these thresholds have been already been reached, and, as reported by the Department of Forestry, over 700,000 ha of concessions for rubber and eucalyptus had already been granted by 2014 (including 468,000 ha of rubber concessions).</p> <p>The moratoriums imposed on granting large scale land concessions, and on consideration and approval for proposed new rubber and eucalyptus plantation projects, have not been fully enforced, and have failed to put an end to concessions because of legal exceptions</p>
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		<p>and loopholes. According to Forest Trends (2014), despite the moratoriums, concessions of various sizes continue to be granted under a number of scenarios. The penalty system appears to be inefficient and poorly suited to local situations.</p> <p><i>Inefficiency of afforestation efforts</i></p> <p>The Forestry Strategy to 2020 has set a target to facilitate natural forest rehabilitation of up to 6 million ha, and planting of trees on up to 500,000 ha of unstocked forest area (Decree No. 229/PM, 2005).</p> <p>According to government development plans for 2006-2010, the goals to be achieved by 2010 were 53% forest cover through the rehabilitation of 2.55 million ha (i.e. 510,000 ha/year on average), and the establishment of 150,000 ha of forest plantations (cited by Lestrelin et al., 2013).</p> <p>Although the plantation target has been reached, there is no doubt that the 53% forest cover target and the 2.55 million ha rehabilitation target have not, given that forest cover had decreased to 40% by 2010. However, the government reported that by 2008, approximately 600,000 ha of forest had been restored, which implies a rate of afforestation of 300,000 ha/year (i.e. 59% of the planned area) (cited by Lestrelin et al., 2013).</p> <p>In 2014, the Ministry of Agriculture and Forestry set a target to plant trees on 30,000 hectares of land, and to rehabilitate an area of 572,000 ha (Vientiane Times, 5 May 2014).</p> <p>In May 2015, the Deputy Director General of the Department of Forestry maintained that from 2001 until 2015, the Ministry of Agriculture and Forestry, in cooperation with other government bodies and the private sector, has reforested and preserved about 7.34 million ha, including 2.8 million ha between 2010 and 2015 (i.e. 560,000 ha/year at average), and in 2015 the government planned to reforest about 570,000 ha (Vientiane Times, 28 May 2015).</p> <p>In December 2015, the Forestry Department's Director General claimed that in fiscal year 2014-15, 356,635 ha of natural forest were reforested (62% of the planned 570,967 ha) and 11,511 ha of tree plantation were established (38% of the planned 30,000 ha), of which 2,000 ha were planted by the government, 5,261 ha by companies, and 4,166 ha by local people (Vientiane Times, 25 December 2015).</p> <p>As of 2016, the Ministry of Agriculture and Forestry is encouraging state bodies and the private sector to plant about 24,000 hectares of trees and reforest over 200,000 hectares (Vientiane Times, 31 May 2016).</p>
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As there are no reliable data on forest rehabilitation efforts or achievements on non-forested or degraded land, these claims appear highly questionable to experts (Lestrelin et al., 2013). Apparently, at the reported rate of forest rehabilitation of 300-360,000 ha/year, forest cover in Laos should have increased by around 5 million ha since 2001, and occupied more than 60% of the country land's area. In contrast, according to the most recent available forest inventory, forest cover has declined, from 41.5% in 2002 to 40.3% in 2010 (Forestry Sector Performance Indicators, 2014; Lestrelin et al., 2013).

An increase in the tree plantation area also has not contributed to an increase in the country's forest cover as expected, because many of these plantations replace natural forests.

The FAO (2014; 2015) shows a slight positive trend in the annual rate of change of forest extent between 2000-2010, 2010-2015, and 1990-2015. Other wooded land shows a negative trend for the same time periods.

**Is it possible to conclude that the spatial threshold (0.02% or 5000 ha) is met?**

The spatial threshold *could* be met were Lao legislation to be fully implemented and enforced, as the current laws aim to increase forest cover through limiting conversion to special cases and require compensation measures, e.g. afforestation. As it is, this is not the case and, taking a precautionary approach based on the data above, it is not possible to conclude that the spatial threshold is met.

**Risk designation**

**Specified risk**

The following 'specified risk' thresholds are met:

(6) The applicable legislation for the area under assessment covers laws that prevent conversion, but the risk assessment for relevant indicators of Category 1 confirms 'specified risk';

AND

(7) There are significant economic drivers for conversion.

Data yield evidence that conversion is occurring on a widespread or systematic basis.

**Recommended control measures**

N/A

## Controlled wood category 5: Wood from forests in which genetically modified trees are planted

### Risk assessment

Indicator	Sources of information	Functional scale	Risk designation and determination
5.1	<p><b>Applicable laws and regulations</b></p> <ul style="list-style-type: none"> <li>Lao National Biosafety Frameworks. Prime Minister's Office Science Technology and Environment Agency Vientiane, 25 December 2004 <a href="http://la.biosafetyclearinghouse.net/LaoNBF.shtml">http://la.biosafetyclearinghouse.net/LaoNBF.shtml</a></li> <li>Law No. 017/NA on Biotechnology Safety, 18 December 2013 <a href="http://la.biosafetyclearinghouse.net/BiosafetyLaw.shtml">http://la.biosafetyclearinghouse.net/BiosafetyLaw.shtml</a></li> <li>Notification No. 1376/MOIC.DIMEX on List of goods subject to import-export control and prohibition, 10 October 2006, Part II. Goods subject to import-export approval or certificate <a href="http://lao-trademark.com/laos-notification-on-list-of-goods-subject-to-import-export-control-and-prohibition/">http://lao-trademark.com/laos-notification-on-list-of-goods-subject-to-import-export-control-and-prohibition/</a></li> </ul> <p><b>Government sources</b></p> <ul style="list-style-type: none"> <li>Biosafety Cleaning House: country profiles, decisions, reports: <a href="https://bch.cbd.int/">https://bch.cbd.int/</a></li> <li>CRILNR (NLMA) (2009). Findings of the State Land Concession and Lease Inventory Project in the Pilot Province of Vientiane Province, Lao PDR, Phase II. Vientiane: <a href="http://lad.nafri.org.la/fulltext/2266-0.pdf">http://lad.nafri.org.la/fulltext/2266-0.pdf</a></li> <li><a href="https://bch.cbd.int/database/record.shtml?documentid=109116">Third National Report on the implementation of the Cartagena Protocol on Biosafety, Lao PDR, 31 October 2015: https://bch.cbd.int/database/record.shtml?documentid=109116</a></li> </ul> <p><b>Non-Government sources</b></p> <ul style="list-style-type: none"> <li>Banpot, N. (2010). Biotechnology policy-making, regulations and development in the ASEAN region. Presentation at FAO International Technical Conference on Agricultural Biotechnologies in Developing Countries</li> </ul>	National	<p><b>Low risk</b></p> <p><i>The following 'low risk' thresholds are met:</i></p> <p>(2) There is no commercial use of GM tree species in the area under assessment, AND</p> <p>(3) Other available evidence does not challenge 'low risk' designation.</p> <p><b>Description and justification:</b></p> <p>GMOs (including transgenic trees) are not banned in Laos, but intentional introduction of a living modified organism requires approval by the responsible government agency based on the results of a risk assessment.</p> <p>Laos acceded to the Convention on Biological Diversity on 20 September 1996, and signed, on 1 November 2004, the Cartagena Protocol on Biosafety to the Convention on Biological Diversity (an international treaty which aims to ensure the safe handling, transport and use of living modified organisms resulting from modern biotechnology that may have adverse effects on biological diversity, also taking into account risks to human health).</p> <p>Therefore, the Lao government is obliged to develop its national regulatory framework in the field of the safe transfer, handling and use of living modified organisms resulting from modern biotechnology in such a way as to reduce potential consequences that may have an adverse effect on biological diversity and human health.</p> <p>The National Biosafety Framework adopted by the government on 25 December 2004 consists of a combination of policy, legal, administrative and technical instruments to promote biotechnology research and development, risk assessment and management, notification, movement and management of GM products, public awareness, education and participation.</p>



	<p>(ABDC-10), 1- 4 March 2010, Guadalajara, Mexico:  <a href="http://www.fao.org/fileadmin/templates/abdc/documents/asean.pdf">www.fao.org/fileadmin/templates/abdc/documents/asean.pdf</a></p> <ul style="list-style-type: none"> <li>• Biosafety scanner:  <a href="http://en.biosafetyscanner.org/index.php">http://en.biosafetyscanner.org/index.php</a></li> <li>• Forest Sector Performance Indicators 2014, Review report. Part III. September 2014.</li> <li>• GM rubber trees like jumping with no safety net / Malaysians Kini, 11 February 2015:  <a href="https://www.malaysiakini.com/letters/288966">https://www.malaysiakini.com/letters/288966</a></li> <li>• Greenpeace (2004). GMO papaya scandal in Thailand: Illegal GMO seeds found in packages sold by Department of Agriculture. Press release, 27 July 2004:  <a href="http://www.greenpeace.org/international/en/press/releases/gmo-papaya-scandal-in-thailand/">http://www.greenpeace.org/international/en/press/releases/gmo-papaya-scandal-in-thailand/</a></li> <li>• Greenpeace (2006). Contamination by Genetically Engineered Papaya in Thailand. Report May 2006:  <a href="http://www.greenpeace.org/international/Global/international/planet-2/report/2006/6/GEpapayaThailand.pdf">http://www.greenpeace.org/international/Global/international/planet-2/report/2006/6/GEpapayaThailand.pdf</a>.</li> <li>• Liyanage, K. K. (2008). Can rubber tree be genetically modified? Bulletin of the Rubber Research Institute of Sri Lanka, (2008) 49, 59-65.</li> <li>• Norwati, A. et al. (2011). Development of Transgenic Teak (<i>Tectona grandis</i>) Expressing a cry1Ab Gene for Control of the Skeletoniser. <i>AsPac J. Mol. Biol. Biotechnol.</i> Vol. 19 (4), 2011</li> <li>• Schönweger, O., Heinemann, A., Epprecht, M., Lu, J., Thalongsechanh, P. (2012). Concessions and Leases in the Lao PDR – Taking Stock of Land Investments. <i>Geographica Bernensia</i>:  <a href="http://www.cde.unibe.ch/v1/CDE/pdf/Concessions-Leases-LaoPDR_2012.pdf">www.cde.unibe.ch/v1/CDE/pdf/Concessions-Leases-LaoPDR_2012.pdf</a></li> <li>• SGS Qualifor (2012). FSC forest management certification report of Oji Laos Plantation Forest Company Limited (LPFL). 22 August 2012</li> </ul>		<p>The National Biosafety Framework introduced an "Advance Informed Agreement" procedure, which applies to the first intentional transboundary movement of living modified organisms for intentional introduction into the environment (Article 1.2.4). The purpose of this procedure is to ensure that Laos has both the opportunity and the capacity to assess risks that may be associated with living modified organisms before agreeing to their import.</p> <p>The principles, regulations, and measures on management and monitoring of biotechnology safety to ensure safety in research, development, handling, movement, and the use of GMOs in Laos are stipulated in the Biotechnology Safety Law No. 17/NA 2013 (promulgated by the President of the Lao People's Democratic Republic on 28 January 2014).</p> <p>According to the law, biotechnology safety shall guarantee the limitation and reduction of risks caused by GMOs to the life and health of human beings, animals, plants, the environment, and socio-economic development according to the results of biotechnological, science-based risk analysis (Article 2).</p> <p>The Ministry of Science and Technology, provincial and district departments and offices of Science and Technology are entrusted to control biotechnology safety (Article 61).</p> <p>The Ministry of Science and Technology has the following rights and duties: stipulating the law and regulations, technical instructions, plans and management, and monitoring projects in detail; organisationally implementing such management and monitoring; granting permission to, or withdrawing permission, from any organisational service operation concerning biotechnologies and GMOs; and collaborating with concerned parties that are entitled to modify, pause, move or abolish any activity causing adverse impacts on biodiversity from the use of biotechnologies and GMOs (Article 62).</p> <p>The Minister of the Ministry of Science and Technology serves as President of the National Committee for Technical Biotechnology Safety, which maintains a Technical Coordination Committee as its secretariat at the Ministry of Science and Technology. <u>The National Committee for</u></p>
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	<ul style="list-style-type: none"> <li>• Shi, W. (2008). Rubber boom in Luang Namtha: A transnational perspective. GTZ Report: <a href="http://lad.nafri.org.la/fulltext/2072-0.pdf">http://lad.nafri.org.la/fulltext/2072-0.pdf</a></li> <li>• Sundara, S. (2015) Biotechnology and Biosafety for Sustainable Development in Lao PDR. Presentation in BIO MALAYSIA 2015, Asean Bioeconomy Conference 17-19 August, 2015 <a href="http://www.biomalaysia.com.my/speakerssliders/.../2HE%20Dr%20Sundara%20LAOS.pdf">www.biomalaysia.com.my/speakerssliders/.../2HE%20Dr%20Sundara%20LAOS.pdf</a></li> <li>• Smith, H. (2014). Legal issues and legality barriers for smallholder plantation owners in Lao PDR, presentation published by ACIAR: <a href="http://www.illegal-logging.info/sites/default/files/Hilary%20Smith%20Presentation.pdf">http://www.illegal-logging.info/sites/default/files/Hilary%20Smith%20Presentation.pdf</a></li> <li>• Thailand's GMO experiment. Part II / The Phuket News, 10 June 2014: <a href="http://www.thephuketnews.com/thailands-gmo-experiment-part-2-46788.php">http://www.thephuketnews.com/thailands-gmo-experiment-part-2-46788.php</a></li> <li>• World Bank (2010). Sanitary and phytosanitary measures: enhancing agro-food trade in the Lao PDR. Trade development briefing note : issue no. 3. Washington, DC: World Bank: <a href="http://documents.worldbank.org/curated/en/567731468047118644/Sanitary-and-phytosanitary-measures-enhancing-agro-food-trade-in-the-Lao-PDR">http://documents.worldbank.org/curated/en/567731468047118644/Sanitary-and-phytosanitary-measures-enhancing-agro-food-trade-in-the-Lao-PDR</a></li> </ul>	<p><u>Biotechnology Safety is responsible for considering applications and proposing approval or cancellation concessions, importation, exportation, transportation across borders, contained uses, environmental release, and marketing of GMOs (Article 54-58).</u></p> <p>Individual legal entities or organisations whose objective is to operate businesses associated with GMOs shall submit a handling request to the National Committee for Biotechnology Safety for consideration (Article 27 on handling requests and risk analysis).</p> <p>The Technical Coordination Committee assesses risk, and reports the results to the National Committee for Biotechnology Safety (Article 34). Recommendations on risks specify whether risks are acceptable or manageable, and stipulate risk management measures if necessary (Articles 30 and 60).</p> <p>After receiving a risk assessment report, the National Committee for Biotechnology Safety makes the final decision, then issues notice of the result (approval or rejection) to the applicant, records the application's status, and registers GMOs or management activities (Article 36).</p> <p>The National Committee for Biotechnology Safety monitors concessionaires who operate businesses associated with GMOs and collects updated information (Article 38).</p> <p>All activities related to research, development, services, and usage of biotechnologies and GMOs shall be monitored through both scheduled and unplanned inspections (Article 66-68).</p> <p>Public access to information regarding GMOs or products made from GMOs is facilitated by the Committee for Biotechnology Safety Administration (including The establishment of a biosafety clearing house) (Article 57).</p> <p>Besides that, seedlings are subject to import-export approval or certification from relevant government agencies prior to the import/export in order to comply with the national laws and international treaties that the Lao PDR is a party to; to ensure the safety of use; to inspect the quality and standards;</p>
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		<p>and to prevent epidemic disease (Notification No. 1376/MOIC.DIMEX 2006, Part II.).</p> <p>There is a range of tree plantations in Laos, mostly under monoculture production of cash crop trees: rubber, eucalyptus, acacia, teak, agar wood etc.</p> <p>According to official data, over 700,000 ha of concessions for rubber and eucalyptus plantations have already been granted, and the cumulative plantation area reached 406,000 ha by the 2012-13 Lao Fiscal Year, of which rubber trees (<i>Hevea brasiliensis</i> for latex extraction) accounted for 79%, and eucalyptus (<i>Eucalyptus</i> spp. for pulp and sawn wood) for 14%. Of the remaining 7%, teak (<i>Tectona grandis</i>) is the most important species. Teak is a traditional species for small-scale plantation by farmers secondarily to their farming land. There is no accurate information to determine the area of current teak plantations, but it is assumed that the current statistics on teak plantations are underestimated; the area of unregistered teak plantations is thought to be significant (Forest Sector Performance indicators, 2014).</p> <p>Currently no authorised GM plants are cultivated in Laos, and there is no evidence of cultivation of transgenic varieties of considered tree species in Laos nor in neighbouring countries (see, for instance, Biosafety Scanner).</p> <p>For example, the FSC forest management assessment of LPFL, the company which holds the biggest plantation of eucalyptus and acacia in Laos (22,231 ha), confirmed that LPFL does not use genetically modified trees (SGS Qualifor, 2012).</p> <p>Lao authorities believe that there have been no cases of import of GMOs for the purpose of intentional release into the environment. According to the Lao Third National Report on the implementation of the Cartagena Protocol on Biosafety, dated 31 October 2015:</p> <ul style="list-style-type: none"> <li>• The Lao authorities have never received an application/notification regarding intentional transboundary movement of living modified organisms for intentional introduction into the environment;</li> </ul>
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			<ul style="list-style-type: none"> <li>• No decisions have been taken on applications/notifications regarding international transboundary movements of living modified organisms for intentional introduction into the environment; and</li> <li>• The Lao authorities have never received information concerning occurrences that led, or may have led, to unintentional transboundary movement of living modified organisms.</li> </ul> <p>All countries which neighbour Laos are parties to the Cartagena Protocol on Biosafety, and accordingly must report regularly on measures taken to implement the Protocol. According to their reports lodged with the Biosafety Clearing House (set up by the Cartagena Protocol on Biosafety to facilitate the exchange of information on Living Modified Organisms), no decisions have been taken on release of transgenic trees into the environment for commercial use or trial since 2002, when China's State Forestry Administration approved GM poplar trees for commercial use.</p> <p><b>Assessment of the system for controlling the use of GMO</b> Laos is among the least developed country, and is not capable of developing any GMO in the near future, but is very likely to be a user of some unauthorised GM agriculture crops (Banpot, 2010).</p> <p>According to the Lao Third National Report on the implementation of the Cartagena Protocol on Biosafety, dated 31 October 2015, Lao authorities believe that the country has the capacity to detect, identify, and assess and/or monitor living modified organisms, but this confidence is not well-supported by the evidence.</p> <p>The National Committee for Biotechnology Safety, and the Technical Coordination Committee are yet to be established.</p> <p>Sub-regulations to support the implementation of the Biotechnology Safety Law, including environmental release and contained use, are currently in the drafting process (Sundara, 2015). The legal mechanism for taking decisions regarding the first intentional movement of living modified organisms for intentional introduction into the environment remains unclear.</p> <p>In the Third National Report on the implementation of the Cartagena Protocol on Biosafety (2015), the Lao authorities admit that:</p>
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		<p>land leases and concessions granted up to that point. As was shown by the concession inventory conducted in Vientiane Province in 2008-9, in some cases only one type of project document, such as an investment licence, agreement, or contract, was available at the provincial and district levels, and for some, no documents at all were available or shared. Information about the implementation status and progress of projects was almost never available (CRILNR (NLMA), 2009). According to Smith (2014), only about 10% of smallholder teak plantations are registered, as most of the growers do not see the benefits of getting plantation registration certificates (regulations are overly complex, with numerous steps and associated costs).</p> <p>State control over circulation of tree seeds and seedlings, especially among smallholding plantations, is weak. For example, in Luang Namtha, where most rubber plantations are cultivated by smallholders, seedling variety and sources are largely unknown and unchecked among said smallholders (Shi, 2008).</p> <p>Cases demonstrate that, so far, no functioning monitoring system exists, and in case of the unauthorised release of GM trees, the possibility of locating plantations through official documents is limited to say the least.</p> <p>Apparently the situation with the introduction of GM plants (including trees) in Laos will depend largely on decisions made on GMO release by neighbouring countries (Vietnam, China, Thailand), which are the biggest investors in the Lao tree plantation sector (Schönweger et al., 2013).</p> <p>As of 2016, Laos' neighbouring countries do not use transgenic trees (except for commercial use of insect-resistant poplars in China), but Vietnam and China are encouraging the application of biotechnology for agriculture production, and modern biotechnology development is advancing rapidly (Banpot, 2010).</p> <p>It is highly plausible that these countries would be interested in utilising GM trees with the intention of increasing the productivity of existing tree stock.</p> <p>For example, the Forest Research Institute of Malaysia is directing efforts to produce a transgenic insect-resistant teak (Norwati et. al. 2011).</p>
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			<p>In 2014, the Department of International Commerce of the Commerce Ministry, and Chulalongkorn Laboratory of Plant Transgenic Technology, performed a study on 96 papaya and 167 corn samples nationwide, finding 16 GMO papaya and 14 GMO corn samples. The last few decades of GMO trial and error in Thailand make clear that contamination is uncontrollable (The Phuket News, 2014).</p> <p>Additionally, Vietnamese farmers currently cultivate unauthorised GM soybean and cotton crops (Banpot, 2010).</p> <p>These cases exemplify that regulations on biotechnology safety in countries bordering Laos are hardly enforced, and the risk of unauthorised release and use of GM plants is significant.</p> <p>The 2009 World Bank report “Lao PDR Sanitary and Phytosanitary Measures: Enhancing Trade, Food Safety and Agricultural Health” expressed concern that Lao state agencies lack the facilities, equipment and human resources to adequately perform viable sanitary and phytosanitary inspections – border controls are virtually just checkpoints for documents which do not constitute a bar to the transfer of unauthorised seeds and seedlings.</p> <p>In spite of this, the current risk of GM trees in Laos is considered low, although fast-moving development in neighbouring countries could reverse this assessment in the future.</p>
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	<b>GMO Context Question</b>	<b>Answer</b>	<b>Sources of Information (list sources if different types of information, such as reports, laws, regulations, articles, web pages news articles etc.).</b>
1	Is there any legislation covering GMO (trees)?	Yes	Law No. 017/NA on Biotechnology Safety, 18 December 2013
2	Does applicable legislation for the area under assessment include a ban for commercial use of GMO (trees)?	No	Law No. 017/NA on Biotechnology Safety, 18 December 2013

3	Is there evidence of unauthorized use of GM trees?	No	<ul style="list-style-type: none"> <li>• <a href="#">Third National Report on the implementation of the Cartagena Protocol on Biosafety, Lao PDR, 31 October 2015</a></li> <li>• Biosafety scanner <a href="http://en.biosafetyscanner.org/index.php">http://en.biosafetyscanner.org/index.php</a></li> </ul>
4	Is there any commercial use of GM trees in the country or region?	Commercial use of transgenic insect-resistant poplar in China	<ul style="list-style-type: none"> <li>• Biosafety scanner <a href="http://en.biosafetyscanner.org/index.php">http://en.biosafetyscanner.org/index.php</a></li> </ul>
5	Are there any trials of GM trees in the country or region?	Confined field trial of transgenic Hevea brasiliensis modified to express Human Protamine 1 for research and development purpose in Malaysia	Biosafety Cleaning House: country profiles, decisions, reports <a href="https://bch.cbd.int/">https://bch.cbd.int/</a>
6	Are licenses required for commercial use of GM trees?	Yes	Law No. 017/NA on Biotechnology Safety, 18 December 2013
7	Are there any licenses issued for GM trees relevant for the area under assessment? (If so, in what regions, for what species and to which entities?)	No	<ul style="list-style-type: none"> <li>• <a href="#">Third National Report on the implementation of the Cartagena Protocol on Biosafety, Lao PDR, 31 October 2015</a></li> </ul>
8	What GM 'species' are used?	No evidence that GM trees are used	
9	Can it be clearly determined in which MUs the GM trees are used?	No evidence that GM trees are used	

### Recommended control measures

N/A